



Press Release

FRESH MOMENTUM FOR EDISON IN GREECE: GREEN LIGHT FOR THE JOINT VENTURE WITH HELLENIC PETROLEUM

The new company will be Greece's second largest electric power operator.

Athens, July 3rd, 2008 – **Edison and Hellenic Petroleum**, Greece's largest hydrocarbon company and the country's top independent electric power operator, today signed agreements establishing a 50-50 joint venture to operate in Greece's electric power market.

The joint venture's **objective** is to develop, through subsidiaries, a **generating capacity of more than 1,500 MW** (including 390 MW already operational), a level of output equal to about **12% of the Greek market**, thereby becoming **the second largest electric power operator in Greece**, as well as power trading and marketing activities. The JV may also pursue investments in renewable energy sources in Greece as well as opportunities in power generation and trading in the Balkans.

Hellenic Petroleum will convey to the new joint venture its T-Power SA subsidiary, which owns a 390-MW, combined-cycle power plant fueled with natural gas that is already operational in Thessaloniki. This facility is the first private-sector power plant built in Greece. Edison will convey its 65% equity interest in Thisvi SA, which is building a 420-MW combined-cycle facility in Thisvi, in central Greece, and projects, currently in the study phase, for the construction of additional power plants. Under the agreements signed today, T-Power SA and Thisvi SA will later be merged into a single company controlled by the joint venture. Thisvi's current minority shareholders (Hellenic Energy & Development and Halcor) will have the right to purchase a sufficient number of shares of the company resulting from the merger to maintain an overall equity interest of 25%. Alternatively, Hellenic Energy & Development and Halcor will have the option of selling their equity interests to the joint venture.

“With this transaction, Edison broadens the scope of its electric power operations to include Greece, a market that has been growing at a faster rate than the average for the European Union,” said Umberto Quadrino, Edison's Chief Executive Officer. *“The cooperation with Hellenic Petroleum, a prestigious and highly reliable partner, as well as with major industrial Greek groups like Helleniki Technodomiki and Viohalco, will enable us to combine our forces to create the second largest operator in Greece and strengthen our position in the country”.*



According to John Costopoulos, Chief Executive of Hellenic Petroleum: *“The strategic alliance with Edison, a very dynamic and well established group in the power and gas fields, significantly expands the Group’s power generation and trading capacity to meet the growing demand for electricity in Greece. In particular, the ELPE-Edison partnership is further enhanced through the participation of Helleniki Tecnodomiki and Viohalco. This transaction is consistent with our strategy to build upon our current position in this high potential market”*.

The joint venture’s subsidiary created by the abovementioned merger plans to further **invest to support growth of its business in Greece and play a major role in the expansion of the electric power market in the future**. Specifically, the agreements signed today envision new projects that, when completed, could raise the installed capacity to 1,500-2,000 MW.

The agreement with Hellenic Petroleum is an important building block of the growth strategy outlined in Edison’s 2008-2013 Industrial Plan, which calls for investments totaling 6.2 billion euros. In the electric power area, Edison’s objective is to consolidate its position as Italy’s second largest operator and broaden its international footprint, focusing on Greece, Turkey and the Balkans.

The operation is expected to close once it is cleared by the relevant antitrust authorities (presumably by end of 2008).

Edison

Founded in 1883, Edison is Europe’s oldest energy company. At the end of 2007, it had an installed capacity of about 12,000 MW. During the last five years, Edison completed one of Europe’s most ambitious capital investment plans. In 2007, it had revenues of about 8.3 million euros and earned a net profit of 497 million euros. Its shares are traded on the Milan Stock Exchange and its market capitalization is approximately 8 billion euros.

Between 2008 and 2013, Edison plans to invest about 6.2 billion euros in new generating capacity, hydrocarbon exploration and production and new natural gas transmission and storage facilities. Edison has been present in Greece since 2002 through its Edison Hellas subsidiary.

Hellenic Petroleum

Founded in 1958, Hellenic Petroleum is the leading player in Greece’s hydrocarbon industry with operations in every segment of the hydrocarbon business (E&P, refining and marketing). The Group, which is also active in the engineering and electric power sectors, has assets totaling 4.4 billion euros and is traded on the Athens Stock Exchange with a capitalization of about 3 billion euros. In 2006, it reported revenues of 8.5 billion euros and a net profit of 351 million euros. Hellenic Petroleum’s main shareholders are the Greek government (35.5%) and Paneuropean Oil & Industrial Holdings (35.9%).

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