



## Comunicato stampa

### **STANDARD AND POOR'S CONFERMA IL RATING BBB+ RIVEDENDO L'OUTLOOK DA STABILE A NEGATIVO**

Milano, 29 settembre 2009 – Edison rende noto che l'agenzia di rating **Standard & Poor's ha confermato oggi, alla fine della propria review annuale, il merito di credito a lungo termine di Edison a BBB+.**

L'outlook è stato rivisto da Stabile a Negativo. La revisione riflette, secondo Standard & Poor's, il deterioramento del quadro competitivo italiano determinato dalla significativa riduzione nella domanda nazionale di elettricità e di gas e l'incremento del debito di Edison derivante dall'acquisizione della concessione di Abu Qir.

La conferma del rating riflette la solida posizione di Edison come secondo operatore italiano nel gas e nell'elettricità e l'efficienza del suo portafoglio di attività.

S&P riconosce anche che Edison ha dimostrato, nel corso del 2009, di saper adattare la propria strategia alle mutate condizioni di mercato, limitando l'impatto della crisi economica sulla profittabilità del Gruppo.

Edison ha già implementato una serie di interventi operativi che dovrebbero consentire alla Società di rafforzare il proprio profilo finanziario in linea con le aspettative di S&P per un recupero della stabilità dell'outlook, sia pure continuando a perseguire la strategia di sviluppo nota al mercato.

Si riporta di seguito il testo integrale del comunicato stampa di Standard & Poor's:

#### **Research Update: Edison SpA Outlook Revised To Negative On Deteriorating Financial Profile; 'BBB+/A-2' Ratings Affirmed**

##### **Overview**

- Edison's adjusted debt will increase this year with the Abu Qir
- acquisition and the commissioning of Rovigo LNG terminal.
- Edison's earnings are under pressure as a result of challenging market
- conditions in Italy.
- We have revised Edison's outlook to negative, reflecting the
- deterioration of the Italian utility's financial profile in 2009.

**PARIS (Standard & Poor's) Sept. 29, 2009**--On Sept. 29, 2009, Standard & Poor's Ratings Services revised its outlook on Italian utility Edison SpA to negative from stable. At the same time, Standard & Poor's affirmed its 'BBB+' long-term and 'A-2' short-term ratings on Edison

The outlook revision reflects our view that Edison's financial profile is likely to be weak for the current ratings by the end of the year as a result of pressures on earnings and cash flows in light of challenging market conditions in Italy, and the increase in adjusted debt following the purchase of the Abu Qir gas field as well as the commissioning of the Rovigo LNG terminal, which is expected by the end of the year.

The ratings on Edison SpA continue to reflect its well-established position as Italy's second-largest electricity and gas group; its efficient and recent generation fleet; the stable cash flows derived from regulated CIP6 power sales; and a one-notch uplift for shareholder support from joint owner Electricité de France S.A. (EDF; A+/Stable/A-1). We note, however, that the share of cash flows derived from regulated CIP6 power sales is declining.

Constraining factors include Edison's primary focus on power generation and its limited downstream integration; the steep decline in power and gas demand as well as power prices in Italy as a result of the economic downturn; a more limited ability than European peers to sell output forward given lower liquidity on the Italian power market; the limited fuel diversity of the group's generation fleet, which is primarily gas-fired; increasing investments in riskier exploration and production (E&P) activities; and Edison's weakening financial profile.

Edison's domestic market was depressed in the first half of 2009 and is likely to remain so for at least the rest of the year. In the first half, power consumption in Italy declined by 8.2% while gas demand fell by 11.8% according to Edison. Combined with the decline in oil prices, this resulted in a steep decrease in Italian power prices.

Despite this environment, Edison's EBITDA on a comparable basis was stable in the first half of 2009. It declined, however, by 9.5% on a reported basis, as a result of disposals and one-off refunds that Edison benefited from in the first half of 2008.

This relatively resilient performance is down to Edison's strategy of developing bilateral forward sales at the expense of sales of power on the pool. The group is pursuing the same strategy in 2009 and had sold forward about 60% of its 2010 output at the end of June 2009. The group also benefited from improved gas sourcing conditions. These should improve further when the Rovigo LNG terminal becomes operational later this year. Edison also benefited from favorable hydro conditions in the first half of 2009.

Edison's financial profile was strong at the end of 2008 when funds from operations (FFO) to net debt was 32.5% on an adjusted basis. We expect it to deteriorate significantly in 2009 though, primarily reflecting an increase in adjusted debt as a result of the €1 billion Abu Qir acquisition completed in early 2009 and the commissioning of the Rovigo LNG terminal. It also reflects pressures on the group's earnings and cash flow.

With respect to Rovigo, Edison only owns 10% of the terminal but has booked 80% of its capacity for 25 years. This commitment is likely to be accounted for as operating leases, which we will capitalize, as per our criteria. The increase in Edison's adjusted debt will, however, be partly offset by some disposals, especially that of a 25% stake in Abu Qir, and a reduction in the group's capital expenditure program.

The 'A-2' short-term rating reflects Edison's adequate liquidity profile, which has significantly improved after the recent issuance of a €700 million

2014 bond in July 2009 and a €600 million three-year term loan arranged in May 2009. Moreover, the group, including affiliate Edipower, has no significant debt maturities until 2010. Edison drew on its €1.5 billion revolving facility initially to fund its €1.1 billion equity injection in Abu Qir. The funds from recent issuance have repaid the majority of the drawings under the revolving credit.

The negative outlook reflects Standard & Poor's view that Edison's financial profile is likely to be weak for the ratings by the end of 2009. We could downgrade Edison if its financial profile does not recover to levels in line with the ratings, especially coverage of net debt by FFO in excess of 20% on an adjusted basis. The ratings could also come under pressure if Edison's business mix shifts significantly toward riskier E&P activities or if there were some changes in EDF's stake in and support for Edison. Conversely we could revise the outlook if Edison's financial profile recovered to levels in line with the ratings.

\*\*\*

*Obblighi informativi verso il pubblico previsti dalla delibera Consob n. 11971 del 14.5.1999 e successive modifiche*

Ufficio Stampa Edison

Stefano Amoroso  
Responsabile Media Relations  
T 02 6222 7276  
M 340 2838136  
E stefano.amoroso@edison.it

Investor Relations Edison  
Tel. 02 62228415, investor.relations@edison.it

[www.edison.it](http://www.edison.it)