

# EDISON FULL YEAR 2005 RESULTS

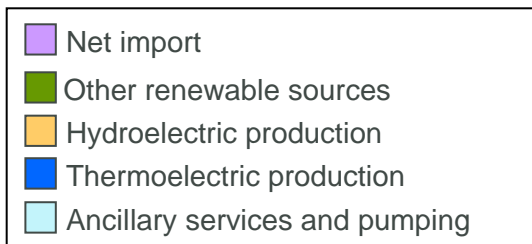
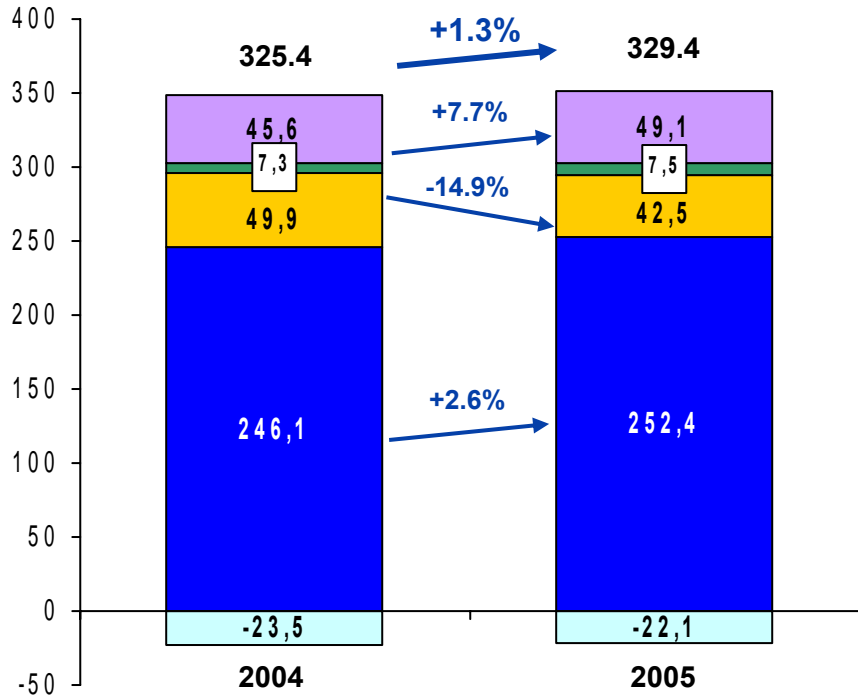
Milan, February 21<sup>st</sup> 2006

# AGENDA

- **Business environment**
- **Full year 2005 results :**
  - **Consolidated financial highlights**
  - **Core business operating performance**
  - **Capital expenditures**
  - **Debt evolution**

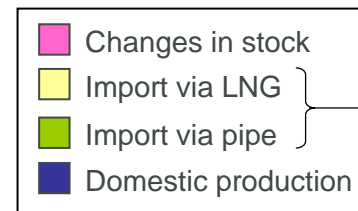
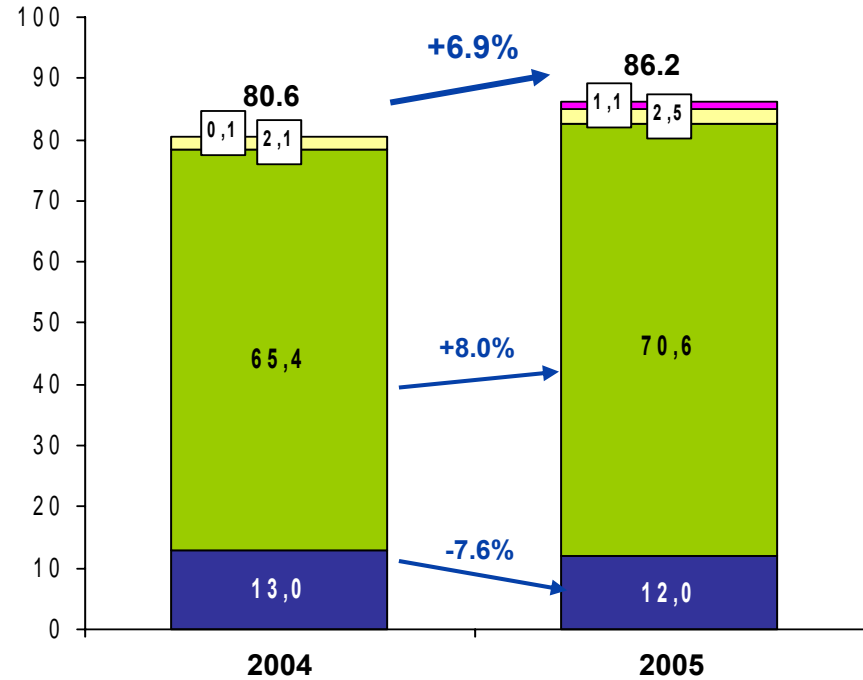
# ELECTRIC POWER AVAILABILITY MIX AND GAS SUPPLY SOURCES IN ITALY

## Electricity supply mix (TWh)



Source: GRTN

## Gas supply mix (bcm)



Algeria	26.7
Russia	20.5
Netherlands	8.2
Norway	8.1
Libya	4.6
Nigeria and other	5.0

Source: MAP and Edison estimates

# FULL YEAR 2005 RESULTS

# EDISON GROUP – CONSOLIDATED HIGHLIGHTS

<i>(mln €)</i>	2005	2004	Δ %
<b>Sales Revenues</b>	<b>6,650</b>	<b>5,627</b>	<b>18.2</b>
<b>EBITDA</b>	<b>1,306</b>	<b>1,475</b>	<b>(11.5)</b>
<b>EBIT</b>	<b>649</b>	<b>815</b>	<b>(20.4)</b>
<b>Group Net Income</b>	<b>500</b>	<b>354</b>	<b>41.2</b>
<b>CAPEX (including exploration)</b>	<b>620</b>	<b>633</b>	
<b>Employees</b>	<b>2,963</b>	<b>4,536</b>	
<b>Net Invested Capital</b>	<b>11,307</b>	<b>11,082</b>	
<b>Net Borrowings</b>	<b>4,878</b>	<b>4,906</b>	
<b>Stockholders' Equity</b>	<b>6,429</b>	<b>6,176</b>	
<i>of which Group's Interest</i>	<i>6,270</i>	<i>5,707</i>	
<b>Debt / Equity Ratio</b>	<b>0.76</b>	<b>0.79</b>	

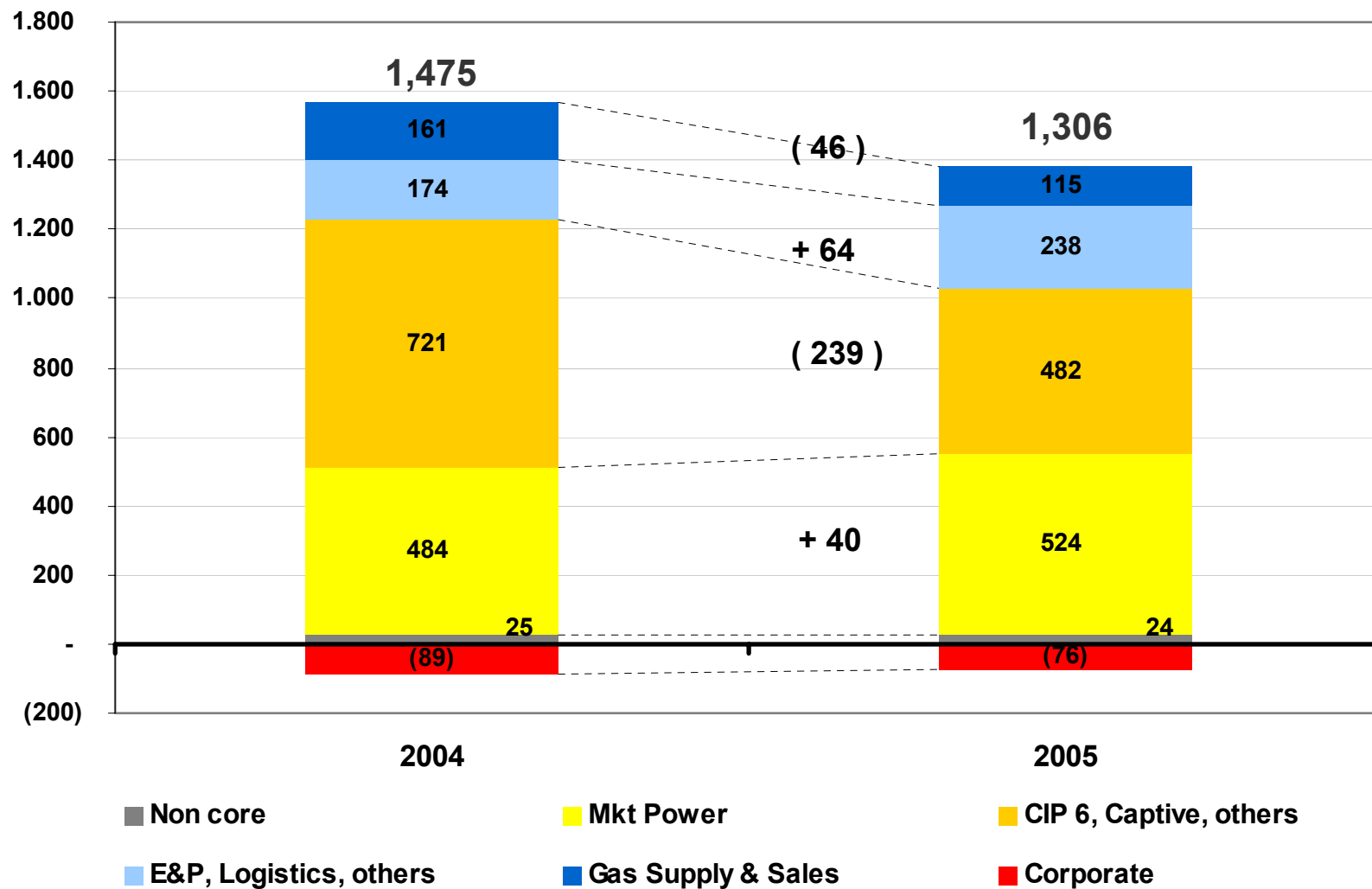
# OPERATING PERFORMANCE

<i>(mln €)</i>	Electric Power			Hydrocarbons			Corporate, adj and other (*)		Total Edison Group		
	2005	2004	Δ %	2005	2004	Δ %	2005	2004	2005	2004	Δ %
<b>Sales Revenues</b>	<b>4,993</b>	<b>4,304</b>	+16.0	<b>3,303</b>	<b>2,231</b>	+48.0	<b>(1,646)</b>	<b>(908)</b>	<b>6,650</b>	<b>5,627</b>	+18.2
<b>EBITDA</b>	<b>1,006</b>	<b>1,205</b>	-16.5	<b>353</b>	<b>335</b>	+5.4	<b>(53)</b>	<b>(65)</b>	<b>1,306</b>	<b>1,475</b>	-11.5
Depreciation and writedowns	(546)	(501)		(92)	(134)		(19)	(25)	(657)	(660)	
<b>EBIT</b>	<b>460</b>	<b>704</b>	-34.7	<b>261</b>	<b>201</b>	+29.8	<b>(72)</b>	<b>(90)</b>	<b>649</b>	<b>815</b>	-20.4

(\*) *These figures include Tecnimont and IWH results  
(EBITDA in 2005 amount respectively to 17 and 7 million euro)*

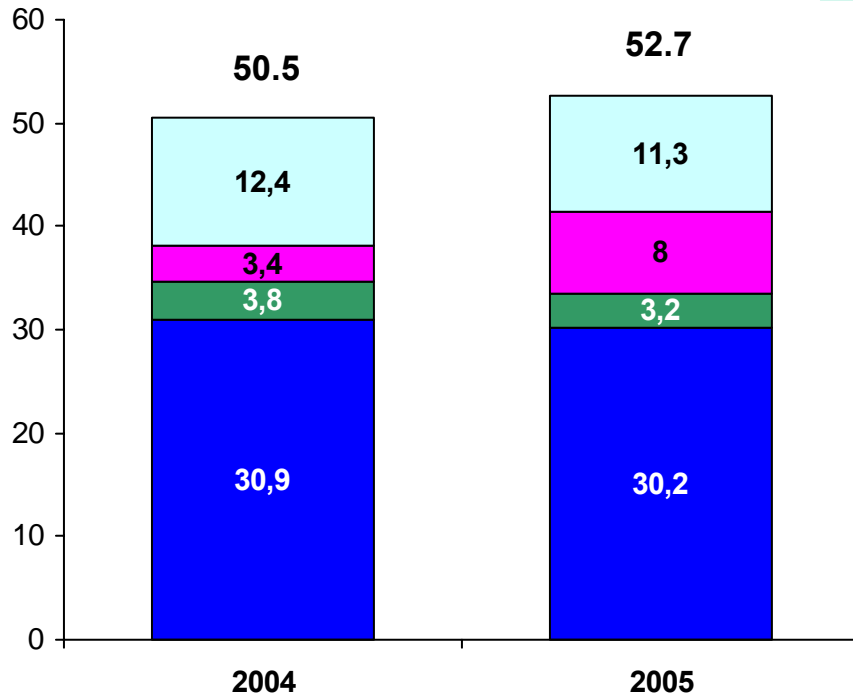
# EDISON GROUP – EBITDA CHANGE BY ACTIVITY

(€ mln)

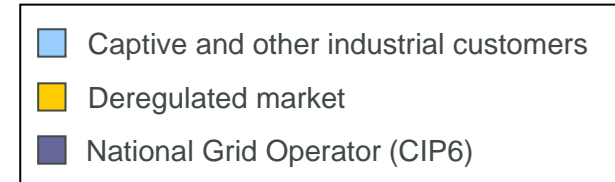
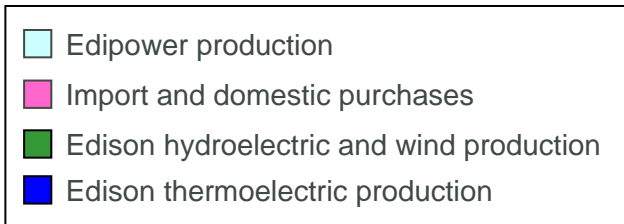
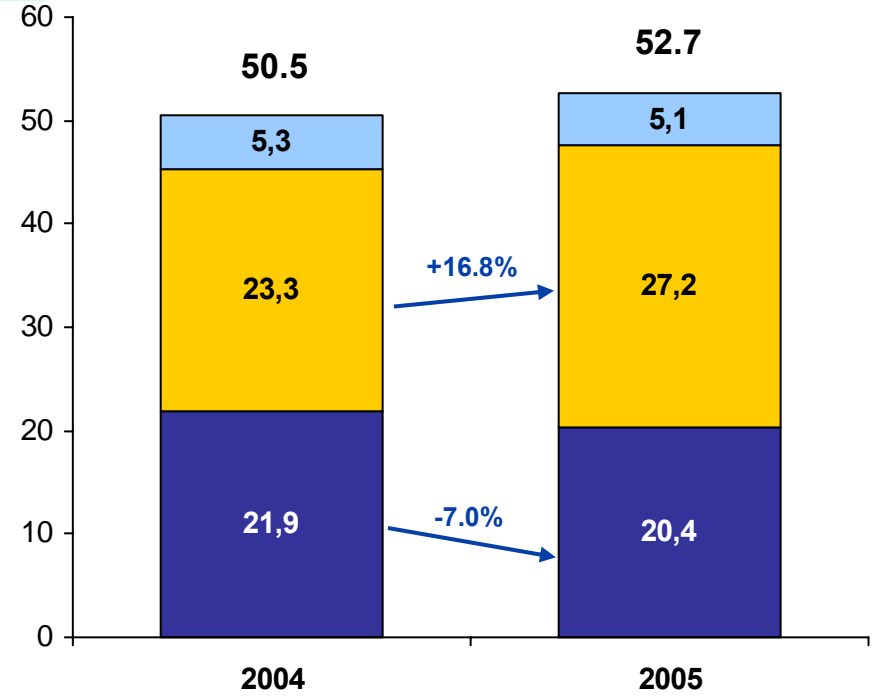


# ELECTRIC POWER OPERATIONS – TOTAL SOURCES AND USES

Sources (\*) (TWh)

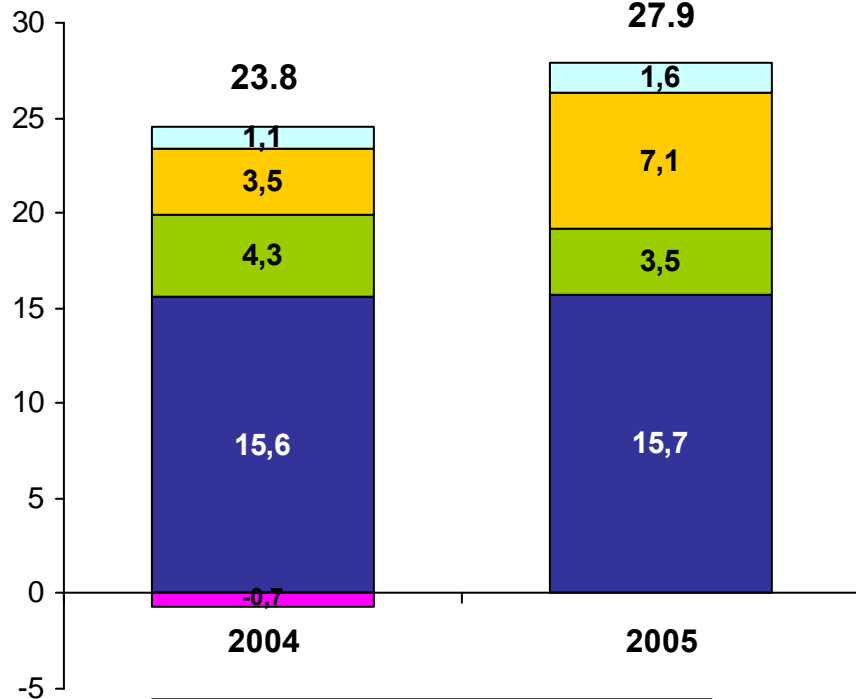


Uses (TWh)



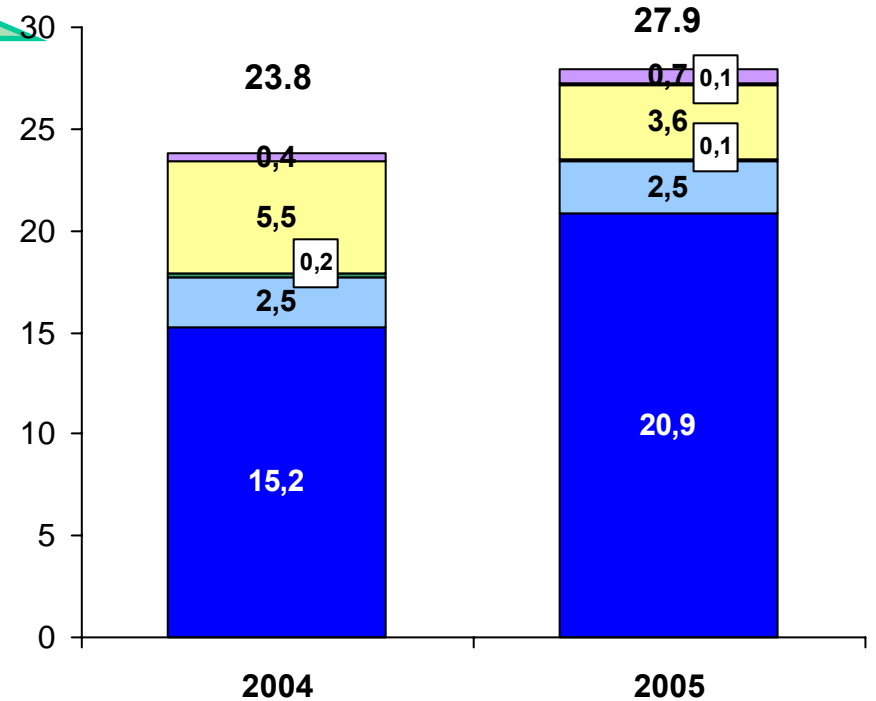
# ELECTRIC POWER OPERATIONS – SOURCES/USES ON FREE MARKET

Sources (\*) (TWh)



+ 17,3 %

Uses (TWh)

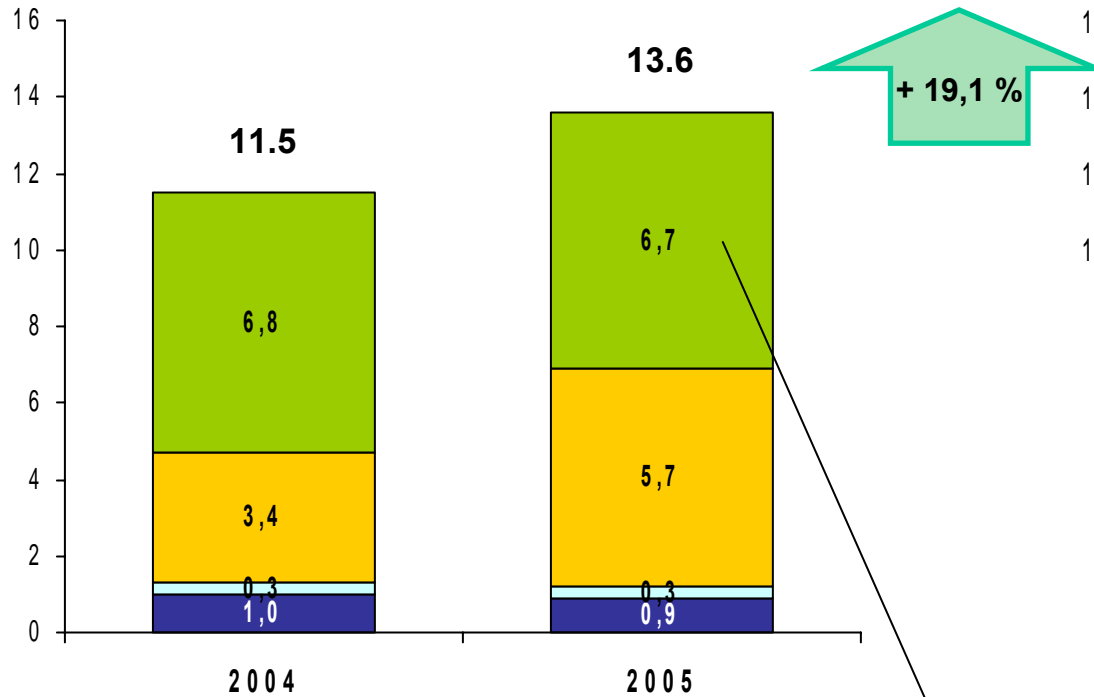


- Import
- Domestic purchases
- Hydroelectric and wind production
- Thermoelectric production
- Other

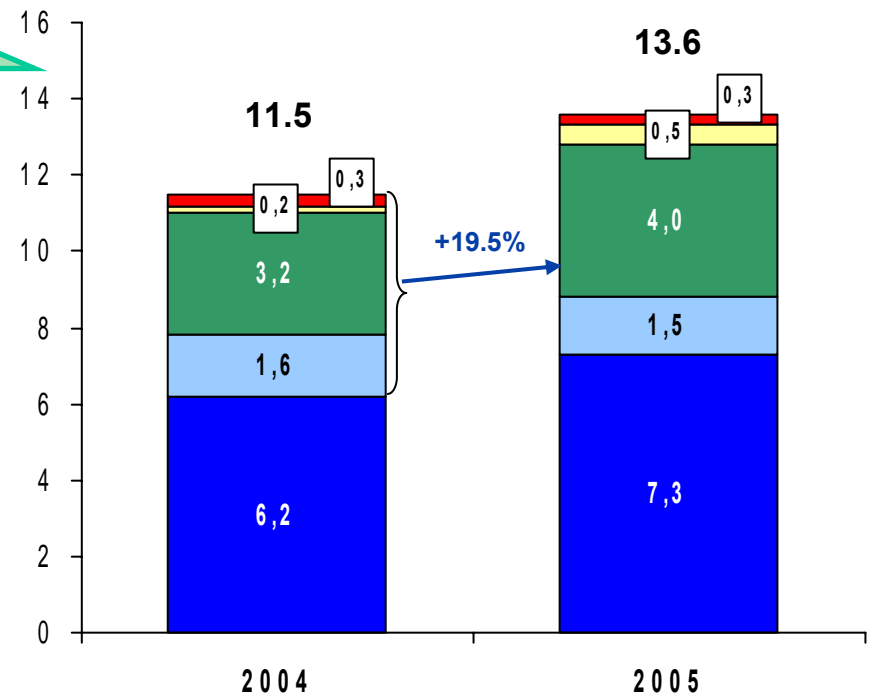
- Losses
- Export
- IPEX - Stove
- Hydro to GRTN
- Wholesalers
- Eligible customers

# HYDROCARBONS OPERATIONS - TOTAL SOURCES AND USES

Sources (bcm)



Uses (bcm)



- Imports
- Domestic purchases and changes in stock
- Foreign production
- Domestic production

Imports from:

- Libya 3,0 bcm
- Russia 1,8 bcm
- Norway 1,0 bcm
- Spot 0,9 bcm

- Foreign sales
- Wholesalers
- Residential users
- Industrial users
- Thermolectric users

# EDISON GROUP – LABOUR COST AND EMPLOYEES

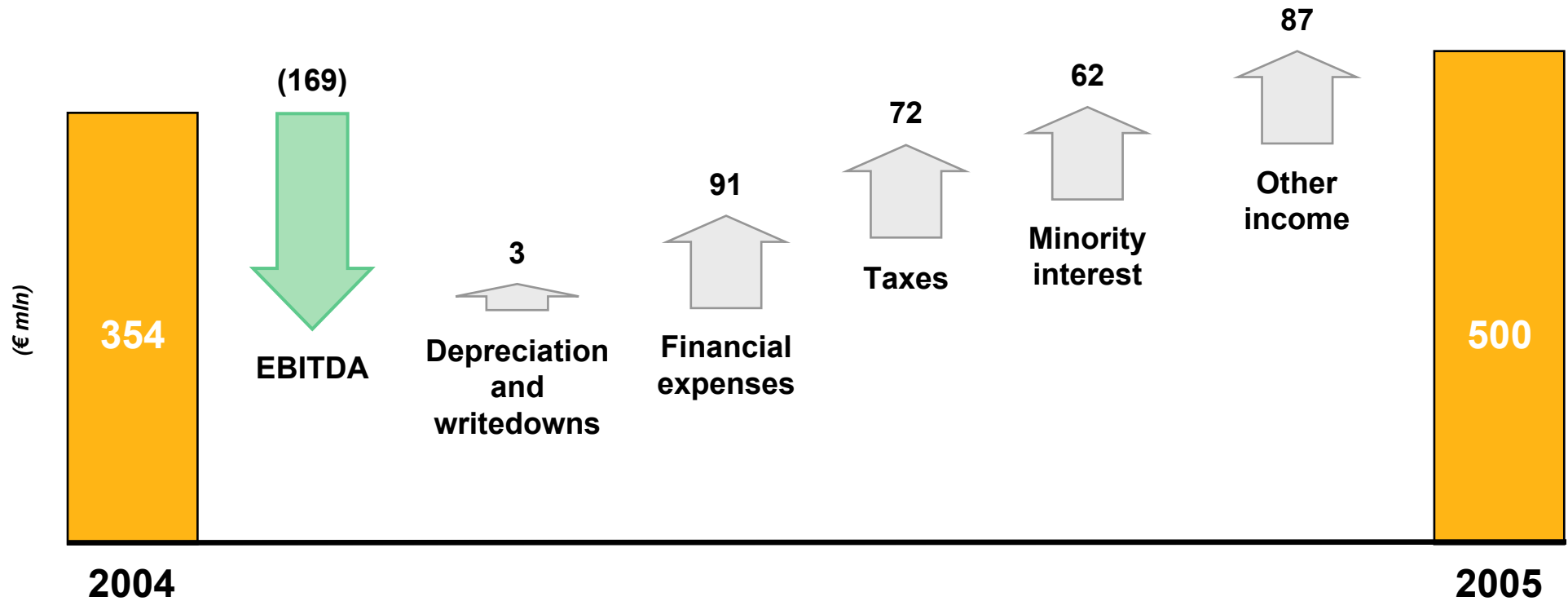
<i>(mln €)</i>	Employees (N.)			Labour Cost		
	2005	2004	Δ	2005	2004	Δ %
Corporate (*)	526	539	(13)	46	47	(1.3)
Electric Power	1,992	1,996	(4)	124	126	(1.7)
Hydrocarbons	441	416	25	30	28	6.7
<b>Edison</b>	<b>2,959</b>	<b>2,951</b>	<b>8</b>	<b>200</b>	<b>201</b>	<b>(1.3)</b>
<b>Edison (average)</b>	<b>2,927</b>	<b>2,943</b>	<b>(16)</b>			
IWH	4	7	(3)	6	6	-
Tecnimont	-	1,578	(1,578)	44	84	(48.3)
<b>TOTAL GROUP (year end position)</b>	<b>2,963</b>	<b>4,536</b>	<b>(1,573)</b>	<b>250</b>	<b>291</b>	<b>(14.3)</b>
<b>TOTAL GROUP (average)</b>	<b>4,137</b>	<b>4,513</b>	<b>(376)</b>			

(\*) Corporate Staff & Services to operation activities

# EDISON GROUP – FROM EBITDA TO NET INCOME

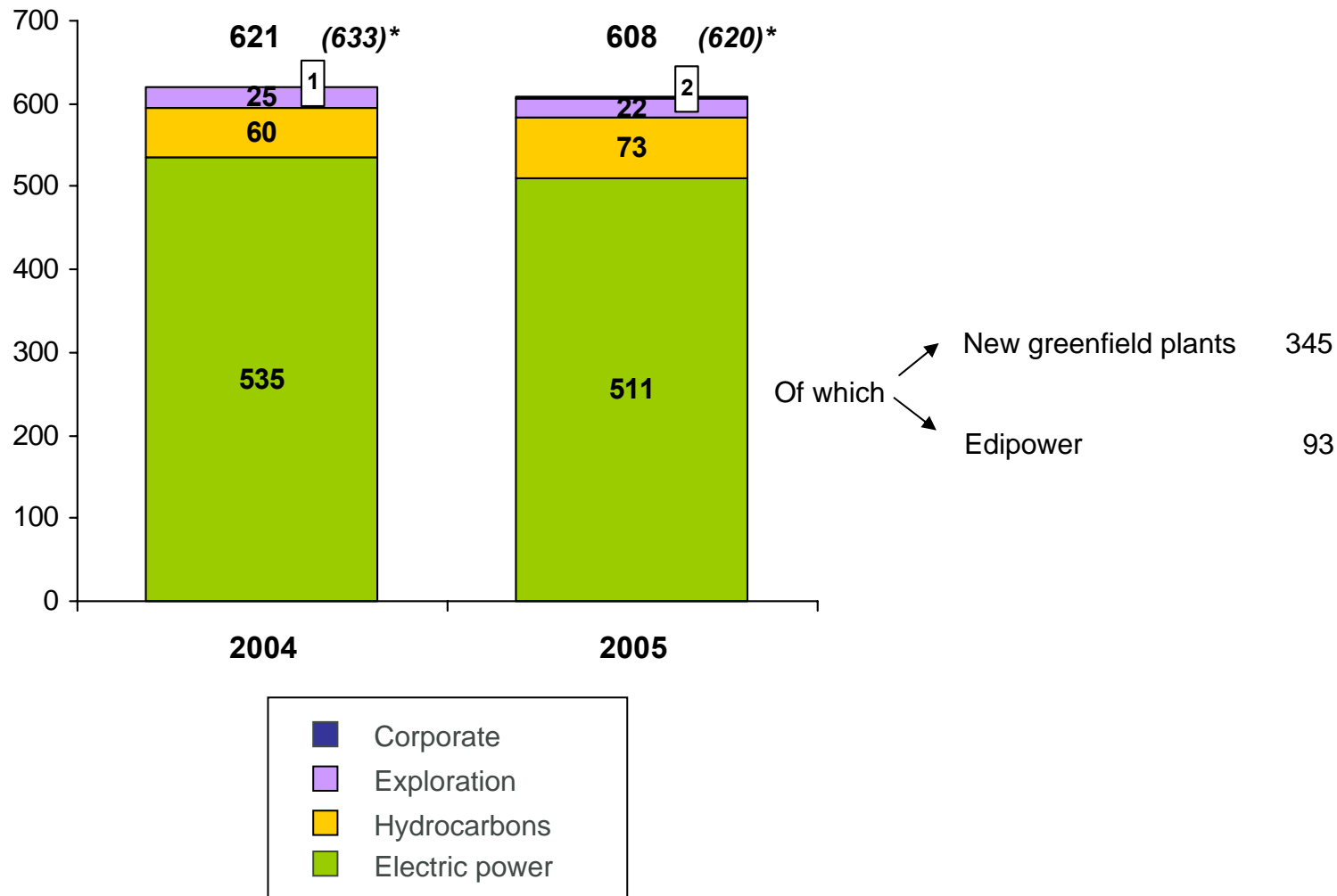
<i>(mln €)</i>	2005	2004
<b>EBITDA</b>	<b>1,306</b>	<b>1,475</b>
Depreciation	(588)	(572)
Writedowns net of reversals	(69)	(88)
<b>EBIT</b>	<b>649</b>	<b>815</b>
Net financial expenses	(219)	(310)
Other income (expense), net	92	5
Taxes	(16)	(88)
Minority (income) loss	(6)	(68)
<b>Group interest in net income</b>	<b>500</b>	<b>354</b>

# CHANGE IN GROUP NET INCOME



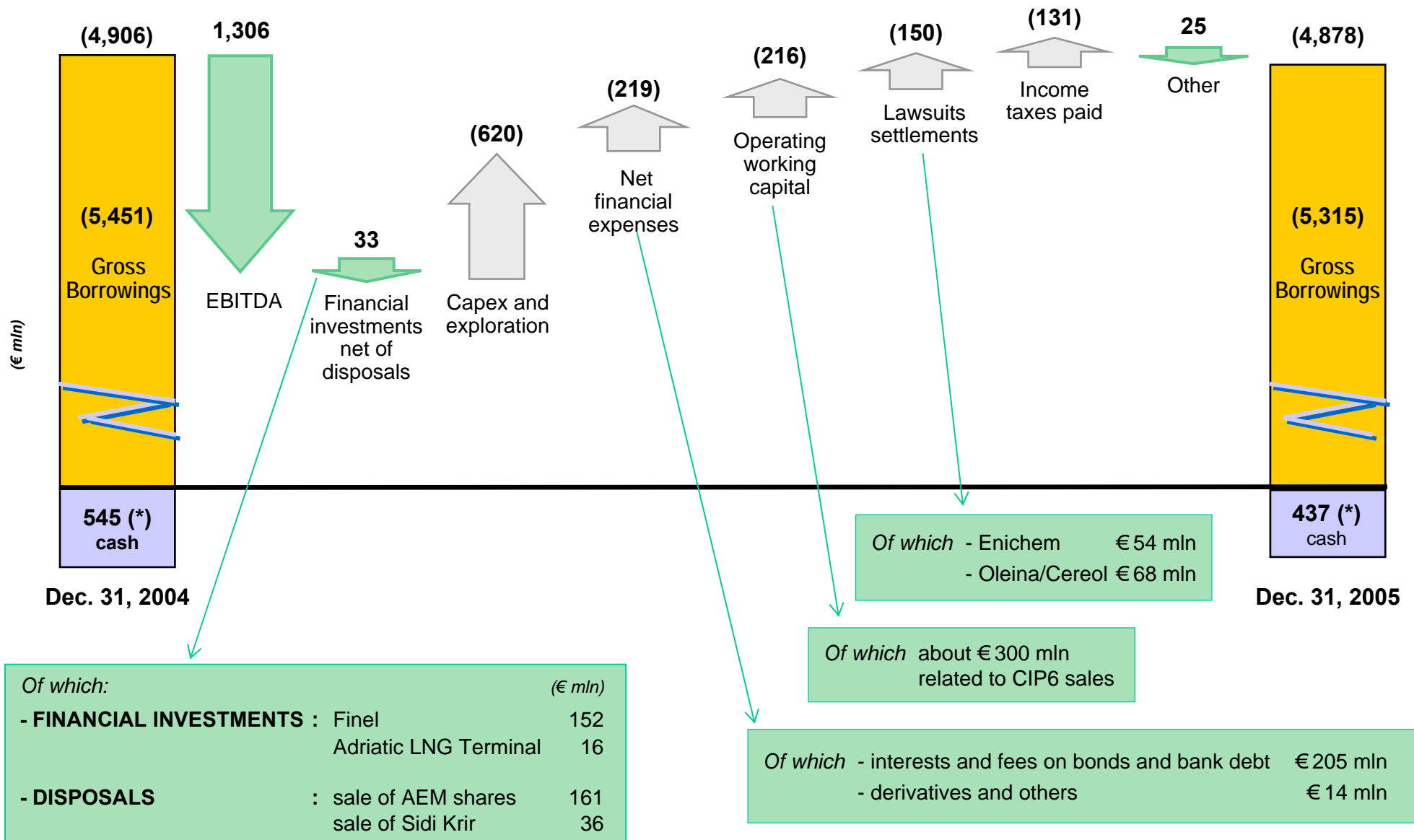
# CORE BUSINESS CAPITAL EXPENDITURES

(€ mln)



(\*) in parenthesis Group data including non core activities

# CONSOLIDATED NET DEBT EVOLUTION IN 2005



(\*) Current financial assets, cash in hand and equivalent

# EDISON GROUP – BALANCE SHEET

<i>(mln €)</i>	Dec. 31, 2005	Dec. 31, 2004
Intangibles	3,505	3,507
Other fixed assets	9,261	9,467
<b>Total non current assets</b>	<b>12,766</b>	<b>12,974</b>
Net Working Capital	(1,385)	(1,804)
Employees Severance Indemnities	(74)	(88)
<b>Net Invested Capital</b>	<b>11,307</b>	<b>11,082</b>
<i>Covered by</i>		
Stockholders' Equity	6,270	5,707
Min. Interest Stockholders' Equity	159	469
<b>Total Stockholders' Equity</b>	<b>6,429</b>	<b>6,176</b>
<b>Net Borrowings</b>	<b>4,878</b>	<b>4,906</b>
<b>Total coverage sources</b>	<b>11,307</b>	<b>11,082</b>

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