PRESS RELEASE

EDISON CLOSES Q1 WITH REVENUES OF 2.6 BILLION EUROS, EBITDA AT 201 MILLION EUROS AND NET PROFIT OF 42 MILLION EUROS.

Edison has returned to positive results (42 million euros compared with the 19 million euros loss[1] in the first quarter of 2017) thanks to the good industrial performance of electric power operations and the absence of volatility linked to hedging activities.

Milan, May 4, 2018 - The Edison Board of Directors met today to examine the Quarterly Report at March 31, 2018, which closed with a net profit of 42 million euros, compared to the loss of 19 million euros in the same period of 2017. This result was achieved thanks to the good industrial performance of electric power operations (the EBITDA for the period was +37%) and the recovered stability in commodity hedging activities.

At March 31, 2018, net financial debt rose to 477 million euros from the 116 million euros recorded at the end of 2017 following the acquisition of Gas Natural Vendita Italia which, with roughly 500,000 customers, enabled Edison to expand its customer base while consolidating its role as the third operator in the Italian retail market. This positioning was strengthened in late April with the agreement for the acquisition of Attiva, a company operating in the market of natural gas sales to consumers with a portfolio of roughly 30,000 customers throughout Puglia.

EDISON GROUP HIGHLIGHTS

in millions of euros	**3 months - 2018[1]**	**3 months - 2017[1]**
Sales revenues	**2,631**	**2,706**
EBITDA	**201**	**229**
EBIT	**95**	**8**
Group interest in net Profit/Loss	**42**	**(19)**

[1] On January 1, 2018, two new international accounting standards entered into force: IFRS 15, which applies to "revenue from contracts with customers", and IFRS 9, relating to financial instruments. In order to improve comparability over time, Edison has decided to apply IFRS 15 retrospectively by restating 2017 financial statements. As a result of the adoption of this standard, sales revenues decreased, without any impact on the EBITDA. The first adoption impacts related to IFRS 9 were recorded in equity without restatement of 2017 data.

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Group performance in the quarter ended March 31, 2018

During the first quarter of 2018, the reference economic scenario improved, triggering an increase in the consumption of electricity, gas and oil as compared with the same period of last year.

More specifically, **Italian electricity demand grew by 1.8% on the first quarter of 2017, coming in at 81.5 TWh.** This increase was fully covered by imports, which rose significantly (+47% to 13.5 TWh) as compared with the same period of last year, when foreign production was temporarily suspended for maintenance. The increase in imports and hydroelectric generation, which returned to normal conditions (8.6 TWh generated in the first quarter of the year, marking an 11% increase compared with the same period of 2017), more than offset the decline in thermoelectric generation (-7% to 48.8 TWh). At 11.3 TWh, renewable generation remained stable. In terms of prices, **the Single National Price (abbreviated as PUN in Italian) fell by 5.4% to an average value of 54.3 euros per MWh** from 57.4 euros per MWh in the first quarter of 2017, as a consequence of the greater availability of electricity following the recovery in import flows.

Likewise, **gas consumption rose by 1.4% in the first quarter of the year compared with the same period of 2017, to 26 billion cubic meters.** Gas demand was supported by the residential sector, as a result of more severe temperatures (+7% to 14.6 billion cubic meters), and the industrial sector (+2% to 4.9 billion cubic meters). On the other hand, thermoelectric consumption was down by 11% to 6.1 billion cubic meters. In terms of prices, a further appreciation was registered in **spot gas** prices **in Italy, coming in at an average quarter value of 23.1 cents per cubic meter** (+6.9% compared with the first quarter of 2017), with prices on the rise throughout the quarter.

Oil prices increased considerably in the first quarter of 2018 recording an **average value of 67.1 dollars per barrel** as compared with 54.7 dollars per barrel in the same period of 2017, as a result of the extension of the agreements on production limits reached between OPEC and non-OPEC countries, the decline in production in Venezuela due to the country's difficult economic situation and concerns of possible US sanctions on Iran, which would negatively impact its export capacity.

In this context, Edison closed the first quarter of the year with **sales revenues of 2,631 million euros,** compared with 2,706 million euros[2] in the same period of the previous year. The decrease was determined by the fall in **electric power operations** revenues**,** which came to 1,161 million euros (-10.3% on the 1,295 million euros in the first quarter of 2017), primarily due to the lower volumes sold on the wholesale market. Revenues from **hydrocarbons operations** remained substantially stable at 1,657 million euros (+1.3% compared with 1,636 million euros in the first quarter of 2017), benefitting from the rise in foreign production.

EBITDA came to 201 million euros in the first quarter of the year, down from 229 million euros in the same period of last year, mainly due to the decline of **hydrocarbons operations EBITDA[3] to 133 million euros** (181 million euros in the first quarter of last year). This change was caused primarily by the expected decline in margins from gas supply and sales activities, which were impacted by a less favourable market scenario. E&P activities made a positive contribution to profitability, benefitting from higher foreign production

[2] Please recall that, in order to improve comparability over time Edison has decided to retrospectively adopt the new IFRS 15, which entered into force on January 1, 2018 and applies to "revenue from contracts with customers", restating 2017 financial statements. As a result of the adoption of IFRS 15, sales revenues decreased, without any impact on the EBITDA.

[3] The values for the first quarter of 2017 refer to adjusted EBITDA, calculated by reclassifying from Hydrocarbons Operations to Electric Power Operations the portion of the results of commodity and foreign exchange hedges executed in connection with contracts to import natural gas attributable to the Electric Power Operations. In the first quarter of 2018, there were no hedges to be reclassified between the two business segments. The EBITDA includes central staff and technical services.

volumes. The **electric power operations EBITDA[3] rose by 37% to 93 million euros** (68 million euros in the first quarter of 2017) thanks to the greater profitability of thermoelectric generation.

EBIT rose to 95 million euros from 8 million euros in the first quarter of 2017, benefitting from the net change in fair value of commodities and exchange rates derivatives, which was positive for 2 million euros (-98 million euros in the same period of last year) and the reduction in amortisation and depreciation for the period, primarily due to lower exploration costs.

The Edison Group closed the first quarter of the year with a net profit of 42 million euros (-19 million euros in the same period of 2017) as a result of the trends described above.

At March 31, 2018, net financial debt rose to 477 million euros from the 116 million euros recorded at the end of 2017 following the acquisition of Gas Natural Vendita Italia which had an impact of 274 million euros including the repayment of debt.

Outlook

Edison confirms its guidance for an expected 2018 EBITDA in the range of 670 million and 730 million euros.

Main events during first quarter of 2018

February 21, 2018 – Edison signed a partnership agreement with Idinvest Partners, one of the leading Pan-European private equity firms. This strategic venture capital partnership covers Edison's investment in the Smart City investment fund managed by Idinvest, focused on start-ups dedicated to Smart Energy, Smart Building & Industry, New Mobility and Enabling Technologies in Europe, North America, Israel and Asia. The partnership also provides the opportunity to co-invest in start-ups of particular interest for Edison, thus improving the maximum potential of the fund. At the same time, Idinvest undertakes to promote the Italian ecosystem of innovation, investing through its venture capital business in one or more innovative Italian businesses and start-ups that fall within the scope of its investment focus.

February 22, 2018 – Edison acquired Gas Natural Vendita Italia (GNVI), increasing its customer base by 50%. GNVI's gas customer portfolio is located primarily in Southern Italy and consists of around 420,000 residential customers (the majority of whom are in the protected category) and 15,000 small and medium enterprises, equivalent to a total volume of gas sold of 3.3 TWh. GNVI also sells electricity to around 53,000 retail customers and small and medium enterprises.
In addition, GNVI works in the gas boiler maintenance sector through Servigas, currently serving in excess of 90,000 residential customers. With this transaction, Edison strengthened its position as a key national energy operator in the retail sector, reaching a volume of customers that allows it to play a leading role in market consolidation. The price paid to acquire the company was 195.3 million euros.
In April, Gas Natural Fenosa transferred the gas supply agreement relating to the Azerbaijan Shah Deniz II field to Edison.

April 27, 2018 - Edison and Soleil Srl entered into a binding agreement for Edison's acquisition of Attiva, a company operating in the market of natural gas sales to end consumers in Puglia. This transaction, which

[3] The values for the first quarter of 2017 refer to adjusted EBITDA, calculated by reclassifying from Hydrocarbons Operations to Electric Power Operations the portion of the results of commodity and foreign exchange hedges executed in connection with contracts to import natural gas attributable to the Electric Power Operations. In the first quarter of 2018, there were no hedges to be reclassified between the two business segments. The EBITDA includes central staff and technical services.

includes a portfolio of roughly 30,000 customers located in all municipalities in the province of Lecce and in several municipalities in the provinces of Bari, Brindisi and Taranto, strengthens Edison's presence in Puglia, in line with the company's retail market development plan. Founded in 2003, Attiva provides around 20 million cubic meters of natural gas per year to households in Puglia, the majority in the residential market and coming from the protected market, with a high rate of retention and an average churn rate below the national average. The transaction closing is expected to take place around mid-May.

Documentation

The Quarterly Report at March 31, 2018 of the Edison Group, approved today by the Board of Directors of Edison Spa, will be made available to the public starting from May 8, 2018 at the company's office, on the website of Borsa Italiana Spa (www.borsaitaliana.it) and Edison Spa (http://www.edison.it/it/bilanci-e-documenti-correlati), as well as on the electronic storage site "eMarket STORAGE" (www.emarketstorage.com).

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The "Dirigenti preposti alla redazione dei documenti contabili societari" of Edison Spa, Didier Calvez and Roberto Buccelli, attest that – pursuant to art. 154-bis, paragraph 2 of the Consolidated Finance Law (Italian Legislative decree no. 58/1998) – the accounting disclosures in this release are consistent with records, ledgers and accounting entries. The Quarterly Report at March 31, 2018 is not audited.

This press release and, in particular, the section entitled "Outlook", contain forward-looking statements. Such statements are based on the Group's current forecasts and projections in relation to future events and are, by their very nature, subject to intrinsic risk and uncertainty. Actual results could differ materially from the forecasts referenced in these statements due to many different factors, including the continued volatility and deterioration of capital and financial markets, fluctuations in the prices of raw materials, changes in macroeconomic conditions and in economic growth and other changes in business conditions, changes in legislation, including regulations, and in the institutional context (both in Italy and abroad) and many other factors, most of which are beyond the Group's control.

Abridged consolidated economic-equity statements are attached.

Material information pursuant to Consob resolution no. 11971 of May 14, 1999, as amended.

PRESENTATION FORMATS

Consolidated Income Statement

(in millions of euros)	**1st quarter 2018**	1st quarter 2017 (*)
Sales revenues (*)	2,631	2,706
Other revenues and income	23	38
Total net revenues	**2,654**	**2,744**
Raw materials and services used (-) (*)	(2,372)	(2,436)
Labor costs (-)	(81)	(79)
EBITDA	**201**	**229**
Net change in fair value of commodity derivatives	2	(98)
Depreciation, amortization and writedowns (-)	(106)	(122)
Other income (expense), net	(2)	(1)
EBIT	**95**	**8**
Net financial income (expense)	(16)	(13)
Income from (Expense on) equity investments	1	9
Profit (Loss) before taxes	**80**	**4**
Income taxes	(34)	(18)
Profit (Loss) from continuing operations	**46**	**(14)**
Profit (Loss) from discontinued operations	-	-
Profit (Loss)	**46**	**(14)**
Broken down as follows:		
Minority interest in profit (loss)	4	5
Group interest in profit (loss)	**42**	**(19)**
Earnings (Loss) per share (in euros)		
Basic earnings (loss) per common share	0.0079	(0.0040)
Basic earnings per savings share	0.0075	0.0125
Diluted earnings (loss) per common share	0.0079	(0.0040)
Diluted earnings per savings share	0.0075	0.0125

(*) "Sales revenues" and "Raw materials and services used " related to reporting period 2017 were restated following IFRS 15 adoption with no EBITDA impact.

The first adoption impacts related to IFRS 9 were recorded in equity without restatement of 2017 data.

Consolidated Balance Sheet

(in millions of euros)	03.31.2018	12.31.2017
ASSETS		
Property, plant and equipment	3,624	3,657
Investment property	5	5
Goodwill	2,486	2,313
Hydrocarbon concessions	311	322
Other intangible assets	155	154
Investments in associates	64	67
Available-for-sale investments (*)	-	1
Investments at fair value through profit and loss (*)	4	-
Other financial assets	73	80
Deferred-tax assets	469	467
Other assets	242	302
Total non-current assets	**7,433**	**7,368**
Inventories	147	182
Trade receivables	1,810	1,656
Current-tax assets	16	8
Other receivables	936	840
Current financial assets (*)	3	6
Cash and cash equivalents	88	260
Total current assets	**3,000**	**2,952**
Total assets	**10,433**	**10,320**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	5,377	5,377
Reserves and retained earnings (loss carryforward)	391	601
Reserve for other components of comprehensive income	121	113
Group interest in profit (loss)	42	(176)
Total shareholders' equity attributable to Parent Company shareholders	**5,931**	**5,915**
Shareholders' equity attributable to minority shareholders	291	288
Total shareholders' equity	**6,222**	**6,203**
Provision for employee severance indemnities and provisions for pensions	42	42
Provision for deferred taxes	79	76
Provisions for risks and charges	1,232	1,249
Long-term financial debt and other financial liabilities	256	221
Other liabilities	52	65
Total non-current liabilities	**1,661**	**1,653**
Bonds	4	4
Short-term financial debt	308	157
Trade payables	1,592	1,696
Current taxes payable	49	19
Other liabilities	597	588
Total current liabilities	**2,550**	**2,464**
Total liabilities and shareholders' equity	**10,433**	**10,320**

(*) Since January 1, 2018, following the application of the new accounting principle IFRS 9 the "Available-for-sale investments" and the "Equity investments held for trading" (included for about 3 million of euros in "Current financial assets" at December 31, 2017) were reclassified in "Investments at fair value through profit and loss".
The first adoption impacts related to IFRS 9 were recorded in equity without restatement of 2017 data.

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
Balance at December 31, 2017	**5,377**	**601**	**113**	**(176)**	**5,915**	**288**	**6,203**
IFRS 9 - first adoption	-	(29)	-	-	**(29)**	-	**(29)**
Balance at January 01, 2018	**5,377**	**572**	**113**	**(176)**	**5,886**	**288**	**6,174**
Aprropriation of the previous year's profit (loss)	-	(176)	-	176	**-**	-	**-**
Dividends and reserves distributed	-	-	-	-	**-**	(1)	**(1)**
Other changes	-	(5)	-	-	**(5)**	-	**(5)**
Total comprehensive profit (loss)	-	-	8	42	**50**	4	**54**
of which:							
- Change in comprehensive income	-	-	8	-	**8**	-	**8**
- Profit (loss) at March 31, 2018	-	-	-	42	**42**	4	**46**
Balance at March 31, 2018	**5,377**	**391**	**121**	**42**	**5,931**	**291**	**6,222**