



## **Presentation to the Financial Community**

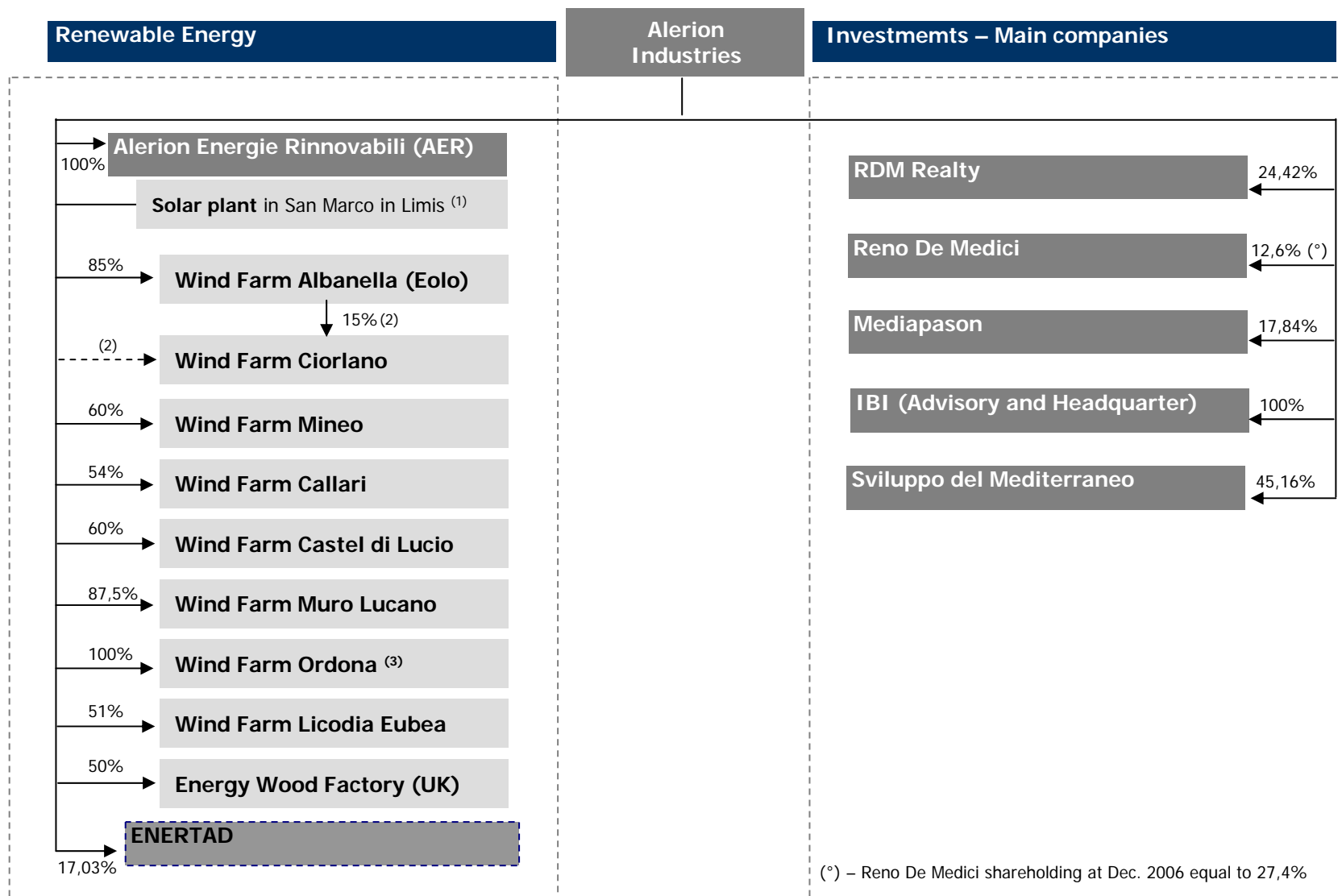
Milan, 30<sup>th</sup> March 2007

# Agenda

- 1. Overview**
- 2. 2006 Results**
- 3. Strategy Plan**

# Overview

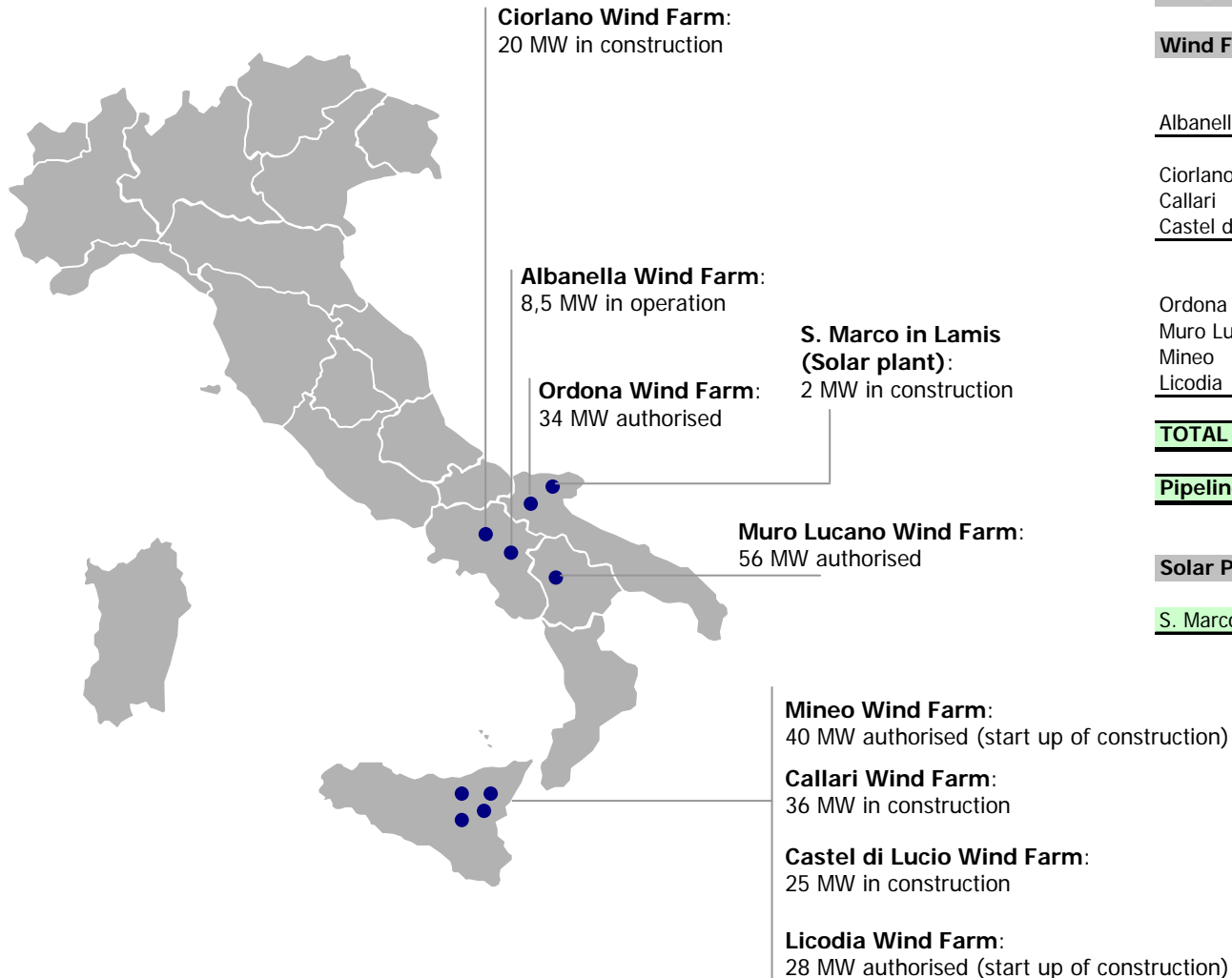
## Group Structure as of March 2007 (direct and indirect holdings)



(1) – Included in AER; (2) Option to acquire majority; (3) Acquired in March 2007

# Overview

## RENEWABLE ENERGY – Alerion Energie Rinnovabili



### PRESENT PORTFOLIO

Wind Farms	Status	MW
Albanella	<i>Operating</i>	<b>8,5</b>
Ciorlano	<i>In construction</i>	20
Callari	<i>In construction</i>	36
Castel di Lucio	<i>In construction</i>	25
		<b>81</b>
Ortona	<i>Authorised</i>	34
Muro Lucano	<i>Authorised</i>	56
Mineo	<i>Authorised</i>	40
Licodia	<i>Authorised</i>	28
		<b>158</b>
<b>TOTAL WIND FARMS</b>		<b>247,5</b>

**Pipeline of projects under development** **300**

Solar Plant	Status	MW
S. Marco in Lamis	<i>In construction</i>	<b>2</b>

# Overview

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## Agreement with Erg

In October 2006, Erg S.p.A. and Alerion have reached an agreement on renewable energy activities:

### **Enertad**

- In October 2006 Erg S.p.A. has acquired 50,3% of the sharecapital of Enertad S.p.A., signing a shareholding agreement with Alerion (17,03% shareholding of Enertad)
- Erg has bought from Alerion an option to purchase Alerion's shareholding in Enertad at a price of €3,1 per share (exercise period July-December 2007). Price paid for this option has been €0,7 per share (€11,3 million)
- Alerion will guarantee Erg on TAD Fin S.p.A. and Fintad S.A. (previous Enertad majority shareholders) winding up procedure and on potential liabilities arising from the Steel and WTE businesses sales completed by Enertad in 2006. Remuneration paid from Erg to Alerion for those guarantees has been equal to €5,5 million (cash in 2006)

### **Other wind projects**

- Erg will buy from Alerion a wind authorized capacity in the range of 40-60 MW for approximately €25-30 million

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# Consolidated Profit & Loss Account

€'million	2006	2005
<b>Revenues</b>	<b>(2,5)</b>	<b>4,0</b>
- Revenues on investments	(5,4)	(2,2)
- Revenues on real estate activities	0,5	1,2
- Consultancy	1,3	4,0
- Other revenues	1,1	1,0
<b>Operating costs</b>	<b>(8,7)</b>	<b>(8,3)</b>
- Personnel costs	(3,3)	(3,5)
- Other operating costs	(5,4)	(4,8)
<b>Depreciation and amortization</b>	<b>(0,2)</b>	<b>(0,2)</b>
<b>EBIT</b>	<b>(11,4)</b>	<b>(4,5)</b>
Financial income/(cost)	(0,1)	0,5
<b>EBT</b>	<b>(11,5)</b>	<b>(4,0)</b>
Taxes	(1,6)	(0,9)
Net result of activities to be sold	(0,4)	0,0
<b>Net Result</b>	<b>(13,5)</b>	<b>(4,9)</b>
Minorities	0,2	0,0
<b>Group Result</b>	<b>(13,3)</b>	<b>(4,9)</b>

# Consolidated Profit & Loss Account – Pro Forma

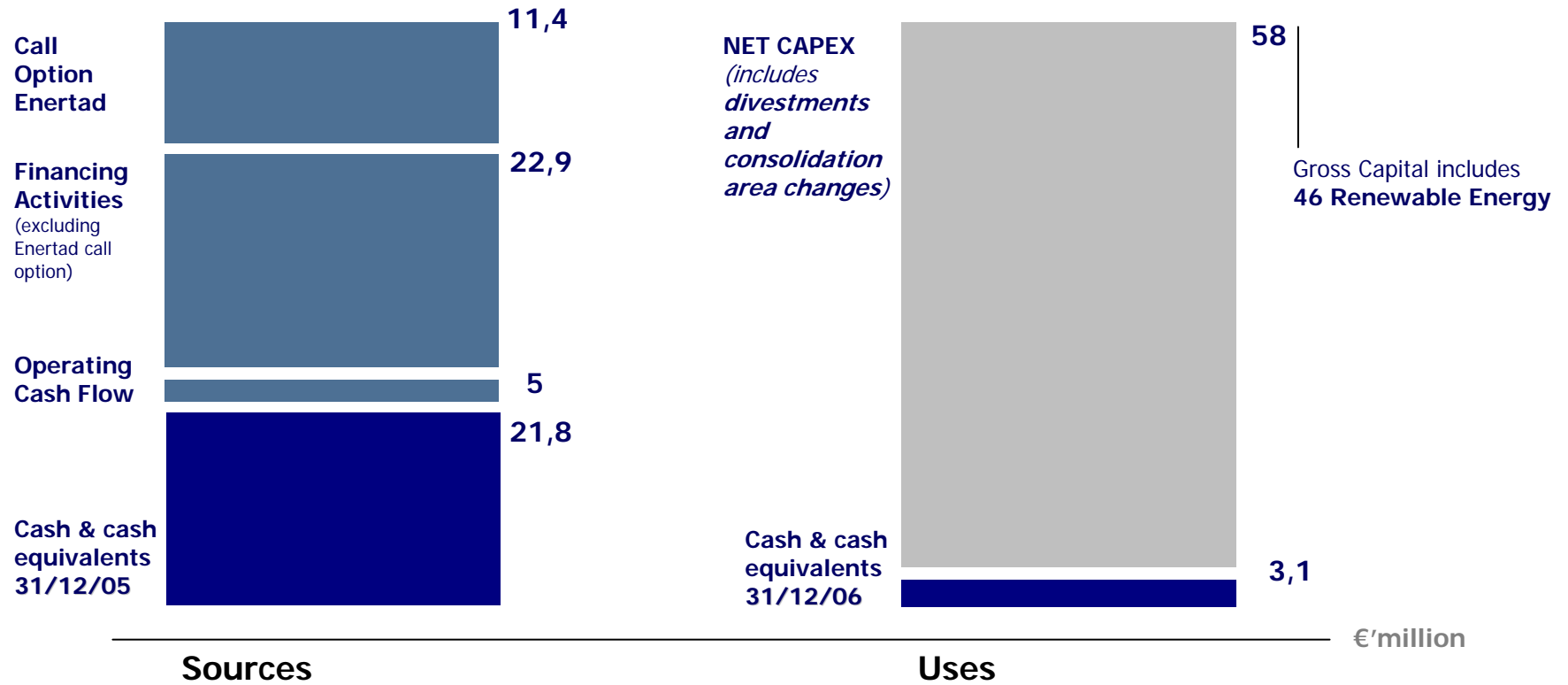
## Pro Forma effects of transactions started/completed in 2006

<b>2006 Group Result</b>	<i>€ million</i>	<b>(13,3)</b>	
Enertad call option		11,3	<b>Completed</b>
Capital gain on sale of 14,5% of Reno De Medici		9,6	<b>Completed</b>
Capital gain on sale of wind farms to ERG		10-20	<i>Completion expected in 1°Half 2007</i>
Capital gain on sale of Enertad shares <i>(dependent on ERG's option exercise)</i>		6	<i>Completion expected by end 2007</i>
<b>Pro forma Group Result</b>		<b>23,6 – 33,6</b>	

# Consolidated Net Invested Capital

€'million	2006	2005
<b>Assets - Renewable Energy</b>	<b>46,9</b>	<b>1,3</b>
<i>Enertad</i>	<i>59,0</i>	<i>46,8</i>
<i>Reno De Medici</i>	<i>31,8</i>	<i>39,6</i>
<i>RDM Realty</i>	<i>19,9</i>	<i>0,0</i>
<b>Investments in listed companies</b>	<b>110,7</b>	<b>86,4</b>
<i>Sviluppo del Mediterraneo</i>	<i>5,7</i>	<i>6,4</i>
<i>Mediapason</i>	<i>9,0</i>	<i>9,0</i>
<i>Other investments</i>	<i>6,8</i>	<i>7,2</i>
<b>Investments in non listed companies</b>	<b>21,5</b>	<b>22,6</b>
Other tangible and intangible assets	4,2	4,3
<b>Fixed Assets</b>	<b>183,3</b>	<b>114,6</b>
Head Quarter building and other RE assets	23,6	23,9
<b>Real estate assets</b>	<b>23,6</b>	<b>23,9</b>
Other assets and liabilities	(23,3)	(4,1)
<b>Net Invested Capital</b>	<b>183,6</b>	<b>134,4</b>
Third party interest	1,2	0,0
Group equity	147,5	152,0
<b>Total Net Equity</b>	<b>148,7</b>	<b>152,0</b>
<b>Net Financial Position</b>	<b>34,9</b>	<b>(17,6)</b>
<b>Net Financial Resources</b>	<b>183,6</b>	<b>134,4</b>

# Consolidated Cash Flow



# Consolidated Net Financial Position – Pro Forma

## Pro Forma effects of transactions started/completed in 2006

<b>2006 Net Financial Position</b>	€ million	<b>- 34,9</b>	
Unwind call option Enertad (fair value as of 31.12.06)		11,4	
<b>2006 Net Financial Position</b>		<b>- 23,5</b>	
Sale of 14,5% of Reno De Medici		26,8	<b>Completed</b>
Sale of wind farms to ERG		25-30	<i>Completion expected by 1° Half 2007</i>
Sale of Enertad shareholding (dependent on ERG's option exercise)		50	<i>Completion expected by end 2007</i>
<b>Pro forma Net Financial Position</b>		<b>78,3 – 83,3</b>	

# Agenda

1. Overview
2. 2006 Results
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# Alerion (holding system): Current situation – March 2007

## Renewable Energy

### Renewable Program

#### Present Portfolio

##### Wind

8,5 MW - Operating

81 MW - In construction

158 MW - Authorised

247,5 MW

##### Solar

2 MW - In construction

#### Development

Over 300 MW under development to integrate present authorised portfolio

Alerion direct investments as of March 2007:  
**€ 45 million**

Target installed capacity by 2010:  
**over 300 MW**

#### Agreement with ERG

Enertad (17% shareholding) **€50 million** (ERG call option strike price)

Sale of wind farm **€25-30 million** (contract price)

TOTAL:

**€ 120-125 million**

## Investments

(€'000) - rounded

**Reno De Medici (12,6%)** **14** NBV as of 31 Dec. 2006  
(after sale 40 million share in March 2007)

**Realty (24,42%)** **20** NBV as of 31 Dec. 2006

**Real Estate** **23** NBV as of 31 Dec. 2006  
(3000 sqm - Headquarter in Milan, via Durini)  
(around €7.000/sqm)

**Sviluppo del Mediterraneo** **6** NBV as of 31 Dec. 2006

**Mediapason** **9** NBV as of 31 Dec. 2006

**Other main investments** **4**

TOTAL:

**€ 76 million**

**Alerion (holding system) Net Financial Position after Reno De Medici 14,5% sale  $\simeq$  0**

# Renewables: targets of the Group

## Wind

### Authorised

8,5 MW already in operation  
 81 MW in construction  
 158 MW authorised

Total

247,5 MW

MW to be sold  
 to ERG

50 MW (\*)

Installed  
 Capacity  
 in 2010

197,5 MW

### Development

300 MW at various stages of  
 authorization

300 MW

34%  
 realization  
 rate in  
 planning  
 period

Installed  
 Capacity  
 in 2010

102,5 MW

TARGET  
 INSTALLED  
 CAPACITY  
 IN 2010

300 MW

## Solar

2 MW in construction

Development:

Exploit synergies with real estate activities in logistics & leisure

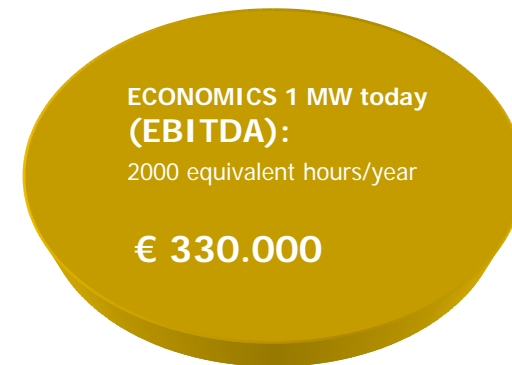
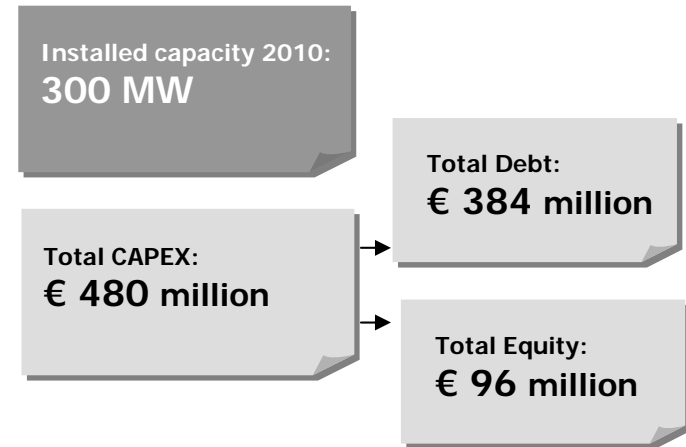
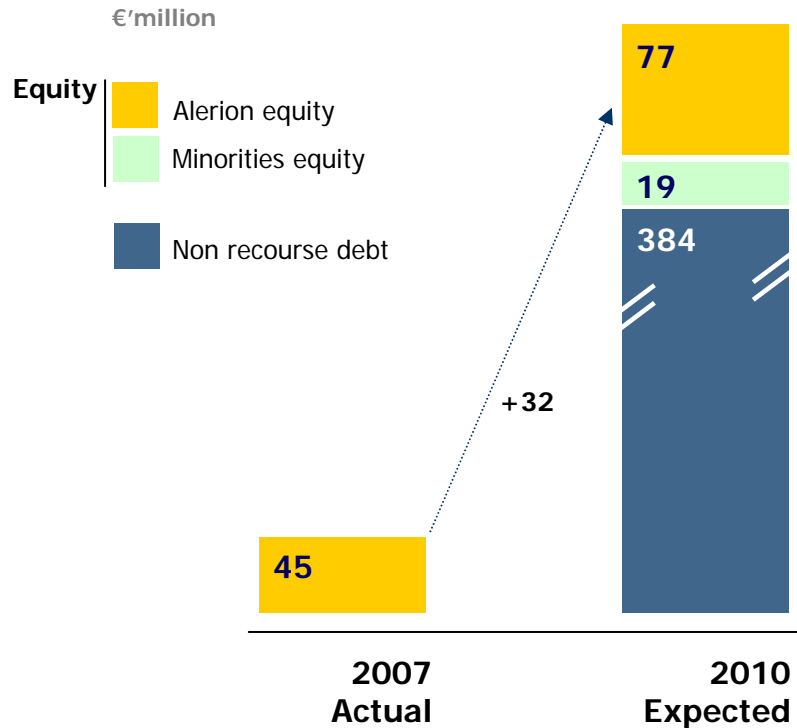
TARGET INSTALLED  
 CAPACITY IN 2010

20 MW

(\*) – Agreement with Erg to sell a wind installed capacity between 40MW and 60 MW

# Wind: targets of the Group

## Financing Plan

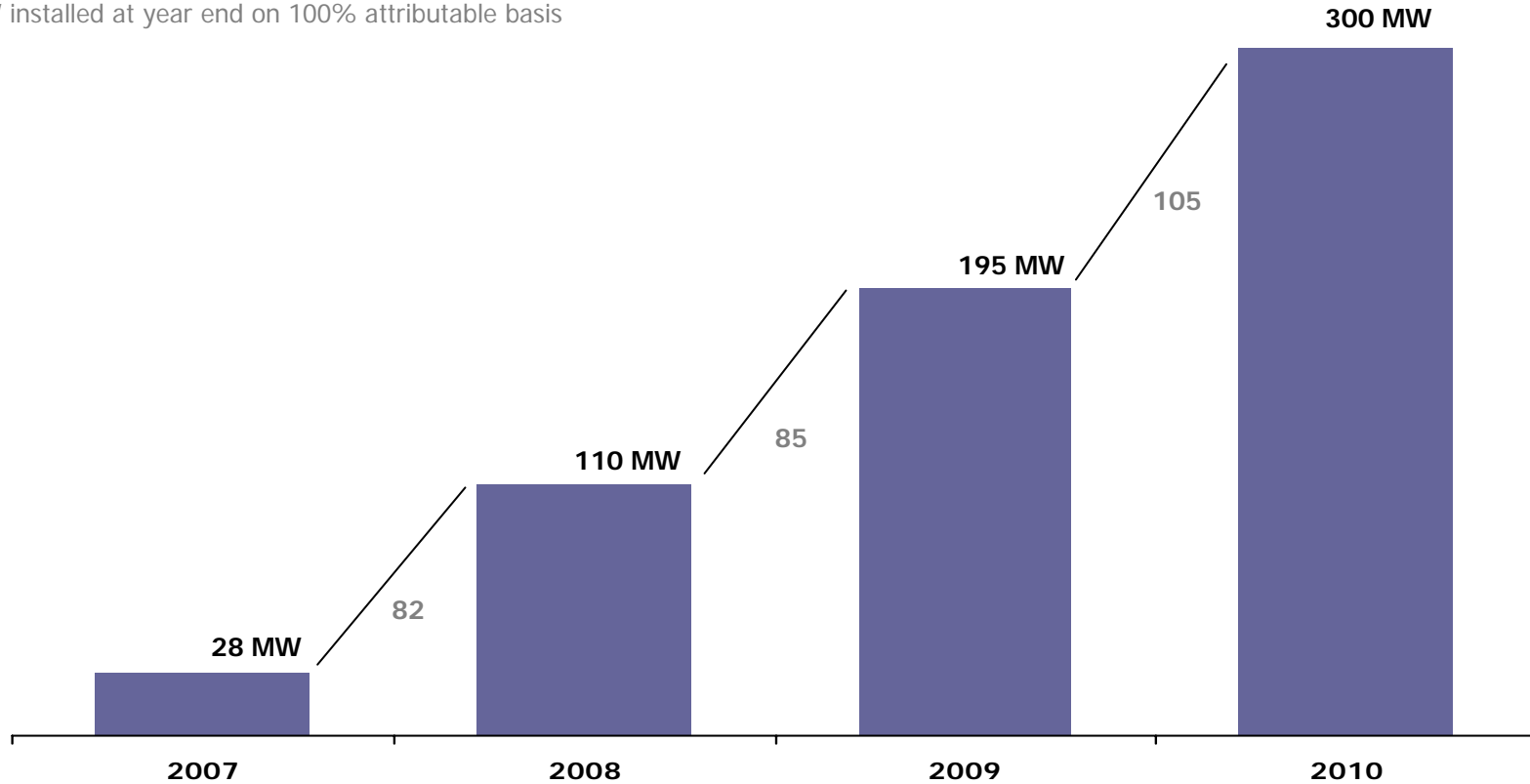


- CAPEX in Wind sector will be financed by Project Financing with an average leverage D/E equal to 80/20
- Financing plan based on average projects control basis of 80%: Alerion equity equal to €77 million
- Current equity infusion is already a significant portion of total equity necessary for development plan

# Wind: targets of the Group

## WIND INSTALLED CAPACITY

MW installed at year end on 100% attributable basis



Further growth will come from investments in other technologies and markets

# Strategic Guidelines – Business Portfolio



- **Rationalize Business Portfolio**
- **Invest throughout Renewable Energy Value Chain**
  - Electricity Production
  - Biofuels



## Renewable Energy Production

- Be in the top five national operators in renewable energy sector
- Wind: reach a target capacity of 300 MW installed by 2010
- Solar: reach a target capacity of 20 MW installed by 2010



## Investment activities

- Invest in technologies and engineering



# Strategic Guidelines - Renewables

SHORT TERM

MID TERM

## Renewable energy production

- Focus on Wind Energy production
  - Portfolio diversification
    - *Renewable sources*
    - *Geographical location*
    - *Regulatory regimes*
    - *Equipment and service providers*
- Build strong portfolio of wind farms in operation and in final construction phase
  - Selected investments in other renewable sources
- Consolidate position in the Italian market
  - Diversify portfolio of wind farms across wind regions
  - Growth in other renewable sources

## Investment Activities

- RDM Realty
  - Sviluppo del Mediterraneo
- ### New Investments
- Technology resources
  - R&D
  - Engineering
- Logistics and leisure
  - Energy infrastructures and plants (Mediterranean Area)
  - Investments in other markets and technologies
  - Target financial remuneration on investments and industrial synergies with renewable energy

# Disclaimer

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- Moreover, forward looking statements are valid only at the date are made