

GME

GESTORE DEL MERCATO ELETTRICO

GME: significant performance in 2005

All data are updated as of 20 December 2005

As part of liberalisation of the electricity industry, GME (Gestore del Mercato Elettrico SpA) was assigned with the economic management of the Italian Power Exchange, i.e. the virtual "market-place" where every day (from 1 April 2004) producers and purchasers may sell and buy electricity. At the beginning 2005, the demand side was fully admitted to trading, while in the previous year it had been expressed by Gestore del Sistema Elettrico-GRTN. In the course of 2005, an average of 60 out of 90 Market Participants made transactions in IPEX (Italian Power Exchange). In the same period, the liquidity of the market (ratio of volumes traded in IPEX to overall volumes) stabilised at 63%; the electricity traded in the market organised by GME accounted for about 2/3 of

the overall electricity traded in the "Sistema Italia" in 2005. Thus, in terms of liquidity, IPEX ranks first among European voluntary power exchanges.

In particular, roughly 196 TWh (€12.5 billion) were traded in IPEX. In 2005, the average purchasing price (PUN – National Single Price) in the Day-Ahead Market (MGP) amounted to 63.88 €/MWh. In spite of world oil market tensions, the growth of the PUN from April to December vs. the same period of 2004¹ (+13%) was fairly moderate in comparison with the price increases recorded in other European exchanges (where, except for Nord Pool, prices were up by 70-90%).

In 2005, the average zonal selling price ranged from 61.13 €/MWh in central-northern Italy to 67.42 €/MWh in southern Italy.

In the Adjustment Market (MA), i.e. the market where the generating schedules resulting from the MGP may be revised, the average purchasing price in 2005 was equal to 62.56 €/MWh; 15 TWh (€ 0.6 billion) were traded in this market. ■

ABOUT THE ELECTRICITY MARKET

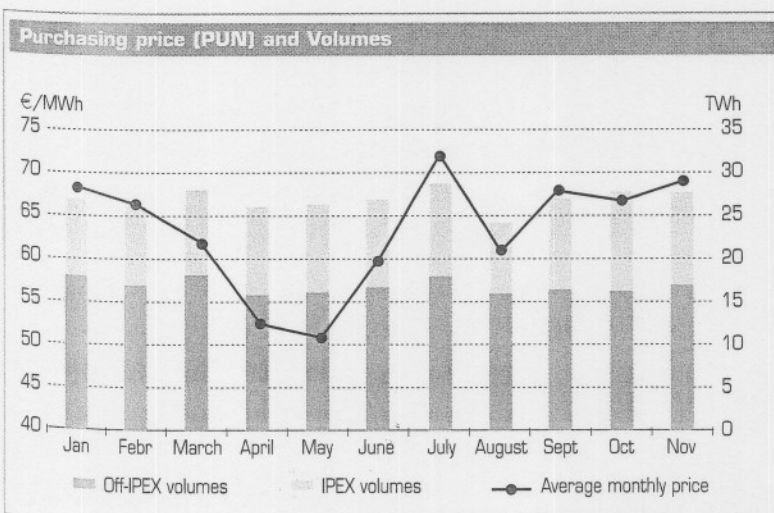
The Italian Electricity Market was created in accordance with Legislative Decree no. 79 of 16 March 1999 [Legislative Decree 79/99], which transposed the European Directive on the internal market in electricity (96/92/EC) into the national legislation.

On 31 December 2004, the Electricity Market was opened to the demand side, as set forth in the Ministerial Directive of 24 December 2004 (the so-called "active demand side"), thus enabling all interested



NOTE

¹ Trading in the Electricity Market started on 1 April 2004; this is the reason why the comparison was made between the period of April-December 2004 and the one of April-December 2005.



GME

GESTORE DEL MERCATO ELETTRICO

GME: significant performance in 2005

All data are updated as of 20 December 2005

As part of liberalisation of the electricity industry, GME (Gestore del Mercato Elettrico SpA) was assigned with the economic management of the Italian Power Exchange, i.e. the virtual "market-place" where every day (from 1 April 2004) producers and purchasers may sell and buy electricity. At the beginning 2005, the demand side was fully admitted to trading, while in the previous year it had been expressed by Gestore del Sistema Elettrico-GRTN. In the course of 2005, an average of 60 out of 90 Market Participants made transactions in IPEX (Italian Power Exchange). In the same period, the liquidity of the market (ratio of volumes traded in IPEX to overall volumes) stabilised at 63%; the electricity traded in the market organised by GME accounted for about 2/3 of

the overall electricity traded in the "Sistema Italia" in 2005. Thus, in terms of liquidity, IPEX ranks first among European voluntary power exchanges.

In particular, roughly 196 TWh (€12.5 billion) were traded in IPEX. In 2005, the average purchasing price (PUN – National Single Price) in the Day-Ahead Market (MGP) amounted to 63.88 €/MWh. In spite of world oil market tensions, the growth of the PUN from April to December vs. the same period of 2004¹ (+13%) was fairly moderate in comparison with the price increases recorded in other European exchanges (where, except for Nord Pool, prices were up by 70-90%).

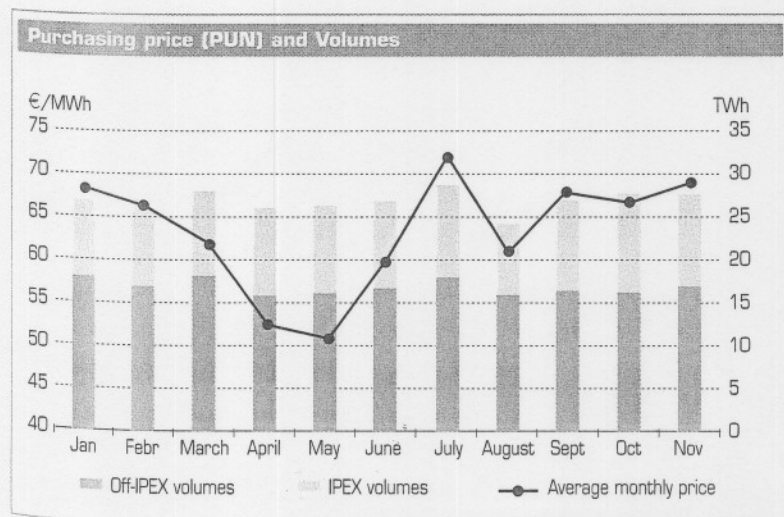
In 2005, the average zonal selling price ranged from 61.13 €/MWh in central-northern Italy to 67.42 €/MWh in southern Italy.

In the Adjustment Market (MA), i.e. the market where the generating schedules resulting from the MGP may be revised, the average purchasing price in 2005 was equal to 62.56 €/MWh; 15 TWh (€ 0.6 billion) were traded in this market. ■

ABOUT THE ELECTRICITY MARKET

The Italian Electricity Market was created in accordance with Legislative Decree no. 79 of 16 March 1999 (Legislative Decree 79/99), which transposed the European Directive on the internal market in electricity (96/92/EC) into the national legislation.

On 31 December 2004, the Electricity Market was opened to the demand side, as set forth in the Ministerial Directive of 24 December 2004 (the so-called "active demand side"), thus enabling all interested



NOTE

¹ Trading in the Electricity Market started on 1 April 2004; this is the reason why the comparison was made between the period of April-December 2004 and the one of April-December 2005.