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Press Release

Edison's Board of Directors Reviews the Semiannual Report at June 30, 2008

EDISON: SALES REVENUES UP 23.5% TO OVER 5 BILLION EUROS

Second quarter results strongly better than first quarter's, foremost in the electric power operations; EBITDA for the hydrocarbons operations down for contingent reasons

Outlook for full year 2008, which foresees results in line with those achieved in 2007, is confirmed

Milan, July 25, 2008 – Edison's Board of Directors met today at the Company's Foro Buonaparte headquarters to review the Semiannual Report at June 30, 2008.

HIGHLIGHTS OF THE EDISON GROUP

(in millions of euros)

	First half 2008	First half 2007	Δ %
Sales revenues	**5,005**	4,052	*23.5*
EBITDA	**809**	904	*(10.5)*
EBIT	**442**	572	*(22.7)*
Profit before taxes	**337**	466	*(27.7)*
Net profit	**102**	256	*(60.2)*

HIGHLIGHTS OF THE GROUP'S ELECTRIC POWER AND HYDROCARBONS OPERATIONS

(in millions of euros)

	First half 2008	First half 2007	Δ %
Electric Power Operations			
Sales revenues	**3,864**	3,244	*19.1*
EBITDA	**636**	621	*2.4*
Hydrocarbons Operations			
Sales revenues	**2,444**	1,986	*23.1*
EBITDA	**209**	315	*(33.7)*

Operating Performance of the Group in the First Half of 2008

In the first half of 2008, Edison reported sharply higher revenues of 5,005 million euros, or 23.5% more than in the same period last year, thanks to higher unit sales by both the electric power operations (+5.1%) and the hydrocarbons operations (+9.6%) and an increase in unit revenues made possible by a significant rise in the prices of benchmark commodities.

In Italy, gross demand for electric power was relatively flat compared with the first six months of 2007 (168.6 TWh). **In this environment, Edison boosted total unit sales by 5.1% (+16.8% in the deregulated markets), significantly outperforming the market as a whole.**

During the first six months of 2008, demand for natural gas grew to about 45.3 billion cubic meters, or about 7.6% more than in the same period a year ago. Colder weather during the first quarter than in the first three months of 2007 and higher demand from thermoelectric power plants are the main reasons for this improvement. **Edison outperformed the market in this business segment as well,** boosting unit sales by 9.6%.
During the first half of 2008, the prices of energy commodities were up by substantial amounts, with the average price of crude oil rising to US$109.10 per barrel, or 72.5% more than in the first six months of 2007.

The electric power operations reported EBITDA of 636 million euros, for a gain of 2.4% compared with the first half of 2007 (+5% net of the sale of some CIP6 power plants), as the positive impact of an increase in unit sales and higher margins earned on sales in the deregulated market more than offset a substantial earnings shortfall in the CIP6 segment.
As for the hydrocarbons operations, EBITDA were down 33.7% to 209 million euros. This reduction is mainly the result of price changes in the benchmark oil market and of the different timing with which these changes are reflected, on the one hand, in the formulas that determine procurement costs and, on the other, in those applicable to sales prices. The negative effect of these different dynamics was particularly pronounced during a period when prices of benchmark commodities rose rapidly.
The results reported by both businesses were also affected by negative and positive non-recurring events, which included the renegotiation in 2008 of the natural gas supply contract with Russia. However, the net effect of these developments was about the same in the first half of 2008 and 2007.
Overall, EBITDA for the first half of 2008 totaled 809 million euros, for a year-over-year decrease of 10.5% (-9% on a comparable scope of consolidation basis).

As a result of these developments and of higher depreciation and explorations expenses, EBIT was 442 million euros (-22.7% compared with the first half of 2007). Profit before taxes totaled 337 million euros (-27.7%) owing in part to the recognition of provisions totaling 40 million euros set aside in connection with tax disputes involving primarily asset divestitures that date back to the early 1990s.

Net profit for the first six months of 2008 totaled 102 million euros, or 154 million euros less than the 256 million euros earned in the same period last year, owing primarily to the effect of tax-related items. Specifically, in addition to the provisions discussed above, the recently enacted Decree Law No. 112 of June 25, 2008 had an impact of 101 million euros.

Sales Volume and Revenues

During the first six months of 2008, Edison booked sales revenues of 5,005 million euros, or 23.5% more than in the same period a year ago, with the electric power operations and the hydrocarbons operations reporting gains of 19.1% and 23.1%, respectively. In both businesses, this improvement was the combined result of higher unit sales and of an increase in unit revenues, made possible by a sharp rise in the prices of benchmark commodities.

The **electric power operations** reported unit sales of 32,682 GWh. The a gain of 5.1% compared with the first half of 2007 reflects in part the effect of the full availability of all the facilities that sell their power in the deregulated market. The increase of 16.8% to customers in this market (including export) was offset in part by an 18.4% reduction in CIP6 sales, attributable mainly to the sale of power plants mentioned above and the expiration of some contracts.

The **hydrocarbons operations** sold a total of 7,462 million cubic meters of natural gas, or 9.6% more than in the first half of 2007. Specifically, unit sales were up 2.2% for residential users, 19.2% for industrial users and 2.8% for thermoelectric users.

EBITDA

In the first six months of 2008, the **electric power operations** reported EBITDA of 636 million euros, up 2.4% compared with the 621 million euros earned in the first half of 2007 (+5% on a comparable scope of consolidation basis), reflecting the positive impact of significantly higher unit sales and margins in the deregulated segments of the market. Second quarter EBITDA reached 436 million euros, up 32.1% from 330 million euros totaled in second quarter 2007.
The improvement in this area of business more than offset a substantial shortfall in the CIP6 segment, where EBITDA were penalized by the sale of some power plants (15 million euros), the expiration of some contracts (more than 30 million euros) and the impact of Resolution No. 249/06, which allowed only a partial recovery of fuel costs. On the other hand, the publication of Resolutions No. 77/08 and No. 80/08 by the Electric Power and Natural Gas Authority resulted in refunds of the costs incurred over the entire length of the contracts to comply with emissions trading and green certificate requirements.

At 209 million euros, the EBITDA booked by **hydrocarbons operations** were 33.7% lower than the 315 million euros earned in the first half of 2007. Changing conditions in the benchmark oil market and the different timing with which these changes are reflected in the formulas applied to purchasing and sales prices are the primary reasons for this decrease. The negative effect of these different dynamics was particularly pronounced during a period when prices of benchmark commodities rose rapidly.

Within the hydrocarbons operations, the margins earned by the production activities were lower than in the previous years despite a highly favorable scenario, as the volumes produced decreased due to technical problems in some gas and oil fields.

Overall, EBITDA totaled 809 million euros in the first six months of 2008, or 10.5% less than in the same period last year, with the hydrocarbons operations accounting for virtually the entire decrease (-9% on a comparable scope of consolidation basis).

EBIT, Profit Before Taxes, Net Profit

Reflecting the impact of the developments discussed above, the effect of an increase in depreciation, resulting from the commissioning of new production capacity in the second half of 2007, and higher exploration expenses, EBIT were down 22.7% to 442 million euros at June 30, 2008 (572 million euros in the first six months of 2007). The profit before taxes decreased to 337 million euros (-27.7%), owing in part to the recognition of provisions totaling 40 million euros set aside in connection with tax disputes involving primarily asset divestitures that date back to the early 1990s.

Group interest in net profit amounted to 102 million euros in the first half of 2008, compared with 256 million euros in the same period last year (-60.2%). This decrease is the result of tax-related items. Specifically, in addition to the provisions discussed above, Decree Law No. 112 of June 25, 2008 (the so-called “Robin Hood Tax”) had a negative impact of 101 million euros (72 million euros for deferred taxes and 29 million euros for current taxes).

Indebtedness

At June 30, 2008, net borrowings totaled 2,839 million euros, or 152 million euros more than the 2,687 million euros owed at December 31, 2007.

A positive operating cash flow and the proceeds generated by the sale of CIP6 thermoelectric power plants and of a 51% interest in Dolomiti Edison Energy Srl offset in part the impact of outlays for capital investments (242 million euros), net financial expense (lower than in the first half of 2007), purchases of equity investments (which included 139 million euros for 5% of Edipower and 44 million euros contributed to Terminale GNL Adriatico), the distribution of dividends (281 million euros) and the payment of income taxes.

The debt/equity ratio was 0.36, compared to 0.41 in the first half of 2007 and 0.33 at December 31, 2007.

Outlook for the Balance of 2008

Assuming a comparable scope of consolidation, the results achieved during the second quarter of this year, which showed a marked improvement compared with the previous three months in terms of the unit sales and margins generated in the deregulated market, coupled with further progress in implementing a policy focused on optimizing the energy portfolio and the full availability of all power plants, should enable the Group to report for all of 2008 results in line with those achieved in 2007.

Results of the Group's Parent Company

At June 30, 2008, Edison Spa, the Group's Parent Company, reported a net profit of 263 million euros, compared with a net profit of 391 million euros in the first six months of 2007.

Conference Call

The Group's operating results for the first half of 2008 will be discussed today at 3:30 PM CET 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 "Dirigente Preposto alla redazione dei documenti contabili societari" 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 Semiannual Report is the subject of a limited audit, which is currently in the completion phase.

The Semiannual Report at June 30, 2008, the Report of the Independent Auditors and any remarks by the Statutory Auditors will be available upon request at the Company's headquarters (31 Foro Buonaparte, Milan) and at the offices of Borsa Italiana Spa within the statutory deadline. 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.

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

Consolidated Balance Sheet

(in millions of euros)

6/30/07		**6/30/08**	12/31/07
	ASSETS		
7,955	Property, plant and equipment	7,489	7,619
35	Investment property	11	11
3,518	Goodwill	3,518	3,518
311	Hydrocarbon concessions	287	299
37	Other intangible assets	34	36
45	Investments in associates	45	44
155	Available-for-sale investments	216	184
140	Other financial assets	143	139
100	Deferred-tax assets	85	78
55	Other assets	63	61
12,351	**Total non-current assets**	**11,891**	**11,989**
250	Inventories	281	250
1,251	Trade receivables	1,789	1,654
18	Current-tax assets	8	13
304	Other receivables	651	371
35	Current financial assets	35	25
929	Cash and cash equivalents	123	103
2,787	**Total current assets**	**2,887**	**2,416**
-	**Assets held for sale**	**-**	**318**
15,138	**Total assets**	**14,778**	**14,723**
	LIABILITIES AND SHAREHOLDERS' EQUITY		
4,793	Share capital	5,292	5,292
639	Equity reserves	655	641
1,124	Other reserves	1,164	1,114
(4)	Reserve for currency translations	(6)	(5)
465	Retained earnings (Loss carryforward)	623	465
256	Profit (Loss) for the period	102	497
7,273	**Total Group interest in shareholders' equity**	**7,830**	**8,004**
133	Minority interest in shareholders' equity	110	147
7,406	**Total shareholders' equity**	**7,940**	**8,151**
73	Provision for employee severance indemnities and provision for pensions	66	68
762	Provision for deferred taxes	590	560
859	Provision for risks and charges	981	899
1,202	Bonds	1,200	1,201
1,277	Long-term borrowings and other financial liabilities	1,068	1,216
9	Other liabilities	30	2
4,182	**Total non-current liabilities**	**3,935**	**3,946**
1,508	Bonds	26	9
114	Short-term borrowings	787	485
1,234	Trade payables	1,392	1,394
21	Current taxes payable	44	9
673	Other liabilities	654	652
3,550	**Total current liabilities**	**2,903**	**2,549**
-	**Liabilities held for sale**	**-**	**77**
15,138	**Total liabilities and shareholders' equity**	**14,778**	**14,723**

Consolidated Income Statement

(in millions of euros)

	First half 2008	First half 2007
Sales revenues	5,005	4,052
Other revenues and income	458	257
Total net revenues	**5,463**	**4,309**
Raw materials and services used (-)	(4,544)	(3,296)
Labor costs (-)	(110)	(109)
EBITDA	**809**	**904**
Depreciation, amortization and writedowns (-)	(367)	(332)
EBIT	**442**	**572**
Net financial income (expense)	(63)	(112)
Income from (Expense on) equity investments	-	(9)
Other income (expense), net	(42)	15
Profit before taxes	**337**	**466**
Income taxes	(234)	(204)
Profit (Loss) from continuing operations	**103**	**262**
Profit (Loss) from discontinued operations	(3)	-
Profit (Loss)	**100**	**262**
Broken down as follows:		
Minority interest in (profit) loss	(2)	6
Group interest in profit (loss)	**102**	**256**
Earnings per share (in euros)		
Basic earnings per common share	0.0186	0.0537
Basic earnings per savings share	0.0486	0.0837
Diluted earnings per common share	0.0186	0.0502
Diluted earnings per savings share	0.0486	0.0837

Cash Flow Statement

2007 full year		(in millions of euros)	First half 2008	First half 2007
497		Group interest in profit (Loss) from continuing operations	105	256
-		Group interest in profit (loss) from discontinued operations	(3)	-
20		Minority interest in profit (loss) from continuing operations	(2)	6
517		**Total Group and minority interest in profit (loss)**	**100**	**262**
706		Amortization and depreciation	367	339
1		Interest in the result of companies valued by the equity method (-)	-	(1)
3		Dividends received from companies valued by the equity method	-	2
(16)		(Gains) Losses on the sale of non-current assets	(4)	(9)
3		(Revaluations) Writedowns of intangibles and property, plant and equipment	-	(7)
(3)		Change in the provision for employee severance indemnities	(2)	1
178		Change in other operating assets and liabilities	(132)	638
1,389	**A.**	**Cash flow from continuing operations**	**329**	**1,225**
(494)		Additions to intangibles and property, plant and equipment (-)	(242)	(230)
(337)		Additions to non-current financial assets (-)	(190)	(173)
72		Proceeds from the sale of intangibles and property, plant and equipment	20	22
103		Proceeds from the sale of non-current financial assets	236	98
-		Capital grants received during the year	-	-
-		Change in the scope of consolidation	-	-
17		Other current assets	(10)	7
(639)	**B.**	**Cash used in investing activities**	**(186)**	**(276)**
1,271		Receipt of new medium-term and long-term loans	100	933
(3,080)		Repayments of medium-term and long-term loans (-)	(21)	(1,317)
1,019		Capital contributions provided by controlling companies or other shareholders	3	520
(248)		Dividends paid to controlling companies or minority shareholders (-)	(281)	(248)
93		Change in short-term debt	91	(206)
(945)	**C.**	**Cash used in financing activities**	**(108)**	**(318)**
-	**D.**	**Cash and cash equivalents of discontinued operations**	**(15)**	**-**
-	**E.**	**Net currency translation differences**	-	-
-	**F.**	**Net cash flow from operating assets of discontinued operations**	**-**	**-**
(195)	**G.**	**Net cash flow for the period (A+B+C+D+E+F)**	**20**	**631**
298	**H.**	**Cash and cash equivalents at the beginning of the period**	**103**	**298**
103	**I.**	**Cash and cash equivalents at the end of the period (G+H)**	**123**	**929**
103	**L.**	**Total cash and cash equivalents at end of period (I)**	**123**	**929**
-	**M.**	**(-) Cash and cash equivalents of discontinued operations**	**-**	**-**
103	**N.**	**Cash and cash equivalents of continuing operations (L-M)**	**123**	**929**

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 the previous year's earnings	-	654	-	(654)	***-***	-	***-***
Dividend distribution	-	(233)	-	-	***(233)***	(15)	***(248)***
Adjustments required by IAS 32 and IAS 39	-	4	-	-	***4***	-	***4***
Change in the scope of consolidation	-	(3)	-	-	***(3)***	3	***-***
Difference from translation of financial statements in foreign currencies and sundry	-	(13)	(1)	-	***(14)***	(8)	***(22)***
Profit for the first half of 2007	-	-	-	256	***256***	6	***262***
Balance at June 30, 2007	***4.793***	***2.228***	***(4)***	***256***	***7.273***	***133***	***7.406***
Share capital increase due to the conversion of warrants	499	-	-	-	***499***	-	***499***
Adjustments required by IAS 32 and IAS 39	-	(6)	-	-	***(6)***	-	***(6)***
Difference from translation of financial statements in foreign currencies and sundry	-	(2)	(1)	-	***(3)***	-	***(3)***
Profit for the second half of 2007	-	-	-	241	***241***	14	***255***
Balance at December 31, 2007	***5.292***	***2.220***	***(5)***	***497***	***8.004***	***147***	***8.151***
Share capital increase	-	-	-	-	***-***	3	***3***
Reclassification of the previous year's earnings	-	497	-	(497)	***-***	-	***-***
Dividend distribution	-	(268)	-	-	***(268)***	(13)	***(281)***
Adjustments required by IAS 32 and IAS 39	-	(13)	-	-	***(13)***	-	***(13)***
Change in the scope of consolidation	-	-	-	-	***-***	(25)	***(25)***
Difference from translation of financial statements in foreign currencies and sundry	-	6	(1)	-	***5***	-	***5***
Profit at June 30, 2008	-	-	-	102	***102***	(2)	***100***
Balance at June 30, 2008	**5.292**	**2.442**	**(6)**	**102**	**7.830**	**110**	**7.940**