

# EDISON FIRST HALF 2009 RESULTS

Milan - July 24<sup>th</sup>, 2009

- **Business environment**
  
- **First Half 2009 results:**
  - Electric power and hydrocarbons sources and uses
  - Consolidated financial highlights
  - Operating performance
  - Capital expenditures
  - Debt evolution

# MARKET REFERENCE SCENARIO

| FY 08 |                                      | 1Q 09        | 1Q 08 | Δ     | 2Q 09        | 2Q 08 | Δ     | 1H 09        | 1H 08 | Δ     |
|-------|--------------------------------------|--------------|-------|-------|--------------|-------|-------|--------------|-------|-------|
| 98.4  | ICE Brent swap (\$/bbl)              | <b>45.8</b>  | 96.5  | (53%) | <b>59.8</b>  | 123.0 | (51%) | <b>52.8</b>  | 109.7 | (52%) |
| 1.47  | Exchange rate (€/\$)                 | <b>1.30</b>  | 1.50  | (13%) | <b>1.36</b>  | 1.56  | (13%) | <b>1.33</b>  | 1.53  | (13%) |
| 66.9  | ICE Brent swap (€/bbl)               | <b>35.2</b>  | 64.3  | (45%) | <b>43.9</b>  | 78.7  | (44%) | <b>39.6</b>  | 71.7  | (45%) |
| <hr/> |                                      |              |       |       |              |       |       |              |       |       |
| 335.1 | Gas Release 2 * (€/000 scm)          | <b>357.0</b> | 273.5 | 31%   | <b>255.7</b> | 296.7 | (14%) | <b>306.4</b> | 285.1 | 7%    |
| 317.9 | Gas CCI D.134/06 AEEG (€/000 scm) ** | <b>360.0</b> | 275.9 | 30%   | <b>304.2</b> | 300.0 | 1%    | <b>332.1</b> | 288.0 | 15%   |
| <hr/> |                                      |              |       |       |              |       |       |              |       |       |
| 87.0  | PUN <sub>TWA</sub> (€/MWh)           | <b>76.5</b>  | 80.8  | (5%)  | <b>56.2</b>  | 81.4  | (31%) | <b>66.4</b>  | 81.1  | (18%) |
| 115.0 | PUN F1 (€/MWh)                       | <b>94.4</b>  | 104.6 | (10%) | <b>78.4</b>  | 111.1 | (29%) | <b>86.4</b>  | 107.8 | (20%) |
| 74.0  | PUN F2-F3 (€/MWh)                    | <b>68.2</b>  | 69.5  | (2%)  | <b>46.2</b>  | 67.9  | (32%) | <b>57.2</b>  | 68.7  | (17%) |
| 19.7  | Spark Spread <sub>TWA</sub> (€/MWh)  | <b>1.0</b>   | 20.7  | (95%) | <b>10.0</b>  | 23.3  | (57%) | <b>5.5</b>   | 22.0  | (75%) |
| 47.7  | Spark Spread F1 (€/MWh)              | <b>19.0</b>  | 44.6  | (57%) | <b>32.2</b>  | 53.0  | (39%) | <b>25.6</b>  | 48.8  | (48%) |
| 6.8   | Spark Spread F2-F3 (€/MWh)           | <b>(7.3)</b> | 9.5   | n.s.  | <b>0.0</b>   | 9.8   | n.s.  | <b>(3.7)</b> | 9.6   | n.s.  |
| 22.3  | CO <sub>2</sub> (€/ton)              | <b>11.5</b>  | 21.5  | (47%) | <b>13.9</b>  | 25.7  | (46%) | <b>12.7</b>  | 23.6  | (46%) |

\* At PSV of Snam Rete Gas

\*\* Updated according to D.192/08 and D.40/09.

Source: Edison

# ELECTRIC POWER AVAILABILITY MIX AND GAS DEMAND IN ITALY

## Electricity supply mix <sup>a)</sup> (TWh)

| FY 08  |                             | 1Q 09        | 1Q 08 | Δ       | 2Q 09        | 2Q 08 | Δ       | 1H 09        | 1H 08 | Δ                    |
|--------|-----------------------------|--------------|-------|---------|--------------|-------|---------|--------------|-------|----------------------|
| 260.2  | Thermoelectric production   | <b>56.5</b>  | 69.7  | (19.0%) | <b>48.0</b>  | 61.1  | (21.5%) | <b>104.5</b> | 130.9 | (20.1%)              |
| 45.5   | Hydroelectric production    | <b>11.7</b>  | 8.3   | 40.3%   | <b>17.2</b>  | 13.1  | 31.0%   | <b>28.9</b>  | 21.5  | 34.6%                |
| 12.2   | Other renewable production  | <b>3.4</b>   | 3.4   | (1.6%)  | <b>3.3</b>   | 3.2   | 3.2%    | <b>6.7</b>   | 6.7   | 0.7%                 |
| (12.4) | Auxiliary services of prod. | <b>(2.7)</b> | (3.3) | (15.8%) | <b>(2.7)</b> | (3.0) | (10.3%) | <b>(5.4)</b> | (6.2) | (13.2%)              |
| 305.5  | <b>Net production</b>       | <b>68.8</b>  | 78.2  | (12.0%) | <b>65.9</b>  | 74.5  | (11.6%) | <b>134.7</b> | 152.8 | (11.8%)              |
| 39.6   | Net import                  | <b>12.6</b>  | 10.4  | 21.1%   | <b>11.3</b>  | 10.1  | 12.2%   | <b>23.9</b>  | 20.5  | 16.7%                |
| (7.5)  | Pumping                     | <b>(1.5)</b> | (1.8) | (18.6%) | <b>(1.5)</b> | (1.9) | (22.5%) | <b>(2.9)</b> | (3.7) | (20.6%)              |
| 337.6  | <b>Total Sources</b>        | <b>79.9</b>  | 86.8  | (7.9%)  | <b>75.7</b>  | 82.7  | (8.4%)  | <b>155.7</b> | 169.5 | (8.2%) <sub>b)</sub> |

a) Gross of losses

b) (7.6%) on a seasonally adjusted basis

Source: Terna

## Gas demand <sup>c)</sup> (bcm)

| FY 08 |                              | 1Q 09       | 1Q 08 | Δ       | 2Q 09       | 2Q 08 | Δ       | 1H 09       | 1H 08 | Δ       |
|-------|------------------------------|-------------|-------|---------|-------------|-------|---------|-------------|-------|---------|
| 30.1  | Services & residential users | <b>15.1</b> | 13.9  | 8.5%    | <b>3.0</b>  | 3.6   | (15.5%) | <b>18.1</b> | 17.5  | 3.5%    |
| 18.4  | Industrial users             | <b>4.2</b>  | 5.4   | (20.9%) | <b>3.9</b>  | 4.8   | (19.4%) | <b>8.1</b>  | 10.2  | (20.4%) |
| 34.0  | Thermoelectric power plants  | <b>7.1</b>  | 9.0   | (21.6%) | <b>6.1</b>  | 8.1   | (23.3%) | <b>13.2</b> | 17.1  | (22.6%) |
| 0.7   | Transport and other          | <b>0.2</b>  | 0.2   | -       | <b>0.1</b>  | 0.1   | -       | <b>0.3</b>  | 0.3   | (0.1%)  |
| 83.2  | <b>Total demand</b>          | <b>26.5</b> | 28.5  | (6.6%)  | <b>13.2</b> | 16.6  | (20.2%) | <b>39.7</b> | 45.1  | (11.8%) |

c) net of system usage and leaks

Source: Ministry of Economic Development and Edison estimates

# EDISON ELECTRIC POWER OPERATIONS — TOTAL SOURCES AND USES

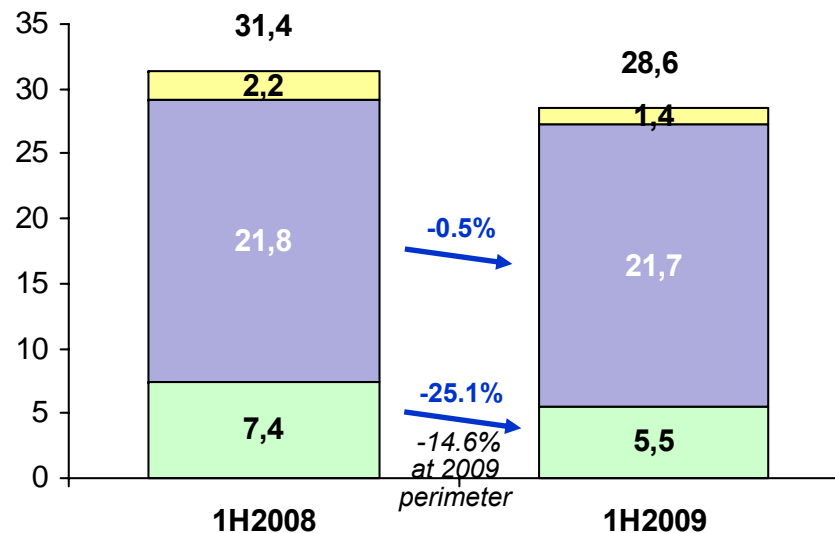
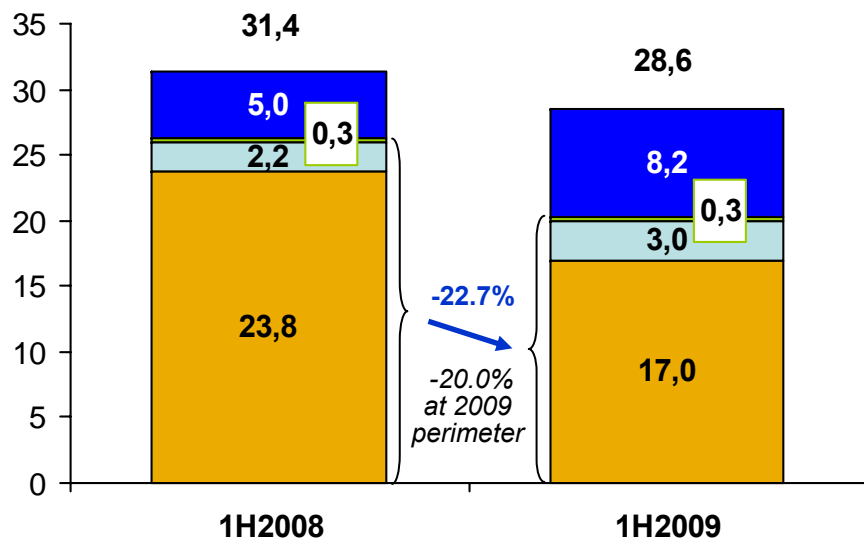
## Sources (TWh)

## Uses (TWh)

-8.8%

-14.4%

at 2009 perimeter, net of bidding

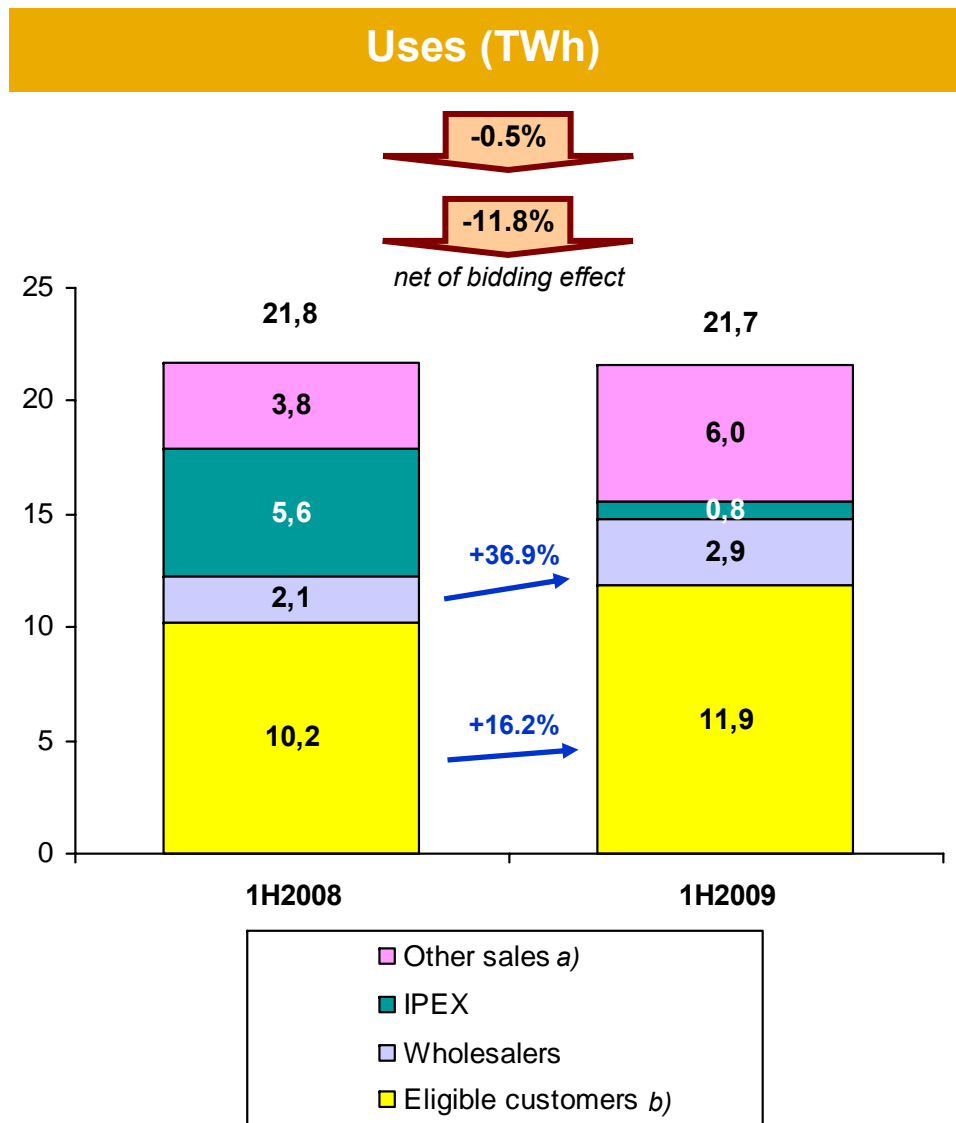


- Other purchases a)
- Wind production
- Hydroelectric production
- Thermolectric production

- Captive and other industrial customers
- Deregulated market a)
- CIP6

a) Gross of losses and excluding trading portfolio.

# EDISON ELECTRIC POWER OPERATIONS — USES ON FREE MARKET



a) Excluding trading portfolio.

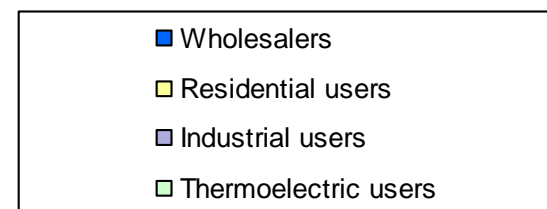
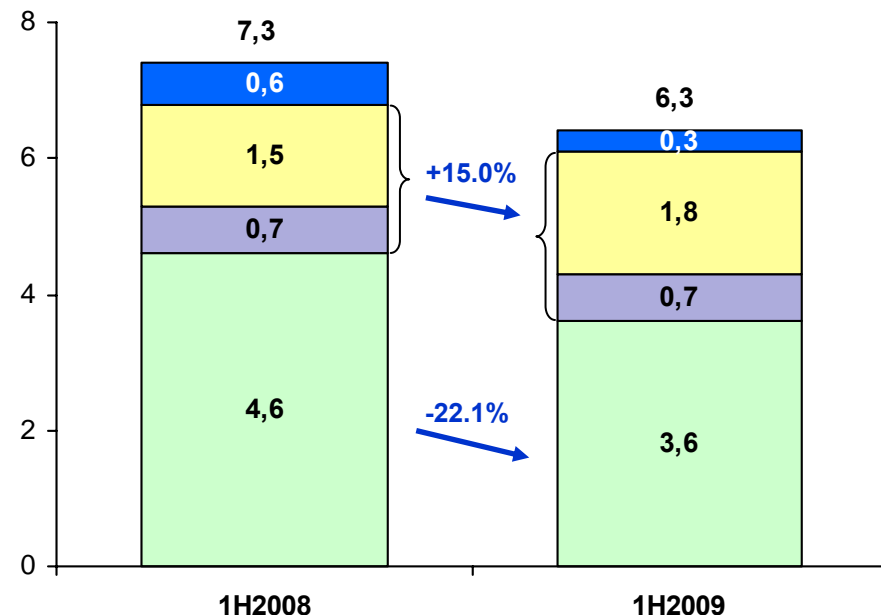
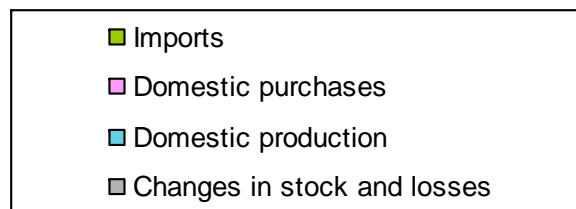
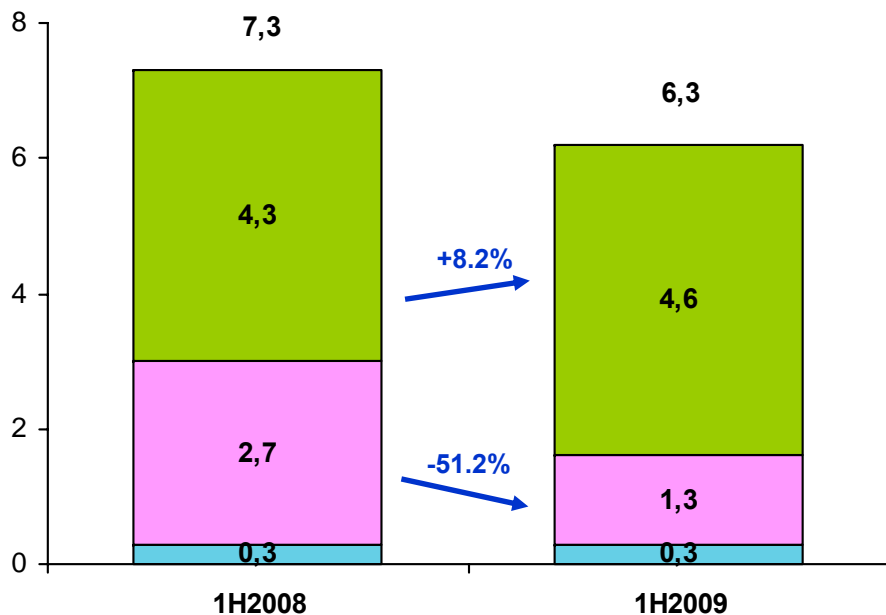
b) Gross of losses.

# EDISON GAS PORTFOLIO IN ITALY — SOURCES AND USES

## Sources (bcm)

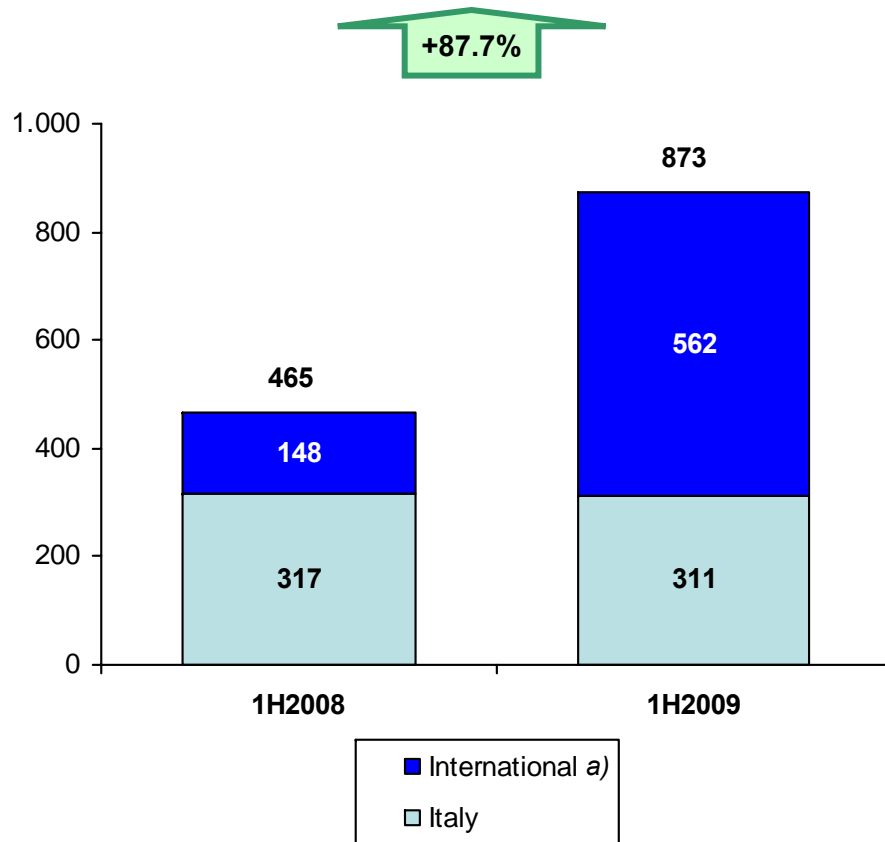
## Uses (bcm)

-14.3%

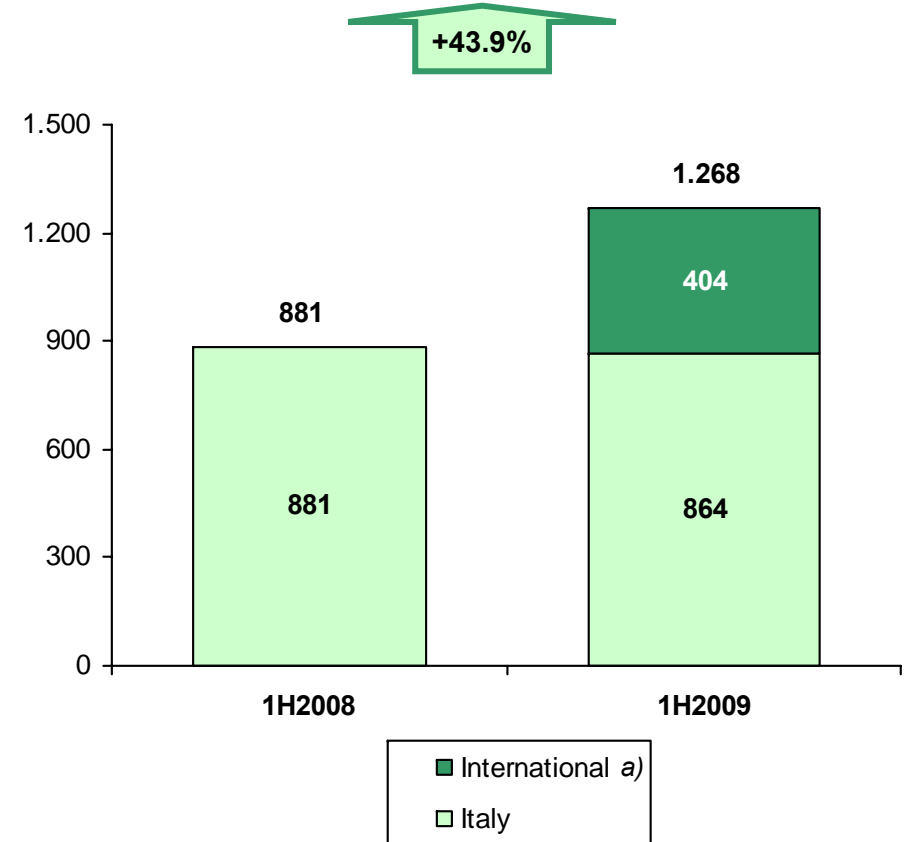


# EDISON GROUP E&P OPERATIONS

## Gas production (mcm)



## Oil production (Kbbl)



a) International productions include gross up volumes

# EDISON GROUP — CONSOLIDATED HIGHLIGHTS

| FY2008 (€ mln)                             | 1Q2009                     | 1Q2008 | ↓       | 2Q2009       | 2Q2008 | ↓       | 1H2009                     | 1H2008              | ↓       |
|--|----------------------------|--------|---------|--------------|--------|---------|----------------------------|---------------------|---------|
| 10,064 <b>Sales revenues</b> <sup>a)</sup> | <b>2,710</b>               | 2,449  | 10.7%   | <b>1,879</b> | 2,464  | (23.7%) | <b>4,589</b>               | 4,913               | (6.6%)  |
| 1,643 <b>EBITDA</b>                        | <b>295</b>                 | 307    | (3.9%)  | <b>437</b>   | 502    | (12.9%) | <b>732</b>                 | 809                 | (9.5%)  |
| 861 <b>EBIT</b>                            | <b>107</b>                 | 127    | (15.7%) | <b>247</b>   | 315    | (21.6%) | <b>354</b>                 | 442                 | (19.9%) |
| 730 <b>Profit before taxes</b>             | <b>71</b>                  | 97     | (26.8%) | <b>206</b>   | 240    | (14.2%) | <b>277</b>                 | 337                 | (17.8%) |
| 346 <b>Group net income</b>                | <b>35</b>                  | 52     | (32.7%) | <b>87</b>    | 50     | (74.0%) | <b>122</b>                 | 102                 | 19.6%   |
| 644 <b>Total CAPEX</b>                     | <b>1,173</b> <sup>b)</sup> | 91     |         | <b>214</b>   | 151    |         | <b>1,387</b>               | 242                 |         |
| 2,961 <b>Employees</b>                     |                            |        |         |              |        |         | <b>3,839</b> <sup>c)</sup> | 2,873 <sup>d)</sup> |         |
| <b>31.12.2008</b>                          |                            |        |         |              |        |         | <b>30.06.2009</b>          | <b>30.06.2008</b>   |         |
| 10,993 <b>Net invested capital</b>         |                            |        |         |              |        |         | <b>12,420</b>              | 10,779              |         |
| 2,920 <b>Net financial debt</b>            |                            |        |         |              |        |         | <b>4,355</b>               | 2,839               |         |
| 8,073 <b>Stockholders' equity</b>          |                            |        |         |              |        |         | <b>8,065</b>               | 7,940               |         |
| 7,909 <b>Of which Group's net interest</b> |                            |        |         |              |        |         | <b>7,907</b>               | 7,830               |         |
| 0.36 <b>Debt / Equity ratio</b>            |                            |        |         |              |        |         | <b>0.54</b>                | 0.36                |         |

a) Reclassified sales revenues: Trading activities accounted as net negotiation margin.

b) Includes the upfront payment for the acquisition of the Abu Qir concession (€ 1,011 mln).

c) Of which around 800 employees in Abu Qir operations.

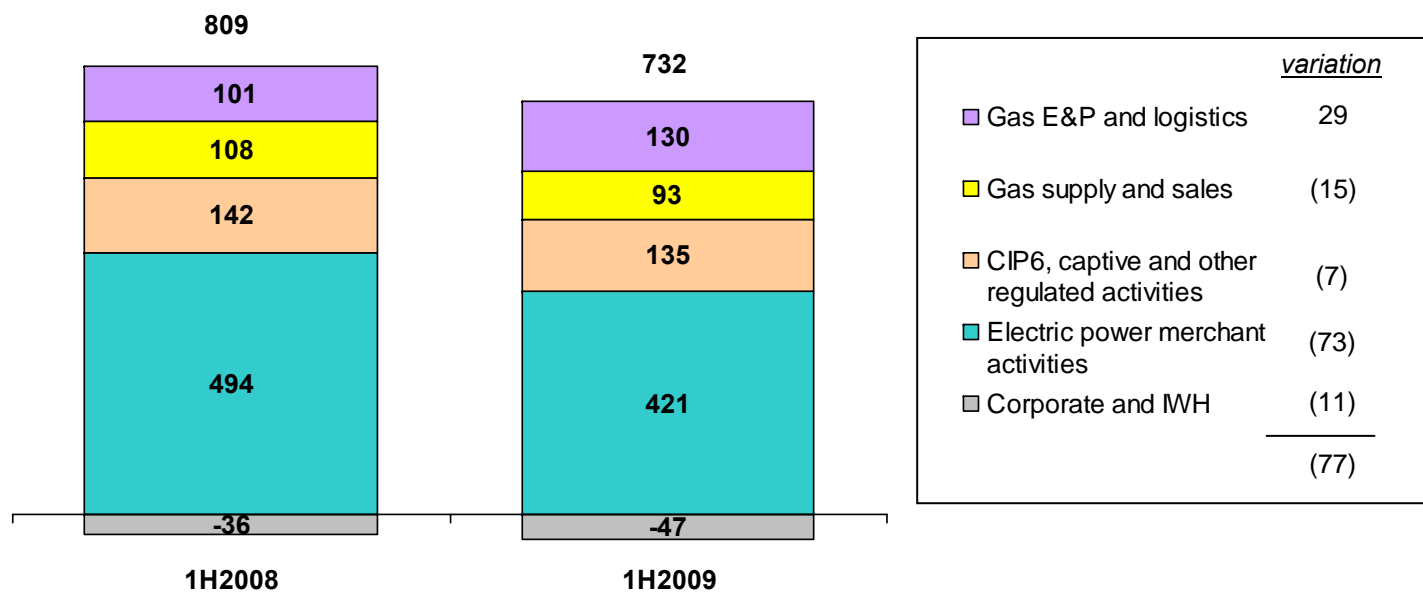
d) Does not include employees in water activity concessions.

# OPERATING PERFORMANCE IN THE FIRST HALF

| € mln             | Electric Power |        |        | Hydrocarbons |        |       | Corporate, adj. and other |         | Total Edison Group |        |       |
|-------------------|----------------|--------|--------|--------------|--------|-------|---------------------------|---------|--------------------|--------|-------|
|                   | 1H2009         | 1H2008 | %Δ     | 1H2009       | 1H2008 | %Δ    | 1H2009                    | 1H2008  | 1H2009             | 1H2008 | %Δ    |
| Sales revenues a) | 3,232          | 3,772  | (14.3) | 2,342        | 2,444  | (4.2) | (985)                     | (1,303) | 4,589              | 4,913  | (6.6) |
| EBITDA            | 556            | 636    | (12.6) | 223          | 209    | 6.7   | (47)                      | (36)    | 732                | 809    | (9.5) |

a) Reclassified sales revenues: Trading activities accounted as net negotiation margin.

## EBITDA breakdown (€ mln)



# EDISON GROUP — FROM EBITDA TO NET INCOME

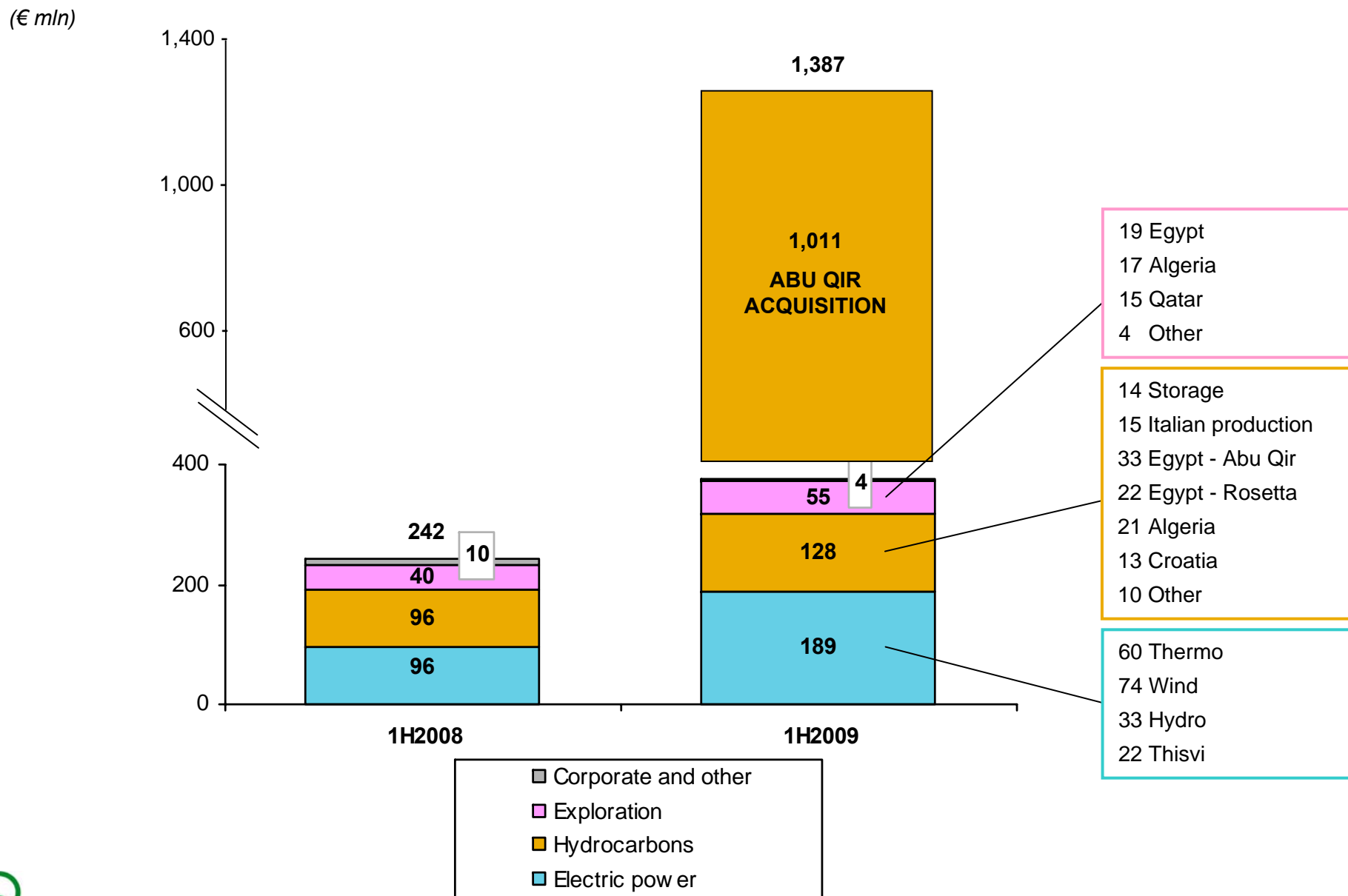
| FY2008       | € mln  | 1H2009              | 1H2008              | Δ           |
|--------------|--|---------------------|---------------------|-------------|
| <b>1,643</b> | <b>EBITDA</b>                                  | <b>732</b>          | <b>809</b>          | <b>(77)</b> |
| (782)        | Depreciation, amortization and writedowns      | (378)               | (367)               | (11)        |
| <b>861</b>   | <b>EBIT</b>                                    | <b>354</b>          | <b>442</b>          | <b>(88)</b> |
| (100)        | Net financial income (expense)                 | (80)                | (63)                | (17)        |
| (31)         | Income (expense) on equity investments & other | 3                   | (42) <sup>a)</sup>  | 45          |
| <b>730</b>   | <b>Profit before taxes</b>                     | <b>277</b>          | <b>337</b>          | <b>(60)</b> |
| (379)        | Income taxes                                   | (150) <sup>b)</sup> | (234) <sup>c)</sup> | 84          |
| <b>351</b>   | <b>Profit from continuing operations</b>       | <b>127</b>          | <b>103</b>          | <b>24</b>   |
| (4)          | Profit (loss) from discontinued operations     | -                   | (3)                 | 3           |
| <b>347</b>   | <b>Net income</b>                              | <b>127</b>          | <b>100</b>          | <b>27</b>   |
| (1)          | Minority (income) loss                         | (5)                 | 2                   | (7)         |
| <b>346</b>   | <b>Group interest in net income</b>            | <b>122</b>          | <b>102</b>          | <b>20</b>   |

a) This figure includes 40 million added to provisions to cover tax risks related mainly to assets sold in previous years.

b) Of which 16 million (12 for deferred taxes, 4 for current taxes) related to the increase of the so called "Robin Hood Tax" from 5.5% to 6.5% (Decree Law 1441).

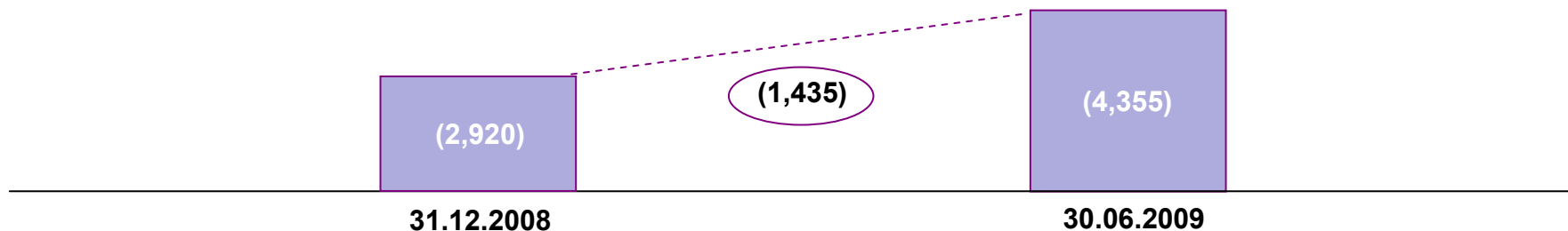
c) Of which 101 million (72 for deferred taxes, 29 for current taxes) related to "Robin Hood Tax".

# CAPITAL EXPENDITURES AND EXPLORATION

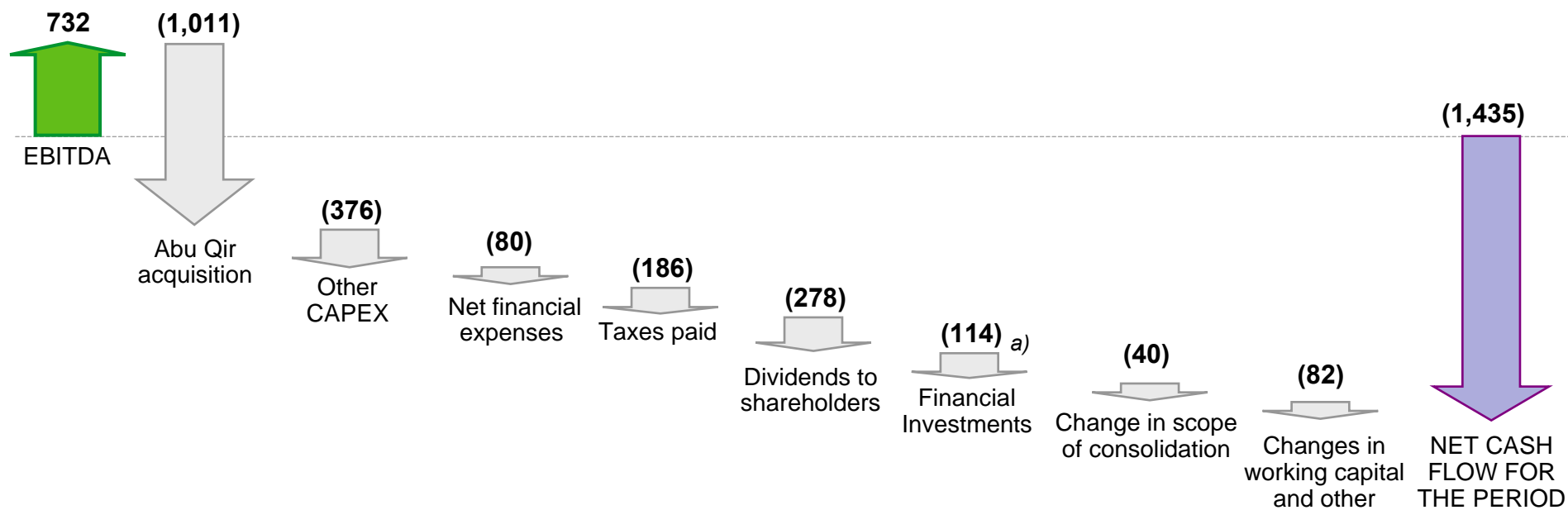


# NET FINANCIAL POSITION & CASH FLOW

## Net Financial Position (€ mln)



## 1H2009 Cash Flow (€ mln)



a) Of which € 55 mln cash payment as balance of assets conferred in Elpedison, € 25 mln acquisition of 80% of AMG Gas, € 32 mln financial investment in Adriatic LNG, € 2 mln in Galsi.

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Projected data and estimates entail risks and uncertainties. There are a number of factors that could produce significant differences between projected results and actual results. In addition, results may be affected by trends that are often difficult to anticipate, are generally beyond Edison's control and could produce results and developments that are substantially different from those explicitly or implicitly described or computed in the abovementioned projected data and estimates. The non-exhaustive list that follows being provided merely by way of example, these risks include: significant changes in the global business scenario; fluctuations in the prices of certain commodities, such as electric power, natural gas and coal; and changes in the market's competitive conditions and in the general regulatory framework.

Notice is also given that projected data are valid only on the date they are produced. Except for those cases in which the applicable statutes require otherwise, Edison assumes no obligation to provide updates of the abovementioned estimates and projected data.

## STATEMENT

As required by Article 154-bis, Section 2, of the Uniform Finance Law (Legislative Decree No 58/1998), Marco Andreasi, in his capacity as "Dirigente preposto alla redazione dei documenti contabili societari" of Edison S.p.A., attests that the accounting information contained in this presentation is consistent with the data in the Company's documents, accounting records and other records.