



Press Release

EDISON SELLS ITS INVESTMENT IN SERENE TO BG ITALIA FOR 98 MILLION EUROS

Milan, December 14th, 2006 – Today, Edison Spa and BG Italia Spa signed an agreement under which BG Italia will purchase Edison's 66.3% interest in Serene Spa. BG Italia already owned the other 33.7%. BG Italia paid Edison 98 million euros for the Serene shares, a price substantially in line with book value. The price also includes up to 13 million euros whose payment is subject to CIP6 contracts' evolution for Kyoto emission rights.

The sale will close once the relevant antitrust authorities have provided their approval, which is expected to occur in February 2007. Once completed, this transaction will have a positive impact of approximately 130 million euros on the consolidated net financial position of Edison Group. Before the closing, Edison will receive dividends for approximately 10 million euros.

Serene currently manages five thermoelectric power plants that have a total installed capacity of 400 megawatts. These five facilities, which were commissioned in 1997, operate under CIP 6 contracts that are scheduled to expire in 2012. The incentives on these power plants expired in 2005. In first nine months of 2006, Serene generated revenues of about 200 million euros and EBITDA of about 25 million euros.

The sale of the investment in Serene is part of a process launched by Edison to streamline its portfolio of production facilities, with a stronger focus on new CCGT power plants for the deregulated market and on renewable sources.

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