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Press Release

The Board of Directors Approves the Industrial Plan 2009-2014

EDISON CONSOLIDATES ITS POSITION IN THE ITALIAN MARKET AND STEPS UP GROWTH IN INTERNATIONAL MARKETS

Investments of 7.2 billion euros. Net financial position holding steady at the current level.

Milan, December 5, 2008 – Edison's Board of Directors, meeting today at the Company's Rome offices, reviewed and approved the 2009-2014 Industrial Plan.

This Plan, which reaffirms the objectives presented at the end of 2007, provides a further boost to all of the Company's businesses both in Italy and on international markets.

More specifically, Edison, will leverage the important investments in the past and the high flexibility and efficiency of its production facilities to **consolidate its position as the second largest operator in Italy's electric power market** and will further expand its **presence in the downstream segment,** thereby achieving an **increasingly balanced position between production and sales**.

In the natural gas market, Edison will make **further progress in completing the development of transnational infrastructural projects** and in achieving **natural gas supply independence**, thus **confirming** its position as **Italy's second largest natural gas operator**, with further growth opportunities in the final market (downstream).

The strong position on the Italian market will enable the Group to have the **resources to expand in other business areas with high growth potential**, where important initiatives are already taking place:

- hydrocarbon **exploration and production**
- electric power generating capacity **at international level**
- **renewable energy sources** in Italy and abroad
- **natural gas storage capacity** in Italy

The implementation of the Plan will require **investments of 7.2 billion euros** (the amount includes the 50% of Edipower SpA), equally divided (3.6 billion euros each) between the Electric Power Operations and the Hydrocarbons Operations.

As far as concerns economic and financial aspects, Edison confirms the objectives of the previous Plan.

At Plan's end, the **net financial position** is expected to be **in line with its current level, counting also investments on foreign markets.**

The main initiatives included in the 2009-2014 Industrial Plan are reviewed below.

Italian market

Consistent with the industrial objectives described above, Edison will expand its presence in the electric power and natural gas industries, benefiting from the full openness of markets for all business segments and Group's expanded natural gas availability.

After completing one of the most ambitious generating capacity expansion programs carried out in Europe in the last 10 years, which brought its **installed capacity to 12,000 Megawatts**, Edison will develop its own production capacity in line with the demand, thus to **maintain at about 15% its share of the Italian generating market**.

In Italy, Edison will continue to **streamline its portfolio of CIP6 facilities** investing in structural improvements of its power plants to increase the flexibility of generating capacity available for the deregulated market.

A highly relevant role will be carried out by the development of the European-level gas infrastructures.

During the Plan's period, it's forecasted the realization of **three major infrastructures that will increase the reliability and diversification of Italy's supply sources:** the Rovigo regasification terminal and Galsi and ITGI natural gas pipelines.

The **Rovigo offshore regasification terminal** will be operational in the second quarter of 2009, thus enabling to import 8 billion cubic meters of natural gas a year from Qatar, 6.4 billion cubic meters of which will be available to the Group.

The **Galsi pipeline**, which is scheduled for completion in 2012, will link Algeria with Sardinia and Tuscany. Edison, which is the project's main Italian shareholder, has already signed a contract with Sonatrach, an Algerian company, to import 2 billion cubic meters of natural gas a year. Edison signed in 2008 a contract with Sonatrach for the supply of 2 billion cubic meters of natural gas to be delivered once the expansion of the Transmed-TTPC pipeline is completed. Overall, the **gas supply from Algeria** will reach **4 billion cubic meters of natural gas a year**.

The **ITGI** (Interconnector Turkey Greece Italy) pipeline system, which will have a transport capacity of up to 10 billion cubic meters of natural gas a year, will link Italy with the Caspian Sea Basin, through Greece and Turkey. Edison has already secured access to 80% of the transport capacity of the Italy-Greece segment and is currently negotiating the necessary gas supply contracts with the producing countries.

Edison will thus be able to rely on a **balanced portfolio of long-term contracts for the supply of natural gas from different geographic regions purchased directly from the producing countries.**

New Development Activities in Italy and Abroad

Hydrocarbon exploration and production activities in North Africa and other high potential areas will play a key role during the 2009-2014 period, with the objective of **increasing reserves and annual production:** more than 2.4 billion euros will be invested in these activities, mainly to put into production proven reserves in Egypt, Croatia and Italy.

In this area, an important achievement was the recent **award of the Abu Qir concession in Egypt**, which will require an investment of US$1.7 billion to be realized mainly over the next five-to-seven years. The Abu Qir fields, which produce about 1.5 million cubic meters of natural gas and 1.5 billion barrels of oil a year, hold reserves of 70 billion cubic meters of natural gas equivalents, which about 40% is Edison's entitlement.

Abu Qir deal represents a highly important investment in order to achieve the strategic objectives announced the previous year. More specifically, this enables to **achieve, in the Plan's period, the objective of producing 15% of the Group's gas needs from equity gas**. Even considering the exceptional volatility of the energy scenario in the last months, Abu Qir deal will give a remarkable contribution to achieve the Group's profitability objectives.

In the electric power generation, Edison aims at growing on the foreign markets and in the area of renewable energy sources. This strategy will enable the Group to **diversify the geographic presence** of its electric power operations and **its mix of generating facilities.**

Insofar as the development of international electric power generating capacity is concerned, **Edison is currently assessing a number of growth opportunities outside Italy, requiring investments of 1.1 billion euros.** The Group included in the 2009-2014 Plan the projects at an advanced development stage **in areas of strategic interest, such as Greece and Turkey.**

Over the Plan's period, the Group will consolidate the activities developed in the joint venture with Hellenic Petroleum in Greece which includes a 390-MW power plant owned by T-Power and a project for a 420-MW combined-cycle facility that Edison is developing in Thisvi.

In Turkey, opportunities in the thermoelectric and hydroelectric areas for a total capacity of more than 700 MW are currently in the preliminary assessment phase.

Edison remains committed to increasing production from **renewal energy sources, investing almost 1 billion euros over the Plan's period.**

In this area, the Group's main focus will be on expanding the installed capacity of its wind farms to 810 MW from the current 300 MW, through the development of new projects in Italy and abroad. Edison will also invest in the expansion of its installed base of **hydroelectric power plants**, which will also be used to generate additional “green certificates”. A major effort will be also devoted to the development of **photovoltaic facilities** for a total installed capacity of **about 25 MW.** Overall, the **installed capacity from renewable energy sources will amount to 3,000 MW**.

As part of the process of enhancing the Italian gas system’s security, Edison will invest about 700 million euros to **expand its system of natural gas storage facilities.** The objective in this area is to bring the system’s total capacity to **2.2 billion cubic meters of natural gas** by 2014 (equal to more than 10% of total Italian capacity). This will be accomplished by increasing the capacity of existing facilities in Collalto (Treviso) and Cellino (Teramo) and by developing new concessions in San Potito-Cotignola (Ravenna) and Mafalda-Sinarca (Campobasso).

The 2009-2014 Industrial Plan will be presented to the financial community on Friday, December 5, at 3:00 PM (2:00 PM GMT) during a conference call. Journalists may follow the presentation by phone in listen-only mode by dialing +39 028058827.

The presentation will also be available at the Group’s website: www.edison.it.

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