



## Press Release

### **EDISON: JOINT VENTURE WITH HELLENIC PETROLEUM IN GREECE**

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

*T-Power, an Hellenic Petroleum subsidiary, and the projects that Edison is developing in Thisvi and Astakos, for a total of 1,400 MW, will be transferred to the joint venture.*

*New electric power projects could increase installed generating capacity to between 1,500 MW to 2,000 MW.*

Milan, July 11, 2007 – Meeting today in Milan, Edison's Board of Directors authorized the signing of a Memorandum of Agreement between **Edison and Hellenic Petroleum**, the largest operator in Greece's hydrocarbon industry. The Memorandum establishes guidelines for the creation of a **50-50 joint venture to operate in Greece's electric power market.**

**Hellenic Petroleum will convey to the new joint venture its T-Power subsidiary**, which owns a 390-MW, combined-cycle power plant fueled with natural gas that is already operational in Thessaloniki; **Edison will convey its equity investment (65%) in a project for a 420-MW combined-cycle facility that is being developed in Thisvi**, in central Greece, **and a project, currently in the study phase, for the construction of a coal-fired 600-MW power plant in an industrial park in the Greek port of Astakos** (Etoloakarnania Prefecture).

*"This transaction represents an important step forward in Edison's International expansion,"* said Umberto Quadrino, Edison's Chief Executive Officer. *"The agreement with Hellenic Petroleum, a prestigious and reliable partner, will enable us to combine our forces to create the second largest operator in Greece and play a major role in the future development of Greece's rapidly expanding electric power market, which has been growing at a faster rate than the average for the European Union."*

The joint venture's **objective is to develop a generating capacity of more than 1,400 MW** (including 390 MW already operational), achieving a level of output equal to about **12% of the Greek market**. This will make the company **the second largest electric power operator in Greece**. The Agreement also calls for the development of new projects, including hydroelectric and wind-power facilities. These new initiatives could raise installed capacity to 1,500 MW to 2,000 MW.



The two partners have agreed that, upon the conclusion of the due diligence process, Edison will pay to Hellenic Petroleum 55 million euros to account for the difference in the value of the assets that are being contributed to the joint venture.

Under the terms of the Memorandum of Agreement, Edison and Hellenic Petroleum will carry out a due diligence process and optimization studies on an exclusive basis. If the outcome of these endeavors is positive, will proceed with the establishment of the joint venture later in 2007.

### **Edison**

Founded in 1883, Edison is Europe's oldest energy company. At the end of 2007, it had an installed capacity of about 12.500 MW.

During the last five years, Edison completed one of Europe's most ambitious capital investment plans. In 2006, it had revenues of more than 8.5 billion euros and earned a net profit of 654 million euros. Its shares are traded on the Milan Stock Exchange and its market capitalization is about 11 billion euros.

Between 2007 and 2012, Edison plans to invest about 4.5 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). This 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 3.7 billion euros. In 2006, it reported revenues of 8.1 billion euros and a net profit of 260 million euros. Hellenic Petroleum's main shareholders are the Greek government (35.5%) and Paneuropean Oil & Industrial Holdings (35.9%).

Hellenic Petroleum has a 35% interest in the share capital of Depa, a natural gas industry operator who is Edison's partner in developing the IGI pipeline linking Italy and Greece.

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