PRESS RELEASE

EDISON CLOSES Q1 WITH REVENUES OF 2.5 BILLION EUROS, EBITDA OF 255 MILLION EUROS (+27%) AND NET PROFIT OF 79 MILLION EUROS (42 MILLION EUROS IN Q1 2018)

Milan, May 3, 2019 – The Edison Board of Directors met today to examine the Quarterly Report at March 31, 2019, which closed with a significant increase of the EBITDA thanks to the good industrial performance of all business areas, in particular of the electric power operations (EBITDA +27% in the period) through the significant contribution of renewable sources. Net profit as well reported a growth at 79 million euros compared to the 42 million euros in the same period of 2018.

Net financial debt at March 31, 2019 is 615 million euros (416 million euros at December 31, 2018) and takes into account the application of the new accounting standard IFRS 16[1], which as at January 1, 2019 resulted in a debt increase by 165 million euros.

EDISON GROUP HIGHLIGHTS

in millions of euros	**3 months 2019**	**3 months 2018[2]**
Sales revenues	**2,511**	**2,419**
EBITDA	**255**	**201**
EBIT	**150**	**95**
Group interest in net Profit(Loss)	**79**	**42**

<u>Group performance in the quarter ended March 31, 2019</u>

During the first quarter of 2019, **Italian electricity demand dropped by 1% on the first quarter of 2018, coming to 80.3 TWh**. This trend has translated into a reduction in net imports (-23% on 2018, at 10.4 TWh) and an increased contribution of domestic production (+3.3% to 70.6 TWh), covering 87% of Italy's demand. A strong growth was recorded by photovoltaic production (+35.6% to 5.1 TWh) and wind power (+16.2% to 7.1 TWh) during the first quarter. The hydroelectric generation drop (-12% to 7.5 TWh), due to the low availability of water in the period, was offset by the increase in thermoelectric production (+2% to 49.4 TWh).

[1] Edison has decided to apply the new international financial reporting standard IFRS 16 "Leases" prospectively starting from January 1, 2019, therefore without restatement of comparative data.
[2] Sales revenues of the first quarter 2018 have been restated following the application of the 'combination of contracts' rule in accordance with the international financial reporting standard IFRS 15, without any impact on EBITDA.

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In terms of prices, the **Single National Price (abbreviated as PUN in Italian) averaged 59.4 euros/MWh, up 9.4%** on the 54.3 euros/MWh recorded for the same period of 2018, as a consequence of imports reduction and colder temperatures in January. The trend reversed in February and March due to the demand reduction and increased electricity availability from renewable sources.

Likewise, during the first quarter of the year, gas consumption dropped by 1.7% on the same period of 2018, coming in at 25.5 billion cubic meters. This trend is due to the decline in gas demand for both the residential sector (-6.9% on Q1 2018 to 13.5 billion cubic meters), due to the milder temperatures in particular in February and March, and industrial sector (-1.2% to 4.9 billion cubic meters). Thermoelectric consumption instead rose (+10.2% to 6.7 billion cubic meters), also thanks to the reduction in power generation from coal. **Spot gas prices in Italy averaged 22.0 cents per cubic meter during the first quarter of 2019** (-4.8% on Q1 2018), registering a downward trend during the quarter.

Likewise, **during the first quarter of 2019 oil prices had an average value of 63.9 dollars per barrel, equal to a 4.9% decrease** compared to the same period in 2018.

In this context, Edison closed the first quarter of the year with **sales revenues up 3.8%, to 2,511 million euros**, from the 2,419 million[2] euros in the same period of 2018, mainly thanks to the positive performance of electric power operations. **Revenues from electric power operations rose by 12.5%, to 1,068 million euros** from 949 million[2] euros in Q1 2018, driven by the increase in average sale prices, despite the decline in volumes. **Hydrocarbons operations also made a positive contribution, with revenues growing by 2.4% to 1,696 million euros** from the 1,657 million euros recorded in the first quarter of 2018.

EBITDA grew by 26.9% to 255 million euros, as compared with the 201 million euros in the first quarter of 2018. This result is due to the good industrial performance of all business areas and, in particular, electric power operations. More specifically, the **electric power operations EBITDA[3] grew by 26.9% to 118 million euros**, from the 93 million euros recorded for the same period of 2018, thanks to the contribution of the wind power segment, higher profitability of thermoelectric and hydroelectric generation and to the growth in energy services sector. **Hydrocarbons operations EBITDA[3] came to 157 million euros, recording an 18% rise** on the first quarter of last year, which had been impacted by particularly unfavourable climatic events.

EBIT rose to 150 million euros (+ 57.9%) from 95 million euros in the first quarter of 2018 as a consequence of the above-described dynamics. The result was also impacted by depreciation and write-downs of 112 million euros (106 million euros in Q1 2018) and financial expense of 14 million euros (16 million euros during the same period of last year).

The Edison Group thus closed the first quarter of the year with a net profit of 79 million euros, compared to the 42 million euros recorded during the same period of 2018.

[2] Sales revenues of the first quarter 2018 have been restated following the application of the 'combination of contracts' rule in accordance with the international financial reporting standard IFRS 15, without any impact on EBITDA.
[3] The EBITDA includes central staff and technical services.

Net financial debt at March 31, 2019 was 615 million euros compared to 416 million euros at December 31, 2018 and takes into account the application of the new accounting standard IFRS 16, which as at January 1, 2019 resulted in a debt increase by 165 million euros.

Outlook

Edison confirms that its 2019 EBITDA estimates, excluding potential new M&A transactions, will be within a range of 720 and 780 million euros.

Main events during first quarter of 2019

05 March 2019 - Edison and Ansaldo Energia signed a contract for a new, latest-generation combined gas cycle that will make the thermoelectric power plant of Marghera Levante (VE) the most efficient in Europe. The overall investment amounts to more than 300 million euros, which will also be used to create the power island, made up mainly of the GT36 high-efficiency gas turbine developed by the Genoa-based company. The new turbine will supply the Marghera combined cycle, which will have a total electricity generation capacity of 780 MW and an energy performance of 63%, the highest output currently available from these technologies. The new plant will allow for a 40% reduction of specific CO2 emissions compared to the average of the current Italian thermoelectric plants and a reduction of more than 70% in emissions of nitrogen oxides (NOX).

Works will last for 3 years and employ around 600 people, in addition to the associated industries. Once completed, the Marghera Levante plant will employ 31 people, making it possible to confirm the current employment levels of the plant.

In April, Edison obtained the Sole Authorisation which enable the launch of the project.

Documentation

The Quarterly Report at March 31, 2019 of the Edison Group, approved today by the Board of Directors of Edison Spa, will be available to the public from May 6, 2019 at the company's office, on the Edison Spa website (http://www.edison.it/it/bilanci-e-documenti-correlati), and on the authorised 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 Financial 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, 2019 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 14 May 1999, as amended.

PRESENTATION FORMATS:

CONSOLIDATED INCOME STATEMENT

(in millions of euros)	1st quarter 2019	1st quarter 2018 (*)
Sales revenues (*)	2,511	2,419
Other revenues and income	26	23
Total net revenues	**2,537**	**2,442**
Commodity and logistic costs (-) (*)	(2,010)	(2,000)
Other costs and services used (-)	(152)	(137)
Labor costs (-)	(86)	(81)
Receivables (writedowns) / reversals	(17)	(7)
Other costs (-)	(17)	(16)
EBITDA	**255**	**201**
Net change in fair value of derivatives (commodity and exchange rate risk)	10	2
Depreciation and amortization (-)	(112)	(104)
(Writedowns) and reversals	-	(2)
Other income (expense) non Energy activities	(3)	(2)
EBIT	**150**	**95**
Net financial income (expense) on debt	(1)	(1)
Other net financial income (expense)	(7)	(13)
Net financial income (expense) on assigned trade receivables without recourse	(6)	(2)
Income from (Expense on) equity investments	1	1
Profit (Loss) before taxes	**137**	**80**
Income taxes	(49)	(34)
Profit (Loss) from continuing operations	**88**	**46**
Profit (Loss) from discontinued operations	-	-
Profit (Loss)	**88**	**46**
Broken down as follows:		
Minority interest in profit (loss)	9	4
Group interest in profit (loss)	**79**	**42**

(*) "Sales revenues" and "Commodity and logistic costs" related to 2018 were restated following the application of the "combination of contracts" rule in accordance with IFRS 15 with no EBITDA impact.

The new accounting standard IFRS 16 "Leases" has been applied from January 1, 2019 prospectively without restatement of comparative data.

CONSOLIDATED BALANCE SHEET

(in millions of euros)	03.31.2019	12.31.2018
ASSETS		
Property, plant and equipment	3,768	3,647
Intangible assets	605	617
Goodwill	2,403	2,403
Investments in companies valued by the equity method	73	71
Other non-current financial assets	68	69
Deferred-tax assets	457	461
Non-current tax receivables	34	34
Other non-current assets	123	121
Fair value	143	170
Assets for financial leasing	3	3
Total non-current assets	**7,677**	**7,596**
Inventories	137	223
Trade receivables	1,823	1,654
Current tax receivables	24	43
Other current assets	367	387
Fair value	480	530
Current financial assets	4	3
Cash and cash equivalents	116	149
Total current assets	**2,951**	**2,989**
Total assets	**10,628**	**10,585**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	5,377	5,377
Reserves and retained earnings (loss carryforward)	441	389
Reserve for other components of comprehensive income	80	66
Group interest in profit (loss)	79	54
Total shareholders' equity attributable to Parent Company shareholders	**5,977**	**5,886**
Shareholders' equity attributable to minority shareholders	261	255
Total shareholders' equity	**6,238**	**6,141**
Provisions for employee benefits	39	40
Provisions for decommissioning and remediation of industrial sites	728	716
Provisions for risks and charges	237	211
Provisions for income tax liabilities	29	29
Provisions for risks and charges for non Energy activities	253	250
Deferred-tax liabilities	126	120
Other non-current liabilities	-	1
Fair value	148	168
Non-current financial debt	486	353
Total non-current liabilities	**2,046**	**1,888**
Trade payables	1,394	1,580
Current tax payables	71	65
Other current liabilities	243	222
Fair value	384	471
Current financial debt	252	218
Total current liabilities	**2,344**	**2,556**
Total liabilities and shareholders' equity	**10,628**	**10,585**

The new accounting standard IFRS 16 "Leases" has been applied from January 1, 2019 prospectively without restatement of comparative 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, 2018	**5,377**	**389**	**66**	**54**	**5,886**	**255**	**6,141**
IFRS 16 - first adoption	-	-	-	-	**-**	-	**-**
Balance at January 1, 2019	**5,377**	**389**	**66**	**54**	**5,886**	**255**	**6,141**
Appropriation of the previous year's profit (loss)	-	54	-	(54)	**-**	-	**-**
Dividends and reserves distributed	-	-	-	-	**-**	(3)	**(3)**
Other changes	-	(2)	-	-	**(2)**	-	**(2)**
Total comprehensive profit (loss)	-	-	14	79	**93**	9	**102**
of which:							
- Change in comprehensive income	-	-	14	-	**14**	-	**14**
- Profit (loss) at March 31, 2019	-	-	-	79	**79**	9	**88**
Balance at March 31, 2019	**5,377**	**441**	**80**	**79**	**5,977**	**261**	**6,238**