Edison Spa

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# **Press Release**

The Board of Directors Reviewed the 2008 Annual Report

# EDISON: HIGHER REVENUES (+33.7%) AND EBITDA (+2.4%)

# Earnings increase, net of the impact of tax changes

# Confirmed dividend as in 2007: 0.05 euros per common share and 0.08 euros per savings share

<u>Milan</u>, February 11, 2009 – Edison's Board of Directors met today to review the Annual Report at December 31, 2008.

## HIGHLIGHTS OF THE EDISON GROUP

(in millions of euros) 2008 2007 Δ% Sales revenues 11,066 8,276 33.7 EBITDA 1,643 1,605 2.4 as a % of revenues 14.8% 19.4% EBIT 861 896 (3.9)Profit before taxes 730 687 6.3 Net profit 497 346 (30.4)

# HIGHLIGHTS OF THE ELECTRIC POWER AND HYDROCARBONS OPERATIONS

				(in millions of euros)
	2008	2007	Δ%	
Electric Power Operations				
Sales revenues	8,689	6,783	28.1	
EBITDA	1,326	1,238	7.1	
as a % of revenues	15.3%	18.3%		
Hydrocarbons Operations				
Sales revenues	5,093	3,937	29.4	
EBITDA	405	427	(5.2)	
as a % of revenues	8.0%	10.8%	. ,	

## **Operating Performance of the Group in 200**

In 2008, there was a sharp reversal from the trends that shaped the global economy in the past. Over a few short months, the economy swung sharply from the expansionary phase that it enjoyed for a number of years to a phase of severe recession, triggered by the subprime mortgage crisis and magnified by the serious difficulties experienced by some of the main banking institutions in the United States and Europe.

In Italy, for the first time since the crisis of 1981, the demand for energy reversed its positive trend in the fourth quarter of 2008, with a negative impact on the performance of the energy industry for the full year. From October to December, demand for electric power decreased by 5% on average, with consumption in the industrial sector plummeting by as much as 15%. As a result, the decrease for the full year was 1% for demand with adjusted for seasonal factors and 9% for industrial demand.

During the year, raw material prices were characterized by unprecedented fluctuations: in a few short weeks, the price of oil swung from an all-time high in July to a low that had not been seen since 2004.

In this environment, Edison's performance was positive overall, confirming the good results achieved in 2007 and improving them at the operating level. The net profit was however impacted by the fiscal measures introduced in 2008.

## Sales Revenues

In 2008, Edison reported a significant increase in **sales revenues**, which rose to 11,066 million euros, or 33.7% more than the 8,276 million euros booked in 2007, due mainly to the impact of a sharp rise in the price of benchmark commodities.

The **electric power operations** increased sales revenues by 28.1% to 8,689 million euros, compared with 6,783 million euros in 2007. Production volumes decreased by about 6%, mainly as a result of a lower output by CIP 6/92 power plants (-27.4%) attributable primarily to the disposal of some power plants in April 2008 and the expiration of some contracts. On the other hand, production by facilities that serve the deregulated market was up by about 5%. Unit sales of electric power totaled 67,453 GWh, or 5.8% more than in 2007, reflecting a substantial rise in sales to customers in the wholesale and trading markets.

In 2008, the sales revenues reported by the **hydrocarbons operations** also improved (+29.4%), rising to 5,093 million euros, up from 3,937 million euros in 2007. Unit sales of natural gas totaled 13,808 million cubic meters, substantially in line with 2007. More specifically, demand from industrial and residential users was up 5.3%, while unit sales to thermoelectric power plants decreased by the same percentage (-5.3%).

## **EBITDA**

Edison's **EBITDA** grew to 1,643 million euros in 2008, for a gain of 2.4% compared with the 1,605 million euros earned the previous year. Restated using a comparable scope of consolidation and eliminating the impact of nonrecurring items, which in 2008 had an overall impact of 176 million euros, EBITDA show an increase compared with 2007.

More specifically, the **electric power operations** reported EBITDA of 1,326 million euros (7.1% more than the 1,238 million euros earned in 2007), despite the absence of the EBITDA contribution provided the previous year by the seven

CIP 6/92 power plants that, as mentioned above, were sold in 2008. The EBITDA improvement is the result of higher margins earned in the deregulated market, both for the volumes and the higher margins achieved, thanks to an increase in hydroelectric production compared with 2007, and reflects the gain generated by the sale of a 60% interest in Hydros. These positive factors more than offset the impact of a reduction in the profitability of CIP 6/92 power plants attributable both to the expiration of some contracts and to a contraction of the unit margins earned on electric power generated by these facilities caused by a formula for the compensation of the fuel cost component that does not allow a full recovery of the costs incurred.

The **hydrocarbons operations** reported EBITDA of 405 million euros, or 5.2% less than the 427 million euros earned in 2007, when, however, EBITDA were boosted by such nonrecurring extraordinary items as the reversal of provisions recognized in connection with Resolution No. 248/04 (about 56 million euros) and Resolution No. 284/06 (about 20 million euros). The impact of this negative comparison was offset only in part by the benefit generated by renegotiating a long-term supply contract concerning purchases of natural gas from Russia and by the higher margins earned by the exploration and production activities, which benefited from the higher level of oil prices, compared with 2007, the sharp drop of the last quarter notwithstanding. Had it not been for the nonrecurring factors described above, EBITDA would have been in line with in 2007.

#### **EBIT, Profit Before Taxes and Net Profit**

The increase in depreciation caused by the commissioning of new generating capacity in the second half of 2007 and the net depreciation of industrial assets for about 58 million euro, cause **EBIT** to decrease to 861 million euros, or 3.9% less than the 896 million euros earned in 2007

However, the **profit before taxes** totaled 730 million euros, for a gain of 6.3% compared with 687 million euros in 2007. This improvement reflects the positive impact of significantly lower borrowing costs, made possible by a reduction in average indebtedness, offset in part by net additions to provisions for risks, mainly in connection with tax risks related to assets sold in previous years.

As a result of changes in the tax laws introduced by Law No. 133/2008 (the socalled Robin Hood Tax) and Decree Law No. 185/08 (the so-called Anti-Crisis Decree), which had a negative impact of 135 million euros, the **net profit** decreased to 346 million euros, down from 497 million euros in 2007 (-30.4%). Moreover, a nonrecurring tax benefit made possible by the reversal of deferred-tax liabilities booked to recognize the reduction in tax rates introduced by the 2008 Budget Law lowered the tax liability by about 135 million euros in 2007. Absent these changes in taxation, the net profit would have been higher than in 2007.

#### Indebtedness and Debt/Equity Ratio

At December 31, 2008, net borrowings totaled 2,920 million euros, up from 2,687 million euros at the end of 2007.

The investments of the period (644 million euros), the net borrowings (decreased compared with December 31, 2007), the investments in participations (of which 139 million euros for the purchase of 5% of Edipower and 81 million euros in LNG Adriatic Terminal), the dividends payments (281 million euros) and the payment of taxes were partially compensated by operational cash flows and by the proceeds from the sale of the thermoelectric plants in CIP6, of 51% of Dolomiti Edison Energy Srl and of 60% of Hydros.

The Group's debt/equity ratio, 0.36 at December 31, 2008, was again among the best in the energy industry.

#### Key Events of 2008

In September, the offshore regasification terminal arrived at its home off the coast of Rovigo. When fully operational, it will be used to import 8 billion cubic maters of natural gas a year from Qatar, 6.4 billion cubic meters of which will be available to the Group.

Also in 2008, under a supply contract with Sonatrach that became operational in 2008, an additional 2 billion cubic meters of natural gas began to flow through the expanded capacity of the Transmed-TTPC pipeline.

In addition, Edison's hydrocarbons operations were awarded the concession for the Abu Qir field in Egypt at a cost of US\$1.4 billion. The activities planned for Abu Qir over the next three years should enable Edison to produce 15% of its natural gas needs from its own reserves.

## Outlook for 2009

Developments in the economy and the financial markets and high volatility in the oil market will undoubtedly continue to have an effect in 2009.

Lower demand for electric power, narrower spreads in the wholesale market and increased competition caused by higher supply both in the electric power and natural gas markets are some of the factors that could have an impact on the Group's performance in 2009.

However, despite the uncertainty of such a scenario, the Group's financial strength and the programs it has undertaken — from the full availability of the Abu Qir fields to the new Operating Excellence Plan — justify expectations of results that, on a comparable basis, should be in line with those achieved in 2008.

#### **Results of the Group's Parent Company**

Edison Spa, the Group's Parent Company, reported a net profit of 374 million euros at December 31, 2008, compared with 449 million euros the previous year.

#### Dividend

The Board of Directors will recommend that the Shareholders' Meeting declare a dividend of 0.05 euros in 2007 per common share and 0.08 euros per savings share. The total dividend payout will thus amount to 268 million euros. It is confirmed therefore the dividend of 2007.

The Board of Directors agreed to convene a Regular Shareholders' Meeting on March 31, 2009, on first calling and on April 1, 2009, on the second calling to approve the 2008 Annual Report and the appointment of a director. The dividend will be payable as of April 17 (record date April 14).

The Board of Directors also agreed to convene the Savings Shareholders' Meeting on April 1 on the first calling, on April 2 on the second calling and on April 3 on the third calling. The meeting's agenda will be to appoint the common representative of the savings shareholders and the report on the fund. The meeting's agenda was integrated with other three points on the request of the common representative of the savings shareholders on: Communications of the Common Representative and eventual initiatives on the ruling of Milan's Court of November 2008 and the fund integration.

Lastly, the Board of Directors approved the 2008 Report on the Corporate Governance and the ownership structure which has become an integral part of the Annual Report.

#### **Conference Call**

The Group's operating results for 2008 will be discussed today at 15.30 CET during a conference call. Journalists may follow the presentation by telephone, in listen-only mode, by dialing +39 02 805 88 27.

The presentation will also be available at the Group's website: www.edison.it.

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As required by Article 154-bis, Section 2, of the Uniform Finance Law (Legislative Decree No. 58/1998), Marco Andreasi, in his capacity as Corporate Accounting Documents Officer of Edison S.p.A., attests that the accounting information contained in this press release is consistent with the data in the Company's documents, accounting records and other records.

The Annual Report is in the process of being audited.

The Annual Report at December 31, 2008, the Report of the Independent Auditors and any remarks by the Statutory Auditors will be on file and available upon request at the Company's headquarters (31 Foro Buonaparte, Milan) and at the offices of Borsa Italiana Spa within the statutory deadline. It may also be consulted at the Group's website: www.edison.it

The Group's balance sheet, statement of income, cash flow statement and statement of changes in consolidated shareholders' equity are annexed to this press release.

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

#### CONSOLIDATED BALANCE SHEET

(in millions of euros)

Assets held for sale	/	12/31/08	12/31/07
Invisioner property       114       111         Goodwill       3.521       3.531         Hydrocarbon concessions       273       299         Other intangible assets       47       36         Investments in associates       47       36         Available-for-sale investments       248       184         Other inancial assets       292       139         Deferred-tax assets       363       61         Other assets       248       184         Other assets       248       184         Other assets       304       250         Trade receivables       2.330       1.664         Current tax assets       41       13         Other assets       26       25         Cash and cash equivalents       188       103         Total current assets       3.244       2.416         Assets held for sale       -       36         Total assets       188       103         Total current assets       3.244       2.416         Assets held for sale       -       36         Total assets       14.723       4.723	ASSETS		
Goodwill       3.521       3.578         Hydrocarbon concessions       273       299         Other intangible assets       47       36         Investments in associates       248       184         Other intangible assets       92       139         Deferred-tax assets       63       61         Other risents       63       61         Total non-current assets       11.809       11.989         Inventionias       3.04       250         Trade receivables       2.330       1.664         Current-tax assets       14       13         Other assets       26       25         Cash and cash equivalents       188       103         Total current assets       2.246       246         Total assets       2.26       5.292         Cash and cash equivalents       188       103         Total assets       15.093       14.723         Share capital       5.292       5.292         Equivalence       -       316         Total assets       15.093       14.723         Minority interevions       63       61 <td>Property, plant and equipment</td> <td>7.416</td> <td>7.619</td>	Property, plant and equipment	7.416	7.619
Hydrocarbon concessions   273   229     Other intangible assets   47   36     Investments in associates   51   44     Available-for-sale investments   248   184     Other innacial assets   92   139     Deferred-tax assets   63   61     Other assets   63   61     Total non-current assets   11.89   11.999     Inventories   304   250     Trade receivables   2.330   1.664     Current-tax assets   26   25     Current-tax assets   26   26     Current-tax assets   26   26     Cash and cash equivalents   188   103     Total current assets   3.284   2.416     Assets held for sale   -   318     Total assets   3.284   2.416     Marcapital   5.292   5.292     Equiptiveserves   460   641     Other reserves   450   64     UABILITIES AND SHAREHOLDERS' EQUITY   5.292   5.292     Equiptiveserves   480   641     Other reserves   480   641     Other reserves   480   641     Other reserves   480   641 <		14	11
Other intangible assets       47       36         Investments in associates       51       44         Other infancial assets       248       134         Other financial assets       92       139         Deferred-tax assets       84       78         Other assets       84       78         Investments       230       11.809         Inventories       304       250         Total non-current assets       114       13         Other assets       230       1.654         Current-fraze receivables       2.330       1.654         Current-fraze receivables       2.330       1.654         Current-fraze receivables       2.330       1.654         Current-fraze receivables       2.324       2.416         Current-fraze receivables       2.324       2.416         Total current assets       3.284       2.416         Total assets       188       103         Total assets       14.013       105         UABIL/TIES AND SHAREHOLDERS' EQUITY       5.292       5.292         Scare       440       641         Other receivables	Goodwill	3.521	3.518
Investments in associates       51       44         Available-for-sale investments       92       139         Deformed-tax assets       92       139         Other financial assets       92       139         Other financial assets       63       61         Total non-current assets       11.809       11.989         Inventories       304       250         Trade receivables       2.330       1.654         Current-tax assets       26       25         Cash and cash equivalents       188       103         Total current assets       2.244       2.4416         Assets held for sale       -       -         Total assets       2.629       2.5292         LiABILITIES AND SHAREHOLDERS' EQUITY       -       -         Share capital       2.233       4.64         Other reserves       1.171       1.144         Reserve for currency translations       (3)       (5)         Retained earnings (Loss carryforward)       623       465         Probision for enployee severance indemnities and provision for pensions       65       68         Provision for enployee severance indemnities	Hydrocarbon concessions	273	299
Available-for-sale investments       243       184         Other financial assets       92       139         Other assets       63       61         Total non-current assets       11.809       11.809         Inventories       304       250         Trade receivables       2.330       1.654         Current inancial assets       14       13         Other receivables       2.42       31         Current financial assets       188       103         Total current assets       188       103         Total current assets       3.284       2.416         Assets held for sale       -       318         Total assets       15.083       14.723         LIABILITIES AND SHAREHOLDERS' EQUITY       -       316         Share capital       5.292       5.292         Group interest in shareholders' equity       623       466         Profit (Loss) for the period       346       497         Total assets       11.99       8.004         Minority interest in shareholders' equity       164       147         Total assets       519       500	Other intangible assets	47	36
Other financial assets       32       139         Deferred-tax assets       84       78         Other assets       63       61         Total non-current assets       11.809       11.869         Inventories       304       250         Trade receivables       2.330       1.664         Current-tax assets       14       13         Other receivables       2.330       1.664         Current-tax assets       14       13         Other receivables       2.330       1.664         Cash and cash equivalents       188       103         Total current assets       3.284       2.416         Assets held for sale       -       318         Total assets       15.093       14.723         LIABILITIES AND SHAREHOLDERS' EQUITY       -       318         Share capital       5.292       5.292       5.292         Equity reserves       480       641       041         Other reserves       1.171       1.114       1.144         Reserve for currency translations       (3)       (5)       Res         Protic (Loss) for the period       34	Investments in associates	51	44
Deferred-tax assets       32       139         Other assets       63       61         Total non-current assets       11.809       11.989         Inventories       304       250         Inventories       2.330       1.654         Current function       422       371         Current function       422       371         Current function       3.284       2.416         Assets held for sale       188       103         Total current assets       3.284       2.416         Assets held for sale       -       318         Total assets       15.093       14.723         LIABILITIES AND SHAREHOLDERS' EQUITY       -       -         Share capital       5.292       5.292         Equity reserves       480       641         Other reserves       1.171       1.114         Reserve for currency translations       (3)       (5)         Retained earnings (Loss carryforward)       623       465         Profit (Loss) for the period       346       497         Total asreholders' equity       164       147         Total Aropin interest		248	184
Other assets       0       10         Total non-current assets       111.809       111.809         Inventories       304       250         Trade receivables       2.330       1.654         Current-tax assets       2.233       1.654         Other receivables       422       371         Current-transcial assets       2.62       2.52         Cash and cash equivalents       1.88       103         Total current assets       3.284       2.416         Assets held for sale       -       318         Total assets       15.093       14.723         LIABILITIES AND SHAREHOLDERS' EQUITY       Share capital       5.292       5.292         Equity reserves       480       641       0.64         Other reserves       (3)       (5)       5.292       5.292         Equity reserves       480       644       644       644         Other reserves       (3)       (5)       5.292       5.292       5.292       5.292       5.292       5.292       5.292       5.292       5.292       5.292       5.292       5.292       5.292       5.292	Other financial assets	92	139
Total non-current assets       11.809       11.809         Inventories       304       250         Trade receivables       2.330       1.654         Current-tax assets       14       13         Other receivables       2230       1.654         Current financial assets       26       25         Cash and cash equivalents       188       103         Total current assets       2.824       241         Assets held for sale       -       318         Total assets       15.093       14.723         LIABILITIES AND SHAREHOLDERS' EQUITY       Share capital       5.292       5.292         Spare capital       5.292       5.292       5.292         Equipity reserves       480       641         Other reserves       1.171       1.114         Retained earnings (Loss carryforward)       623       465         Profit (Loss) for the period       346       497         Total Asset in shareholders' equity       164       147         Total shareholders' equity       164       147         Total shareholders' equity       1.65       688         Provision for deferr	Deferred-tax assets	84	78
Inventories       304       250         Trade receivables       2.330       1.654         Current inancial assets       22       371         Other receivables       222       371         Current financial assets       266       25         Cash and cash equivalents       188       103         Total current assets       3.284       2.416         Assets held for sale       -       318         Total assets       15.093       14.723         LIABILITIES AND SHAREHOLDERS' EQUITY       Share capital       5.292       5.292         Equity reserves       480       641       041         Other reserves       1.171       1.114       1.171         Reserve for currency translations       (3)       (5)       623       464         Other reserves       1.171       1.114       1.147       1.144       1.171         Reserve for currency translations       (3)       (5)       68       464         Other reserves       1.171       1.114       1.147       1.144       1.147         Total droup interest in shareholders' equity       164       147       147 </td <td>Other assets</td> <td>63</td> <td>61</td>	Other assets	63	61
Trade receivables       2.330       1.654         Current-tax assets       14       13         Other receivables       422       371         Current financial assets       26       25         Cash and cash equivalents       188       103         Total current assets       3.284       2.416         Assets held for sale       -       318         Total assets       15.093       14.723         LIABILITIES AND SHAREHOLDERS' EQUITY       -       -         Share capital       5.292       5.292         Equity reserves       480       641         Other reserves       1.171       1.114         Reserve for currency translations       (3) (5)       (5)         Retained earnings (Loss carryforward)       623       465         Profit (Loss) for the period       346       497         Total shareholders' equity       164       147	Total non-current assets	11.809	11.989
Current-tax assets       14       13         Other receivables       422       371         Current financial assets       26       25         Cash and cash equivalents       188       103         Total current assets       3.284       2.416         Assets held for sale       -       318         Total assets       15.093       14.723         LIABILITIES AND SHAREHOLDERS' EQUITY       -       -         Share capital       5.292       5.292         Equity reserves       480       641         Other reserves       1.171       1.114         Reserve for currency translations       (3)       (5)         Retained earnings (Loss caryforward)       623       465         Profit (Loss) for the period       346       497         Total shareholders' equity       7.909       8.004         Minority interest in shareholders' equity       164       147         Total shareholders' equity       164       147         Total shareholders' equity       8.073       8.151         Provision for employee severance indemnities and provision for pensions       65       68         Provisi	Inventories	304	250
Other receivables       422       371         Current financial assets       26       25         Cash and cash equivalents       188       103         Total current assets       3.284       2.446         Assets held for sale       -       318         Total current assets       15.093       14.723         LIABILITIES AND SHAREHOLDERS' EQUITY       -       -         Share capital       5.292       5.292         Equity reserves       480       641         Other reserves       1.171       1.114         Reserve for currency translations       (3)       (5)         Profit (Loss) for the period       346       497         Total asareholders' equity       7.909       8.004         Minority interest in shareholders' equity       1.64       147         Total shareholders' equity       1.64       147         Total shareholders' equity       1.64       147         Total shareholders' equity       8.073       8.181         Provision for employee severance indemnities and provision for pensions       65       68         Provision for risks and charges       777       899       30	Trade receivables	2.330	1.654
Current financial assets26Cash and cash equivalents188Total current assets3.284Assets held for sale-Assets held for sale-Total assets15.093LIABILITIES AND SHAREHOLDERS' EQUITYShare capital5.292Cast equivalents440Other reserves440Guiter reserves440Gotta currency translations(3)Retained earnings (Loss carryforward)623Profit (Loss) for the period346Minority interest in shareholders' equity7.909Bonds519Provision for deferred taxes519Provision for defered taxes519Provision for defered taxes519State and cast equivalents30Q1.198I.1011.216Long-term borrowings and other financial liabilities30Bonds9Sonds9Gotta Ion-current liabilities3.6903.94654Bonds1.659Liabilities3.330Zeta taxes payable54Gotta Ion-current liabilities709Asta54Sonds9Current taxes payable54Current taxes payable54Total current liabilities3.330Zeta2.549Liabilities held for sale-Total current liabilities709Sonds9Sonds79Sonds79Sonds <t< td=""><td>Current-tax assets</td><td>14</td><td></td></t<>	Current-tax assets	14	
Cash and cash equivalents       188       103         Total current assets       3.284       2.416         Assets held for sale       -       318         Total assets       15.093       14.723         LIABILITIES AND SHAREHOLDERS' EQUITY       -       318         Share capital       5.292       5.292         Equity reserves       480       641         Other reserves       1.171       1.114         Reserve for currency translations       (3)       (5)         Retained earnings (Loss carryforward)       623       465         Profit (Loss) for the period       346       497         Total shareholders' equity       7.909       8.004         Minority interest in shareholders' equity       164       147         Total shareholders' equity       164       147         Total shareholders' equity       164       129         Provision for employee severance indemnities and provision for pensions       65       68         Provision for trisks and charges       519       560         Bonds       1.198       1.201       1.216         Other liabilities       30       2       2 <td>Other receivables</td> <td>422</td> <td>371</td>	Other receivables	422	371
Total current assets3.2842.416Assets held for sale-318Total assets15.09314.723LIABILITIES AND SHAREHOLDERS' EQUITY Share capital5.2925.292Equity reserves480641Other reserves1.1711.114Reserve for currency translations(3)(5)Retained earnings (Loss carryforward)623465Profit (Loss) for the period346497Total Group interest in shareholders' equity164147Total shareholders' equity164147Total shareholders' equity8.0738.151Provision for employee severance indemnities and provision for pensions6568Provision for deferred taxes519560Provision for deferred taxes777899Bonds1.1981.2011.216Other liabilities3.02Total non-current liabilities1.011.216Other liabilities1.6591.394Bonds1.6591.394Ends709652Total current liabilities709652Total on-current liabilities3.3302.549Urrent taxes payables5.49Other liabilities709652Total current liabilities709652Total current liabilities709652Total current liabilities709652Total current liabilities709652Total current liabilities709 <td>Current financial assets</td> <td>26</td> <td>25</td>	Current financial assets	26	25
Total current assets3.2842.416Assets held for sale-318Total assets15.09314.723LIABILITIES AND SHAREHOLDERS' EQUITY Share capital5.2925.292Equity reserves480641Other reserves1.1711.114Reserve for currency translations(3)(5)Retained earnings (Loss carryforward)623465Profit (Loss) for the period346497Total Group Interest in shareholders' equity7.9098.004Minority interest in shareholders' equity164147Total shareholders' equity164147Total shareholders' equity164147Total shareholders' equity164147Total shareholders' equity164147Total shareholders' equity164147Total shareholders' equity1.1981.201Long-term borrowings and other financial liabilities1.1011.216Other liabilities3.022Total non-current liabilities3.6903.946Bonds999Short-term borrowings8.651.93Trade payables1.6591.330Current taxes payable549Other liabilities709652Total current liabilities709652Total current liabilities709652Total current liabilities709652Total current liabilities709652Total current	Cash and cash equivalents	188	103
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Total non-current liabilities3022Total non-current liabilities3.6903.946Bonds99Short-term borrowings899485Trade payables1.6591.394Current taxes payable549Other liabilities709652Total current liabilities3.3302.549Liabilities held for sale-77	• •	1.101	1.216
Bonds99Short-term borrowings899485Trade payables1.6591.394Current taxes payable549Other liabilities709652Total current liabilities3.3302.549Liabilities held for sale-77	Other liabilities	30	2
Short-term borrowings00Trade payables1.6591.394Current taxes payable549Other liabilities709652Total current liabilities3.3302.549Liabilities held for sale-77	Total non-current liabilities	3.690	3.946
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Other liabilities   709   652     Total current liabilities   3.330   2.549     Liabilities held for sale   77			
Total current liabilities   3.330   2.549     Liabilities held for sale   -   77			
	Total current liabilities		2.549
Total liabilities and shareholders' equity 15.093 14.723		-	77
	Total liabilities and shareholders' equity	15.093	14.723

#### CONSOLIDATED INCOME STATEMENT

	2008	2007
Sales revenues	11.066	8.276
Other revenues and income	684	583
Total net revenues	11.750	8.859
Raw materials and services used (-)	(9.884)	(7.035)
Labor costs (-)	(223)	(219)
EBITDA	1.643	1.605
Depreciation, amortization and writedowns (-)	(782)	(700)
EBIT	(782) 861	(709) <b>896</b>
Net financial income (expense)	(100)	(198)
Income from (Expense on) equity investments	- · · · ·	(17)
Other income (expense), net	(31)	6
Profit before taxes	730	687
Income taxes		<i></i>
Profit (Loss) from continuing operations	(379)	(170)
	351	517
Profit (Loss) from discontinued operations	(4)	-
Profit (Loss)	347	517
Broken down as follows:		
Minority interest in profit (loss)	1	20
Group interest in profit (loss)	346	497
Earnings per share (in euros)		
Basic earnings per common share	0,0647	0,1040
Basic earnings per savings share	0,0947	0,1340
Diluted earnings per common share	0,0647	0,0976
Diluted earnings per savings share	0,0947	0,1340

	(in millions of euros)	2008	2007
	Profit (Loss) from continuing operations	350	497
	Profit (Loss) from discontinued operations	(4)	-
	Minority interest in profit (loss) from continuing operations	1	20
	Net profit (loss) before minority interest	347	517
	Depreciation, amortization and writedowns	782	709
	Interest in the result of companies valued by the equity method (-)	(1)	109
	Dividends received from companies valued by the equity method	(1)	3
	(Gains) Losses on the sale of non-current assets	(5)	(16)
	Change in the provision for employee severance indemnities	(3)	(10)
	Change in other operating assets and liabilities	(584)	(0)
Α.	Cash flow from continuing operations	538	1.389
	Additions to intangibles and property, plant and equipment ( - )	(644)	(494)
	Additions to non-current financial assets ( - )	(232)	(337)
	Proceeds from the sale of intangibles and property, plant and equipment	48	72
	Proceeds from the sale of non-current financial assets	373	103
	Capital grants received during the year	-	-
	Change in the scope of consolidation	-	-
	Other current assets	(1)	17
В.	Cash used in investing activities	(456)	(639)
	Receipt of new medium-term and long-term loans	386	1.271
	Redemption of new medium-term and long-term loans (-)	(161)	(3.080)
	Capital contributions provided by controlling companies or other shareholders	3	1.019
	Dividends paid to controlling companies or minority shareholders (-)	(281)	(248)
	Change in short-term debt	71	93
C.	Cash used in financing activities	18	(945)
	Cook and each aquivalents of discontinued exerctions		
D.	Cash and cash equivalents of discontinued operations	-	-
E.	Net currency translation differences	-	-
_			
<b>F</b> .	Net cash flow from operating assets of discontinued operations	(15)	-
G.	Net decrease in cash and cash equivalents (A+B+C+D+E+F)	85	(195)
			( )
Н.	Cash and cash equivalents at the beginning of the year	103	298
Ι.	Cash and cash equivalents at the end of the year (G + H)	188	103
L.	Total cash and cash equivalents at end of period (I)	188	103
М.	(-) Cash and cash equivalents of discontinued operations	-	-
N.	Cash and cash equivalents of continuing operations (L-M)	188	103
N.		100	103

(in millions of euros)	Share capital (a)	Reserves and ret. earnings (loss carry- forward) (b)	Reserve for currency translations (c)	Profit for the period (d)	Group inter. in sharehold. equity (a+b+c+d)=(e)	Minority inter. in sharehold. equity (f)	Total shareholders' equity (e)+(f)
Balance at December 31, 2006	4.273	1.819	(3)	654	6.743	147	6.890
Share capital increase due to the conversion of warrants	1.019	-	-	-	1.019	-	1.019
Reclassification of the previous year's earnings and reserves	-	654	-	(654)	-	-	-
Dividend distribution	-	(233)	-	-	(233)	(15)	(248)
Restatements for adoption of IAS 32 and IAS 39	-	(2)	-	-	(2)	-	(2)
Change in the scope of consolidation	-	(3)	-	-	(3)	3	-
Difference from translation of financial statements in foreign currencies and sundry items	-	(15)	(2)	-	(17)	(8)	(25)
Profit at December 31, 2007	-	-	-	497	497	20	517
Balance at December 31, 2007	5.292	2.220	(5)	497	8.004	147	8.151
Share capital increase	-	-	-	-	-	3	3
Reclassification of the previous year's earnings and reserves	-	497	-	(497)	-	-	
Dividend distribution	-	(268)	-	-	(268)	(13)	(281)
Restatements for adoption of IAS 32 and IAS 39	-	(185)	-	-	(185)	-	(185)
Change in the scope of consolidation	-	-	-	-	-	26	26
Difference from translation of financial statements in foreign currencies and sundry items	-	10	2	-	12		12
Profit at December 31, 2008	-	-	-	346	346	1	347
Balance at December 31, 2008	5.292	2.274	(3)	346	7.909	164	8.073