



Press Release

EDISON: NINE-MONTH REVENUES AT 9.1 BILLION EURO, EBITDA AT 843 MILLION EURO, NET PROFIT AT 174 MILLION EURO

Milan, November 7th, 2013 – Edison's Board of Directors reviewed the Quarterly Report at September 30, 2013. Despite a negative scenario that further decreased the total demand of electric power and gas and increased competitive pressure, Edison recorded a positive performance in the electric power sector, which balanced in part the results' drop in the hydrocarbons sector, that is still subjected on price review process for the gas procurement contracts.

HIGHLIGHTS OF EDISON GROUP

<i>in millions of euros</i>	9 months 2013	9 months 2012 ¹	Δ %
Sales revenues	9,136	8,935	+2.2%
EBITDA	843	963	-12.5%
EBIT	411	440	-6.6%
Profit (Loss) before taxes	312	338	-7.7%
Group interest in profit (loss)	174	241	-27.8%

HIGHLIGHTS OF THE ELECTRIC POWER AND HYDROCARBONS OPERATIONS

<i>in millions of euros</i>	9 months 2013	9 months 2012	Δ %
Electric Power Operations²			
Sales revenues	5,422	5,211	+4.0%
Adjusted EBITDA³	541	362	+49.4%
Hydrocarbons Operation			
Sales revenues	4,346	4,960	-12.4%
Adjusted EBITDA³	371	680	-45.4%

¹ The reported data were prepared in accordance with IFRS 5, treating Edipower and the negative contribution to EBITDA from the tolling contract to supply natural gas to Edipower as discontinued operations.

² The data for 2012 were prepared excluding Edipower's contribution, classified under "discontinued operations." The data are comparable for the purpose of commenting the Group's industrial performance.

³ Adjusted EBITDA reflect the reclassification of the results of commodity and foreign exchange hedges executed in connection with contracts to import natural gas from the Hydrocarbons Operations to the Electric Power Operations, for the portion of gains or losses attributable to them, in order to provide an operational presentation of the Group's industrial results.

Operating Performance of the Group at September 30, 2013

The first nine months of 2013 saw a continuation of the trend of steady negative growth that has affected the Italian economy since 2008. A situation that is reflected in the drop of electric power and gas national consumption.

In these nine months of 2013, **Italian demand for electric power decreased by 3.7% compared with the same period in 2012**. This contraction exclusively affected the thermoelectric production due both to the structural growth of renewable-source capacity and the abundance of water resources during the period. A similar reduction occurred for **consumption of natural gas in Italy, which in the nine months of 2013 fell by 8.3% compared with the same period last year**.

The protracting of a situation of low demand coupled with excess of offer in both sectors further increased competitive pressure on sales prices of electric power and gas.

In this scenario Edison closed the first nine months of the year with **sales revenues at 9,136 million euro (8,935 million euro in the first 9 months of 2012)**.

EBITDA totaled 843 million euro compared to 963 million euro in the first nine months of 2012 in which it has registered the positive conclusion of the arbitrations on long-term gas procurement contracts with Qatar and Libya. In 2013 notwithstanding the successful conclusion of the arbitration on price review for the Algerian gas procurement contract and the agreements for the Qatari and Algerian gas procurement contracts together with the contribution of E&P activity, the protracting of a situation of strong pressure on the gas sales prices and the ongoing second phase of renegotiation of long-term gas procurement contracts from Russia and Libya (whose margins have worsened after the first phase), caused a 45.4% decrease of margin in Hydrocarbons sector compared to the same period in 2012. This drop has been balanced partially by the increase in profitability of Power Business (+49,4% compared to the same period in 2012) which benefited from good hydro conditions and the optimization of portfolio.

EBIT is of 411 million euro (440 million euro in the first nine months of last year) due to the above mentioned industrial scenario effects.

Profit Before Taxes is of 312 million euro compared with 338 million euros of the same period in 2012.

The Group interest in profit is 174 million euro (241 million euro in the first nine months of last year). The result of the first nine months of 2012 benefited from an one-off effect of 50 million euro from Discontinued Operations, referred to the re-definition of the price for the sale of the stake held in Edipower partially offset by the negative margin for the tolling management of Edipower.

The Group's net financial debt as at September 30, 2013, is 2,453 million euro, down by 160 million euros compared with 2,613 million euros as at December 31, 2012. In April Edison executed two intercompany loans for a total amount of 1.4 billion euros (drawn for 1 billion euros at September 30, 2013) and

in July has entered into a 550 million euros bank loan (entirely available at September 30, 2013).

Business Outlook for 2013

Considering the positive effects due to the review of gas supply contracts and to the performance of the electric power sector, Edison forecasts 2013 EBITDA to be about 1 billion euro.

Pertinent Documents

The Quarterly Report at September 30, 2013 approved by the Board of Directors of Edison Spa, will be available to the public on 8th November at the Company's head office and on the websites of Borsa Italiana Spa (www.borsaitaliana.it) and Edison Spa (www.edison.it).

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As required by Article 154-bis, Section 2, of the Uniform Finance Code (Legislative Decree No. 58/1998), Didier Calvez and Roberto Buccelli, in their capacity as "Dirigenti Preposti alla redazione dei documenti contabili societari" of Edison S.p.A., attest that the accounting information contained in this press release is consistent with the data in the Company's documents, books of accounts and other accounting records. The Quarterly Report at September 30, 2013 was not audited.

This press release and, specifically, the section entitled "Business Outlook" contains forward-looking statements. These statements are based on the Group's current projections and expectations with regard to future events, which, by their very nature, are subject to an intrinsic component of risk and uncertainty. Actual results could be materially different from those contained in the abovementioned statements due to a number of factors, including continued volatility and a deterioration of the capital and financial markets, fluctuations in raw material prices, changes in macroeconomic conditions and economic growth rates and other changes in business conditions, changes in the statutory and regulatory framework and institutional scenario (both in Italy and abroad), and many other factors, most of which are beyond the Group's control.

The Group's income statement, showing the other components of the comprehensive income statement, balance sheet, cash flow statement and the 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 INCOME STATEMENT

(in millions of euros)

2012 full year ^(*)	9 months 2013	9 months 2012 ^(*)	3 rd quarter 2013	3 rd quarter 2012 ^(*)
12.014 Sales revenues	9.136	8.935	2.888	3.126
830 Other revenues and income	580	673	112	443
12.844 Total net revenues	9.716	9.608	3.000	3.569
(11.523) Raw materials and services used (-)	(8.709)	(8.487)	(2.773)	(2.857)
(218) Labor costs (-)	(164)	(158)	(54)	(50)
1.103 EBITDA	843	963	173	662
(6) Net change in fair value of commodity derivatives	(9)	(1)	9	(6)
(868) Depreciation, amortization and writedowns (-)	(423)	(522)	(126)	(166)
229 EBIT	411	440	56	490
(121) Net financial income (expense)	(74)	(82)	(33)	(33)
6 Income from (Expense on) equity investments	2	6	-	4
(37) Other income (expense), net	(27)	(26)	-	(5)
77 Profit (Loss) before taxes	312	338	23	456
(41) Income taxes	(138)	(139)	6	(157)
36 Profit (Loss) from continuing operations	174	199	29	299
50 Profit (Loss) from discontinued operations	-	50	-	-
86 Profit (Loss)	174	249	29	299
Broken down as follows:				
5 Minority interest in profit (loss)	-	8	7	9
81 Group interest in profit (loss)	174	241	22	290
Earnings (Loss) per share (in euros)				
0,0147 Basic earnings (loss) per common share	0,0323	0,0448		
0,0447 Basic earnings per savings share	0,0623	0,0748		
0,0147 Diluted earnings (loss) per common share	0,0323	0,0448		
0,0447 Diluted earnings per savings share	0,0623	0,0748		

(*) 2012 amounts reflect the application of IAS 19 revised.

OTHER COMPONENTS OF THE COMPREHENSIVE INCOME STATEMENT

(in millions of euros)

2012 full year ^(*)	9 months 2013	9 months 2012 ^(*)	3 rd quarter 2013	3 rd quarter 2012 ^(*)
86 Profit (Loss)	174	249	29	299
Other components of comprehensive income:				
(8) A) Change in the Cash Flow Hedge reserve	(10)	21	3	4
(16) - Gains (Losses) arising during the period	(14)	36	8	9
8 - Income taxes (-)	4	(15)	(5)	(5)
4 B) Change in reserve for available-for-sale investments	(4)	5	-	5
4 - Gains (Losses) arising during the period not realized	(4)	5	-	5
- - Income taxes (-)	-	-	-	-
(6) C) Differences on the translation of assets in foreign currencies	(11)	-	(11)	(4)
D) Pro rata interest in other components of comprehensive				
- income of investee companies	-	-	-	-
- E) Actuarial gains (losses) ^{(*) (**)}	(2)	-	-	-
- - Actuarial gains (losses)	(2)	-	-	-
- - Income taxes (-)	-	-	-	-
(10) Total other components of comprehensive income net of taxes (A+B+C+D+E)	(27)	26	(8)	5
76 Total comprehensive profit (loss)	147	275	21	304
Broken down as follows:				
5 Minority interest in comprehensive profit (loss)	-	8	7	9
71 Group interest in comprehensive profit (loss)	147	267	14	295

(*) 2012 amounts reflect the application of IAS 19 revised.

(**) Items not reclassifiable in Income Statement.

CONSOLIDATED BALANCE SHEET

(in millions of euros)

09.30.2012 (*)	09.30.2013	12.31.2012 (*)
ASSETS		
4.969 Property, plant and equipment	4.603	4.786
10 Investment property	6	9
3.231 Goodwill	3.231	3.231
971 Hydrocarbon concessions	885	948
97 Other intangible assets	107	105
51 Investments in associates	51	51
196 Available-for-sale investments	185	194
78 Other financial assets	75	75
117 Deferred-tax assets	177	145
125 Other assets	464	108
9.845 Total non-current assets	9.784	9.652
398 Inventories	500	390
3.667 Trade receivables	3.082	3.391
13 Current-tax assets	14	25
614 Other receivables	521	562
121 Current financial assets	85	99
586 Cash and cash equivalents	653	753
5.399 Total current assets	4.855	5.220
1 Assets held for sale	-	1
- Eliminations of assets from and to discontinued operations	-	-
15.245 Total assets	14.639	14.873
LIABILITIES AND SHAREHOLDERS' EQUITY		
5.292 Share capital	5.292	5.292
1.691 Reserves and retained earnings (loss carryforward)	1.752	1.693
25 Reserve for other components of comprehensive income	(38)	(11)
241 Group interest in profit (loss)	174	81
7.249 Total shareholders' equity attributable to Parent Company shareholders	7.180	7.055
150 Shareholders' equity attributable to minority shareholders	125	132
7.399 Total shareholders' equity	7.305	7.187
Provision for employee severance indemnities and provisions		
35 for pensions	36	35
166 Provision for deferred taxes	74	79
906 Provisions for risks and charges	852	863
1.795 Bonds	1.097	1.796
185 Long-term financial debt and other financial liabilities	1.085	174
31 Other liabilities	31	31
3.118 Total non-current liabilities	3.175	2.978
109 Bonds	783	104
1.702 Short-term financial debt	287	1.461
2.183 Trade payables	2.400	2.440
28 Current taxes payable	51	11
706 Other liabilities	638	692
4.728 Total current liabilities	4.159	4.708
- Liabilities held for sale	-	-
- Eliminations of liabilities from and to discontinued operations	-	-
15.245 Total liabilities and shareholders' equity	14.639	14.873

(*) 2012 amounts reflect the application of IAS 19 revised.

CASH FLOW STATEMENT

2012 full year ^(*) (in millions of euros)	9 months 2013	9 months 2012 ^(*)
77 Profit (Loss) before taxes	312	338
868 Depreciation, amortization and writedowns	423	522
14 Net additions to provisions for risks	(45)	76
(2) Interest in the result of companies valued by the equity method (-)	-	(2)
1 Dividends received from companies valued by the equity method	1	1
1 (Gains) Losses on the sale of non-current assets	-	1
(1) Change in the provision for employee severance indemnities and provisions for pensions	(2)	(1)
13 Change in fair value recorded in EBIT	(4)	2
(294) Change in operating working capital	159	(835)
115 Financial income (expense)	83	99
(93) Net financial expense paid	(87)	(77)
(190) Income taxes paid	(137)	(119)
45 Change in other operating assets and liabilities	(358)	(21)
554 A. Cash flow from continuing operations	345	(16)
(459) Additions to intangibles and property, plant and equipment (-)	(162)	(309)
- Additions to non-current financial assets (-)	(4)	-
(2) Price paid on business combinations (-)	-	-
6 Proceeds from the sale of intangibles and property, plant and equipment	5	4
684 Proceeds from the sale of non-current financial assets	-	684
8 Repayment of capital contribution by non-current financial assets	5	6
529 Change in other current financial assets	14	507
766 B. Cash used in investing activities from continuing operations	(142)	892
603 Receipt of new medium-term and long-term loans	1.547	403
(1.323) Redemption of medium-term and long-term loans (-)	(1.757)	(810)
(110) Change in short-term net financial debt	(73)	(167)
(14) Distribution of shareholders' equity and reserves (-)	-	-
(14) Dividends paid to controlling companies or minority shareholders (-)	(20)	(7)
(858) C. Cash used in financing activities from continuing operations	(303)	(581)
- D. Cash and cash equivalents from changes in the scope of consolidation	-	-
- E. Net currency translation differences	-	-
462 F. Net cash flow for the period from continuing operations (A+B+C+D+E)	(100)	295
(35) G. Net cash flow for the period from discontinued operations	-	(35)
427 H. Net cash flow for the period (continuing and discontinued operations) (F+G)	(100)	260
291 I. Cash and cash equivalents at the beginning of the year from continuing operations	753	291
35 L. Cash and cash equivalents at the beginning of the year from discontinued operations	-	35
753 M. Cash and cash equivalents at the end of the period (continuing and discontinued operations) (H+I+L)	653	586
- N. Cash and cash equivalents at the end of the period from discontinued operations	-	-
753 O. Cash and cash equivalents at the end of the period from continuing operations (M-N)	653	586

(*) 2012 amounts reflect the application of IAS 19 revised.

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in millions of euros)	Share capital	Reserves and retained earnings (loss carry-forward)	Reserve for other components of comprehensive income					Group interest in profit (loss)	Total shareholders' equity attributable to Parent Company shareholders	Shareholders' equity attributable to minority shareholders	Total shareholders' Equity
			Cash Flow Hedge reserve	Reserve for available-for-sale investments	Differences on the translation of assets in foreign currencies	Interest in other components of comprehensive income of investee companies	Actuarial gains (losses) (*)				
Balance at December 31, 2011	5.292	2.568	(8)	-	7	-	-	(871)	6.988	158	7.146
Appropriation of the previous year's profit (loss)	-	(871)	-	-	-	-	-	871	-	-	-
Dividends distributed	-	-	-	-	-	-	-	-	-	(16)	(16)
Other changes	-	(6)	-	-	-	-	-	-	(6)	-	(6)
Total comprehensive profit (loss)	-	-	21	5	-	-	-	241	267	8	275
of which:											
- Change in comprehensive income for the period	-	-	21	5	-	-	-	-	26	-	26
- Profit (Loss) from 01.01.2012 to 09.30.2012	-	-	-	-	-	-	-	241	241	8	249
Balance at September 30, 2012	5.292	1.691	13	5	7	-	-	241	7.249	150	7.399
Dividends and reserves distributed	-	-	-	-	-	-	-	-	-	(14)	(14)
Other changes	-	1	-	-	-	-	-	-	1	-	1
Total comprehensive profit (loss)	-	1	(29)	(1)	(6)	-	-	(160)	(195)	(4)	(199)
of which:											
- Change in comprehensive income for the period	-	-	(29)	(1)	(6)	-	-	-	(36)	-	(36)
- Profit (Loss) from 10.01.2012 to 12.31.2012	-	1	-	-	-	-	-	(160)	(159)	(4)	(163)
Balance at December 31, 2012	5.292	1.693	(16)	4	1	-	-	81	7.055	132	7.187
Appropriation of the previous year's profit (loss)	-	81	-	-	-	-	-	(81)	-	-	-
Dividends distributed	-	(17)	-	-	-	-	-	-	(17)	(7)	(24)
Other changes	-	(5)	-	-	-	-	-	-	(5)	-	(5)
Total comprehensive profit (loss)	-	-	(10)	(4)	(11)	-	(2)	174	147	-	147
of which:											
- Change in comprehensive income for the period	-	-	(10)	(4)	(11)	-	(2)	-	(27)	-	(27)
- Profit (Loss) from 01.01.2013 to 09.30.2013	-	-	-	-	-	-	-	174	174	-	174
Balance at September 30, 2013	5.292	1.752	(26)	-	(10)	-	(2)	174	7.180	125	7.305

(*) The amounts reflect the application of IAS 19 revised.