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EDISON

Press Release

Edison's Board of Directors Reviews the Quarterly Report at March 31, 2008

EDISON: REVENUES UP 12.1% TO 2,502 MILLION EUROS. UNRESOLVED REGULATORY ISSUES IMPACT EARNINGS.

Milan, May 13, 2008 – Edison's Board of Directors met today at the Company's Foro Buonaparte headquarters to review the Quarterly Report at March 31, 2008.

HIGHLIGHTS OF THE EDISON GROUP

(in millions of euros)

	1Q08	1Q07	Δ %
Sales revenues	**2,502**	**2,231**	*12.1*
EBITDA	**307**	**397**	*(22.7)*
EBIT	**127**	**228**	*(44.3)*
Profit before taxes	**97**	**170**	*(42.9)*
Net profit	**52**	**87**	*(40.2)*

HIGHLIGHTS OF THE GROUP'S ELECTRIC POWER AND HYDROCARBONS OPERATIONS

(in millions of euros)

	1Q08	1Q07	Δ %
Electric Power Operations			
Sales revenues	**1,858**	**1,737**	*7.0*
EBITDA	**200**	**291**	*(31.3)*
Hydrocarbons Operations			
Sales revenues	**1,410**	**1,201**	*17.4*
EBITDA	**123**	**123**	-

Operating Performance of the Group in the First Quarter of 2008
Edison's revenues were up 12.1% in the first quarter of 2008 **thanks to higher sales volumes, reported by both the electric power operations (+4.3%) and the hydrocarbons operations (+9.9%), and to an increase in unit revenues made possible by favorable conditions in the benchmark macroeconomic scenario, characterized by growing demand for energy and rising princes for petroleum products.**
In Italy, gross demand for electric power increased by 0.9% (+0.4% adjusted for seasonal factors) in the first three months of 2008, compared with the same period last year. At the same time, domestic production grew by more than 4% and imports decreased by 20.7% as a result of higher international energy prices, which, in certain period, exceeded prices in Italy, making imports less attractive. **As these data show, Edison significantly outperformed the market as a whole.**
Domestic demand for natural gas was also up, rising to 28 billion cubic meters, or 9.8% more than in the first quarter of 2007, when the weather was unusually mild.
During the same period, **energy commodity prices rose sharply** on the national and international markets, with the price of Brent crude increasing by 67.8% in U.S. dollar terms and about 46.6% in euro terms.

EBITDA totaled 307 million euros at March 31, 2008. The decrease of 22.7% compared with the first quarter of 2007 is attributable entirely to the electric power operations, which were adversely affected by the impact of unfavorable regulatory developments. Specifically, the Electric Power and Natural Gas Authority has failed to take action with regard to reimbursing the power plants that operate under CIP6 contracts for costs incurred as a result of emissions trading regulation, which amounted to about 60 million euros in the first three months of 2008. These costs were extremely high owing in part to the fact that the CIP6 facilities were drastically shortchanged in terms of the CO_2 emission quotas allocated under the 2008-2012 National Plan.

Another factor that accounts for the lower profitability of the CIP6 sales channel was an increase in raw material costs, which, because of Resolution No. 249/06, could be offset only in part with revenues recovered through the "avoided fuel cost" reimbursement formula, with a net negative effect of about 25 million euros. A discussion with Electric Power and Natural Gas Authority aimed at defining reimbursement criteria for 2008 is undergoing.
In addition, the expiration of CIP6 incentives and contracts during the first quarter of 2008 caused EBITDA to decrease by about 20 million euros, compared with the same period last year.

Aside from the negative regulatory developments and the expiration of CIP6 incentives and contracts described above, which reduced EBITDA by more than 100 million euros, the industrial operations produced positive and improving overall results. Specifically, an effective marketing policy and the optimization of the customer portfolio produced growing sales of electric power in the deregulated market, where volumes were up more than 10%, as well as an improvement in the return on sales even though the Candela and Simeri Crichi power plants had to be taken offline temporarily.

The Group's hydrocarbons operations reported results in line with those of the previous year, with rising unit sales and margins, but a drop in production caused by the temporary shutdown of some fields.

As a result, EBIT decreased to 127 million euros (-44.3%) and net profit totaled 52 million euros, or 40.2% less than in the first three months of 2007.

Sales Volume and Revenues

During the first three months of 2008, Edison booked revenues of 2,502 million euros, or 12.1% more than in the same period a year ago. This positive performance was made possible by a growing sales volume (+4.3% for the electric power operations, as against 0.9% for the market as a whole, and +9.9% for the hydrocarbons operations, in line with market demand) and by an increase in unit revenues driven by rising demand and higher prices in the international markets for energy commodities.

The electric power operations reported revenues of 1,858 million euros. The gain of 7% over the first quarter of 2007 reflects an increase of 10.7% in unit sales in the deregulated market, which rose to 11,134 GWh (10,058 GWh in the first three months of 2007), driven by a successful marketing strategy. On the other hand, sales under CIP6 contracts were down 7.1%, due to the expiration of some contracts. Overall, the electric power operations sold 16,719 GWh, up from 16,022 GWh in the first quarter of 2007 (+4.3%).

In the hydrocarbon area, the Group's sales volume increased by 9.9% to 4,306 million cubic meters (3,920 million cubic meters in the first quarter of 2007). Of the total amount, 1,579 million cubic meters were sold to residential and industrial customers (+11.7%) with the Group's thermoelectric power plants accounting for the balance (+5.5%, due to an increase in thermoelectric output).
A higher sales volume and higher unit revenues, made possible by rising prices for benchmark petroleum products, produced a 17.4% gain in first quarter revenues, which rose to 1,410 million euros.

EBITDA

In the first three months of 2008, EBITA decreased by 22.7% to 307 million euros (397 million euros in the first quarter of 2007).
This reduction is entirely attributable to the electric power operations, which reported EBITDA of 200 million euros (291 million euros in the first three months of 2007). This 31.3% year-over-year decrease reflects a reduction of more than 100 million euros in the profitability of the CIP6 operations caused by unfavorable regulatory developments. In this area, the Electric Power and Natural Gas Authority has failed to take action with regard to reimbursing the power plants that operate under CIP6

contracts for costs incurred as a result of emissions trading regulation, which amounted to about 60 million euros in the first three months of 2008. These costs were extremely high owing in part to the fact that the CIP6 facilities were drastically shortchanged in terms of the CO_2 emission quotas allocated under the 2008-2012 National Plan.

Another factor that accounts for the lower profitability of the CIP6 sales channel was an increase in raw material costs, which, because of Resolution No. 249/06, could be offset only in part with revenues recovered through the "avoided fuel cost" reimbursement formula, with a net negative effect of about 25 million euros.
In addition, the expiration of CIP6 incentives and contracts during the first quarter of 2008 caused EBITDA to decrease by about 20 million euros, compared with the same period last year.

The hydrocarbons operations reported EBITDA of 123 million euros, about the same as in the first three months of 2007, as a positive operating performance helped offset the effect of the unavailability of some production fields for technical reasons.

EBIT, Profit Before Taxes, Net Profit
Reflecting the impact of the developments discussed above, EBIT totaled 127 million euros at March 31, 2008, compared with 228 million euros in the first quarter of 2007, and the profit before taxes decreased to 97 million euros (170 million euros in the same period last year).
Group interest in net profit amounted to 52 million euros, or 35 million euros less than in the first three months of 2007. The smaller negative difference shown by the bottom line reflects the positive impact of a 30-million-euro reduction in net financial interest expense, made possible by a steady decrease in average indebtedness and the lower interest rates that followed the redemption of two bond issues in the second half of 2007, and a decrease in the tax burden that resulted from the somewhat lower new tax rates applicable beginning in 2008.

Indebtedness
Net borrowings totaled 2,708 million euros at March 31, 2008, little changed from the 2,687 million euros owed at December 31, 2007 (3,368 million euros at March 31, 2007). This improvement reflects the positive contribution provided by the operating cash flow, which more than offset outlays for capital investments and exploration (90 million euros), investments in affiliated companies (139 million euros for the purchase of an additional 5% interest in Edipower and 20 million euros invested in the Rovigo regasification terminal). In addition, 69 million euros were paid out in final settlement of a dispute with the Ministry of the Environment concerning a facility in Porto Marghera.

The debt equity ratio held steady at 0.33, the same as at the end of 2007, and shows an improvement compared with the 0.45 reported March 31, 2007.

Outlook for the Balance of 2008

The contribution provided by the new power plants in Simeri Crichi (800 MW), Candela and Turbigo (800 MW owned by Edipower), as they gradually reach full generating capacity, coupled with a continuation of the Group's policy of optimizing its energy portfolio and the anticipated positive changes in the legislative and regulatory framework concerning reimbursement of the costs incurred by Edison to meet CO_2 certificate obligations, justify expectations that the results for all of 2008 will be substantially in line with those reported last year (on a comparable scope of consolidation basis).

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Lastly, the Board of Directors appointed the following Directors to the Board Committees: Giuliano Zuccoli, Marc Boudier, Umberto Quadrino and Renato Ravanelli to the Strategy Committee; Mario Cocchi, Marc Boudier, Gregorio Gitti and GianMaria Gros-Pietro to the Compensation Committee; Daniel Camus, Ivan Strozzi, GianMaria Gros-Pietro and Marco Merler to the Audit Committee.

Conference Call

The Group's operating results for the first quarter of 2008 will be discussed today at 4:00 PM (3:00 PM GMT) during a conference call. Journalists may follow the presentation by telephone in listen-only mode by dialing +39 02 802 09 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 Quarterly Report at March 31, 2007 will be available upon request at the Company's headquarters (31 Foro Buonaparte, Milan) and at the offices of Borsa Italiana Spa by May 15, 2008. 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.
The Quarterly Report was not audited.

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

Consolidated Balance Sheet

(in millions of euros)

3/31/07		**3/31/08**	12/31/07
	ASSETS		
8,023	Property, plant and equipment	7,537	7,619
40	Investment property	11	11
3,518	Goodwill	3,518	3,518
317	Hydrocarbon concessions	293	299
42	Other intangible assets	34	36
45	Investments in associates	49	44
142	Available-for-sale investments	200	184
145	Other financial assets	137	139
109	Deferred-tax assets	73	78
49	Other assets	78	61
12,430	**Total non-current assets**	**11,930**	**11,989**
133	Inventories	147	250
1,579	Trade receivables	1,669	1,654
42	Current-tax assets	11	13
326	Other receivables	473	371
221	Current financial assets	21	25
439	Cash and cash equivalents	108	103
2,740	**Total current assets**	**2,429**	**2,416**
-	**Assets held for sale**	**354**	**318**
15,170	**Total assets**	**14,713**	**14,723**
	LIABILITIES AND SHAREHOLDERS' EQUITY		
4,793	Share capital	5,292	5,292
606	Equity reserves	624	641
1,135	Other reserves	1,612	1,114
(4)	Reserve for currency translations	(6)	(5)
730	Retained earnings (Loss carryforward)	465	465
87	Profit (Loss) for the period	52	497
7,347	**Total Group interest in shareholders' equity**	**8,039**	**8,004**
130	Minority interest in shareholders' equity	137	147
7,477	**Total shareholders' equity**	**8,176**	**8,151**
73	Provision for employee severance indemnities and provision for pensions	67	68
757	Provision for deferred taxes	535	560
879	Provision for risks and charges	895	899
1,201	Bonds	1,198	1,201
1,323	Long-term borrowings and other financial liabilities	1,203	1,216
7	Other liabilities	9	2
4,240	**Total non-current liabilities**	**3,907**	**3,946**
1,477	Bonds	19	9
106	Short-term borrowings	511	485
1,072	Trade payables	1,348	1,394
45	Current taxes payable	18	9
753	Other liabilities	620	652
3,453	**Total current liabilities**	**2,516**	**2,549**
-	**Liabilities held for sale**	**114**	**77**
15,170	**Total liabilities and shareholders' equity**	**14,713**	**14,723**

Income Statement

(in millions of euros)

	First quarter of 2008	First quarter of 2007
Sales revenues	2,502	2,231
Other revenues and income	114	94
Total net revenues	**2,616**	**2,325**
Raw materials and services used (-)	(2,254)	(1,876)
Labor costs (-)	(55)	(52)
EBITDA	**307**	**397**
Depreciation, amortization and writedowns (-)	(180)	(169)
EBIT	**127**	**228**
Net financial income (expense)	(25)	(55)
Income from (Expense on) equity investments	(3)	(4)
Other income (expense), net	(2)	1
Profit before taxes	**97**	**170**
Income taxes	(44)	(80)
Profit (Loss) from continuing operations	**53**	**90**
Profit (Loss) from discontinued operations	(2)	-
Profit (Loss)	**51**	**90**
Broken down as follows:		
Minority interest in profit (loss)	(1)	3
Group interest in profit (loss)	**52**	**87**
Earnings per share (in euros)		
Basic earnings per common share	0.0093	0.0182
Basic earnings per savings share	0.0393	0.0482
Diluted earnings per common share	0.0093	0.0169
Diluted earnings per savings share	0.0393	0.0482

Cash Flow Statement

2007 full year		(in millions of euros)	First quarter of 2008	First quarter of 2007
497		Group interest in profit (loss) from continuing operations	54	87
-		Group interest in profit (loss) from discontinued operations	(2)	-
20		Minority interest in profit (loss) from continuing operations	(1)	3
517		**Total Group interest in profit (loss)**	**51**	**90**
706		Amortization and depreciation	180	167
1		Interest in the result of companies valued by the equity method (-)	-	-
3		Dividends received from companies valued by the equity method	-	-
(16)		(Gains) Losses on the sale of non-current assets	3	(3)
3		(Revaluations) Writedowns of intangibles and property, plant and equipment	-	2
(3)		Change in the provision for employee severance indemnities	(1)	1
178		Change in other operating assets and liabilities	11	246
1,389	**A.**	**Cash flow from continuing operations**	**244**	**503**
(494)		Additions to intangibles and property, plant and equipment (-)	(91)	(135)
(337)		Additions to non-current financial assets (-)	(164)	(158)
72		Proceeds from the sale of intangibles and property, plant and equipment	1	15
103		Proceeds from the sale of non-current financial assets	-	98
-		Capital grants received during the year	-	-
-		Change in the scope of consolidation	-	-
17		Other current assets	4	(179)
(639)	**B.**	**Cash used in investing activities**	**(250)**	**(359)**
1,271		Receipt of new medium-term and long-term loans	-	935
(3,080)		Redemptions of new medium-term and long-term loans (-)	(12)	(1,274)
1,019		Capital contributions provided by controlling companies or other shareholders	3	520
(248)		Dividends paid to controlling companies or minority shareholders (-)	(12)	(3)
93		Change in short-term debt	32	(181)
(945)	**C.**	**Cash used in financing activities**	**11**	**(3)**
-	**D.**	**Cash and cash equivalents of discontinued operations**	**-**	**-**
-	**E.**	**Net currency translation differences**	-	-
-	**F.**	**Net cash flow from operating assets of discontinued operations**	**-**	**-**
(195)	**G.**	**Net decrease in cash and cash equivalents (A+B+C+D+E+F)**	**5**	**141**
298	**H.**	**Cash and cash equivalents at beginning of the period**	**103**	**298**
103	**I.**	**Cash and cash equivalents at end of the period (G + H)**	**108**	**439**
103	**L.**	**Total cash and cash equivalents at end of the period (I)**	**108**	**439**
-	**M.**	**(-) Cash and cash equivalents of discontinued operations**	**-**	**-**
103	**N.**	**Cash and cash equivalents of continuing operations (L-M)**	**108**	**439**

Changes in Consolidated Shareholders' Equity

(in millions of euros)	Share capital (a)	Reserves and ret. earnings (loss carryforward) (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	520	-	-	-	***520***	-	***520***
Reclassification of prior period earnings	-	654	-	(654)	***-***	-	***-***
Dividend distribution	-	-	-	-	***-***	(10)	***(10)***
Restatements for adoption of IAS 32 and IAS 39	-	19	-	-	***19***	-	***19***
Difference from translation of financial statements in foreign currencies and sundry items	-	(21)	(1)	-	***(22)***	(10)	***(32)***
Profit for the first quarter of 2007	-	-	-	87	***87***	3	***90***
Balance at March 31, 2007	***4,793***	***2,471***	***(4)***	***87***	***7,347***	***130***	***7,477***
Share capital increase due to the conversion of warrants	499	-	-	-	***499***	-	***499***
Dividend distribution	-	(233)	-	-	***(233)***	(5)	***(238)***
Restatements for adoption of IAS 32 and IAS 39	-	(21)	-	-	***(21)***	-	***(21)***
Change in the scope of consolidation	-	(3)	-	-	***(3)***	3	***-***
Difference from translation of financial statements in foreign currencies and sundry items	-	6	(1)	-	***5***	2	***7***
Profit from April 1, 2007 to December 31, 2007	-	-	-	410	***410***	17	***427***
Balance at December 31, 2007	***5,292***	***2,220***	***(5)***	***497***	***8,004***	***147***	***8,151***
Share capital increase	-	-	-	-	***-***	3	***3***
Reclassification of prior period earnings	-	497	-	(497)	***-***	-	***-***
Dividend distribution	-	-	-	-	***-***	(12)	***(12)***
Restatements for adoption of IAS 32 and IAS 39	-	(19)	-	-	***(19)***	-	***(19)***
Difference from translation of financial statements in foreign currencies and sundry items	-	3	(1)	-	***2***	-	***2***
Profit at March 31, 2008	-	-	-	52	***52***	(1)	***51***
Balance at March 31, 2008	**5,292**	**2,701**	**(6)**	**52**	**8,039**	**137**	**8,176**