



Press Release

EDISON: REVIEW OF 2010 FINANCIAL STATEMENTS IS POSTPONED

Arbitration proceedings for long-term gas supply contracts with RasGas started

Milan, March 14, 2011 – The Board of Directors, meeting today, agreed not to proceed with a discussion of the items on the meeting's agenda regarding the 2010 financial statements and related topics in order to allow the Directors to study more in depth certain issues concerning some financial statement items. Discussion of these agenda items was postponed to a meeting scheduled for March 21.

The Board of Directors reviewed an update of the Company's operating performance and financial position for the current year, focusing on developments in the Price Review processes for long-term natural gas contracts. Insofar as the contracts with ENI are concerned, an agreement was reached recently for the gas from Norway, the terms of which were communicated to the market on February 11, and the Board of Directors was informed that arbitrations proceedings are currently under way for the gas from Libya. The Board of Directors agreed to file for arbitration proceedings with regard to RasGAS and the long-term contract for gas from Qatar.

The purpose of the arbitration proceedings is to enforce Edison's right to earn reasonable margins that are commensurate with long-term commitments, while avoiding the need to pursue short-term fixes that could prove to have detrimental effects over the medium term. Considering the foreseeable length of the arbitration proceedings, which for some contracts will plausibly go through all 2011, and considering also the possibility that out-of-court settlements can be reached for other contracts, the Company informs the market that its 2011 EBITDA could be exposed to a negative impact that, based on currently available estimates, could be of 200 million euros. Current estimate is that 2011 EBITDA will be about 900 million euros. The company's goal is to obtain in the next financial years a reasonable long term gas contracts profitability and also one-off effects for previous financial years, thus consequently recovering the negative impact mentioned above.

The Board of Directors called a new board meeting for March 16 to convene the Shareholders' Meeting, that will elect the Company's new Board of Directors and Board of Statutory Auditors, within statutory terms. The Board of Directors was also informed of the recommendation of the Board of Statutory Auditors regarding the appointment of the Independent Auditors for the three-year period from 2011 to 2019 to replace PriceWaterhouseCooper, whose nine-year term ended. The Board agreed to award the assignment to Deloitte & Touche Spa, subject to approval by the Shareholders' Meeting.

The Board of Directors authorized the Chief Executive Officer to offer to each savings shareholder who meets the necessary requirements and filed an application to that effect a settlement for any and all damage claims related to the 2002 merger by absorption of Edison into Italoenergia.

Public disclosure required by Consob Resolution No. 11971 of May 14, 1999, as amended.

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