

# EDISON THIRD QUARTER AND NINE MONTHS 2008 RESULTS

Milan, 12<sup>th</sup> November 2008

- **Business environment**
  
- **Third quarter and nine months results:**
  - Consolidated financial highlights
  - Electric power and hydrocarbons operating performance
  - Capital expenditures
  - Debt evolution

# MARKET REFERENCE SCENARIO

	3Q2008	3Q2007	Δ	9m2008	9m2007	Δ
ICE Brent swap (\$/bbl)	<b>116.9</b>	74.7	57%	<b>112.1</b>	67.3	67%
Exchange rate (€/\$)	<b>1.50</b>	1.37	9%	<b>1.52</b>	1.34	13%
ICE Brent swap (€/bbl)	<b>77.7</b>	54.3	43%	<b>73.7</b>	50.1	47%
Gas Release 2 * (€/000 scm)	<b>357.6</b>	234.3	53%	<b>309.2</b>	235.4	31%
Gas CCI D.134/06 AEEG (€/000 scm)	<b>328.9</b>	237.1	39%	<b>301.6</b>	250.6	20%
PUN <sub>TWA</sub> (€/MWh)	<b>95.2</b>	72.2	32%	<b>85.8</b>	67.8	27%
PUN F1 (€/MWh)	<b>126.6</b>	113.4	12%	<b>114.1</b>	103.0	11%
PUN F2-F3 (€/MWh)	<b>79.7</b>	53.0	50%	<b>71.6</b>	51.2	40%
Spark Spread <sub>TWA</sub> (€/MWh)	<b>26.2</b>	26.9	(3%)	<b>23.4</b>	20.6	14%
Spark Spread F1 (€/MWh)	<b>57.6</b>	68.0	(15%)	<b>51.7</b>	55.8	(7%)
Spark Spread F2-F3 (€/MWh)	<b>10.7</b>	7.7	39%	<b>9.2</b>	4.0	n.s.
CO <sub>2</sub> (€/ton)	<b>24.4</b>	0.1	n.s.	<b>23.9</b>	0.8	n.s.

\* At PSV of Snam Rete Gas

Source: Edison

# ELECTRIC POWER AVAILABILITY MIX AND GAS DEMAND IN ITALY

## Electricity supply mix (\*) (TWh)

	9m2008	9m2007	Δ
Thermoelectric production	196.9	194.5	1.3%
Hydroelectric production	34.9	31.0	12.5%
Other renewable production	9.4	7.0	33.8%
Net import	29.5	36.0	(18.0%)
Ancillary services and pumping	(14.9)	(14.7)	
<b>Total Sources</b>	<b>255.8</b>	<b>253.8</b>	<b>0.8% a)</b>

(\*) Gross of losses

a) +0.5% on a seasonally adjusted basis

Source: Terna

## Gas demand (bcm)

	9m2008	9m2007	Δ
Services and residential customers	19.1	17.2	10.9%
Industrial users	15.0	15.2	(1.4%)
Thermoelectric power plants	25.9	25.0	3.5%
Transportation	0.4	0.4	=
<b>Total Demand</b>	<b>60.4</b>	<b>57.8</b>	<b>4.5%</b>

Source: MSE and Edison estimates

# EDISON GROUP — CONSOLIDATED HIGHLIGHTS

FY2007 (€ mln)	3Q2008	3Q2007	% ∆	9m2008	9m2007	% ∆
8,276 <b>Sales revenues</b>	<b>2,756</b>	1,862	48.0	<b>7,761</b>	5,914	31.2
1,605 <b>EBITDA</b>	<b>400</b>	366 <sup>a)</sup>	9.3 <sup>a)</sup>	<b>1,209</b>	1,270 <sup>b)</sup>	(4.8) <sup>b)</sup>
896 <b>EBIT</b>	<b>231</b>	174	32.8	<b>673</b>	746	(9.8)
687 <b>Profit before taxes</b>	<b>189</b>	118	60.2	<b>526<sup>c)</sup></b>	584	(9.9)
497 <b>Group net income</b>	<b>117</b>	65	80.0	<b>219<sup>d)</sup></b>	321	(31.8)
489 <b>CAPEX (incl. exploration)</b>	<b>131</b>	136		<b>369</b>	365	
2,960 <b>Employees<sup>e)</sup></b>				<b>2,943</b>	2,950	

31.12.2007	30.09.2008	30.09.2007
10,838 <b>Net invested capital</b>	<b>10,896</b>	10,645
2,687 <b>Net borrowings</b>	<b>2,821</b>	3,192
8,151 <b>Stockholders' equity</b>	<b>8,075</b>	7,453
8,004 <b>Of which Group's net interest</b>	<b>7,959</b>	7,318
0.33 <b>Debt / Equity ratio</b>	<b>0.35</b>	0.43

a) Respectively € 354 mln and 13.0% at 2008 perimeter (i.e. net of seven CIP6 plants sold to Cofathec and Seci Energia).

b) Respectively € 1,243 mln and (2.7%) at 2008 perimeter (i.e. net of seven CIP6 plants sold to Cofathec and Seci Energia).

c) Includes the negative impact of € 40 mln added to provisions to cover tax risks related mainly to assets sold in previous years.

d) Includes the negative impact of the so called "Robin Hood Tax" for € 106 mln.

e) Does not include employees in water activity concessions.

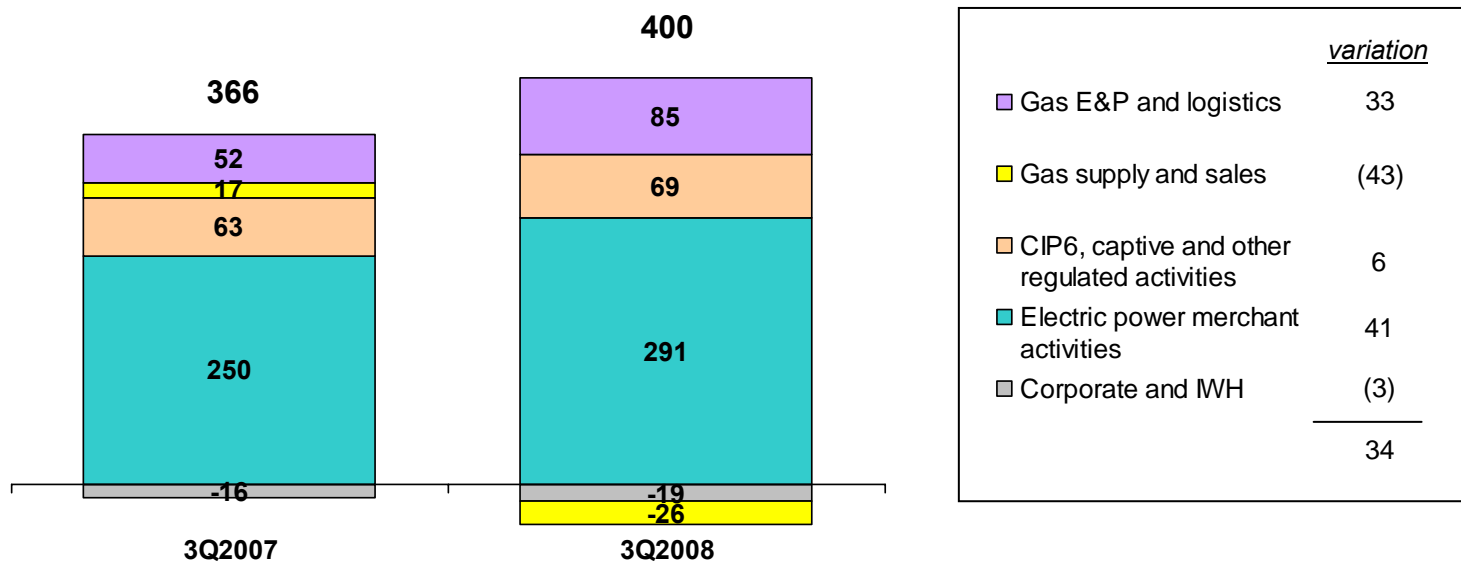
# OPERATING PERFORMANCE IN THE THIRD QUARTER

€ mln	Electric Power			Hydrocarbons			Corporate, adj. and other		Total Edison Group		
	3Q2008	3Q2007	%Δ	3Q2008	3Q2007	%Δ	3Q2008	3Q2007	3Q2008	3Q2007	%Δ
Sales revenues	2,370	1,662	42.6	1,026	758	35.4	(640)	(558)	2,756	1,862	48.0
EBITDA	360	313 a)	15.0 a)	59	69	(14.5)	(19)	(16)	400	366 b)	9.3 b)

a) Respectively € 301 mln and 19.6% at 2008 perimeter.

b) Respectively € 354 mln and 13.0% at 2008 perimeter.

## EBITDA BREAKDOWN (€ mln)



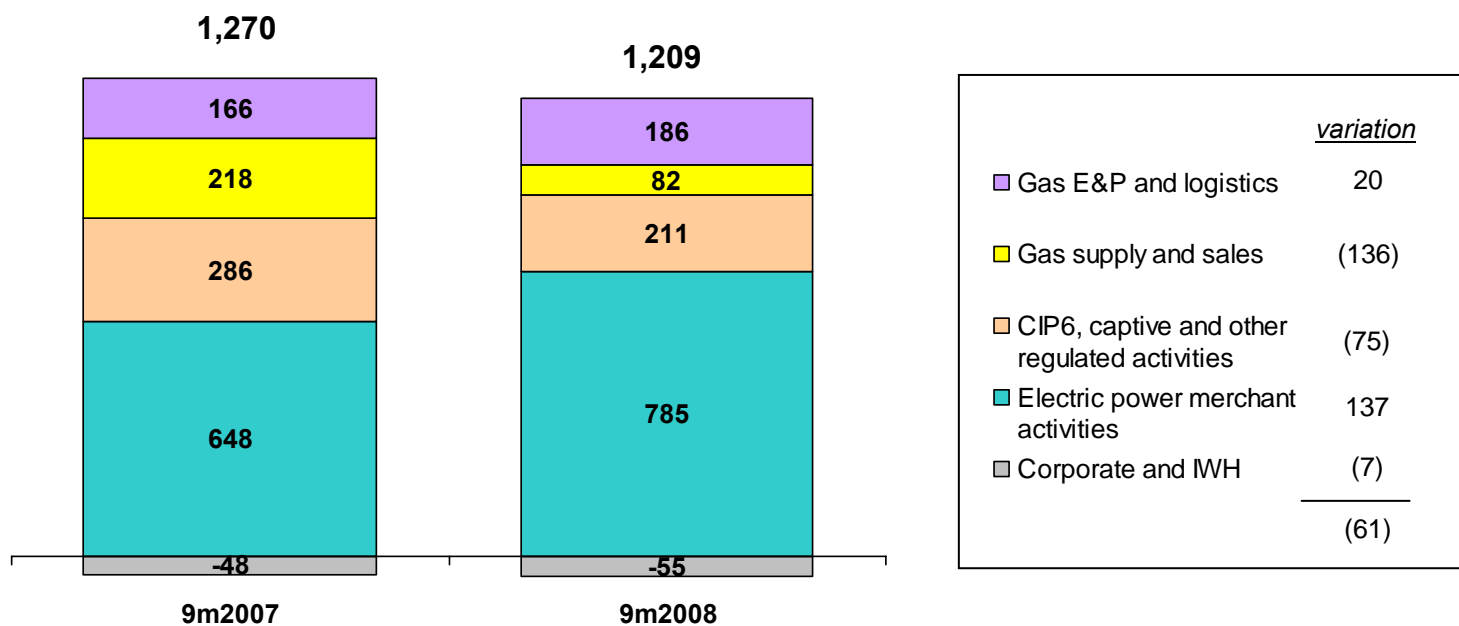
# OPERATING PERFORMANCE IN THE FIRST NINE MONTHS

€ mln	Electric Power			Hydrocarbons			Corporate, adj. and other		Total Edison Group		
	9m2008	9m2007	%Δ	9m2008	9m2007	%Δ	9m2008	9m2007	9m2008	9m2007	%Δ
Sales revenues	6,234	4,906	27.1	3,470	2,744	26.5	(1,943)	(1,736)	7,761	5,914	31.2
EBITDA	996	934 a)	6.6 a)	268	384	(30.2)	(55)	(48)	1,209	1,270 b)	(4.8) b)

a) Respectively € 907 mln and 9.8% at 2008 perimeter.

b) Respectively € 1,243 mln and (2.7%) at 2008 perimeter.

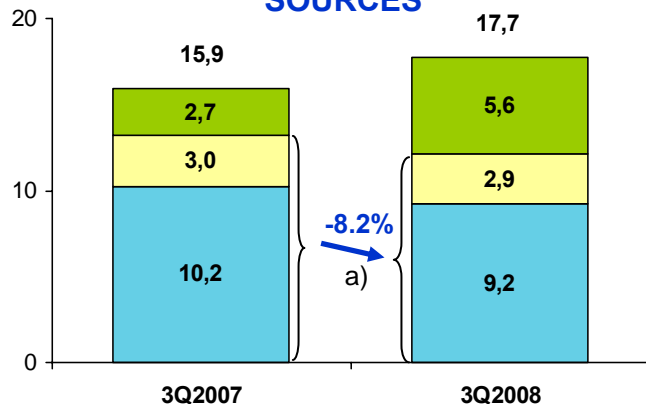
## EBITDA BREAKDOWN (€ mln)



# ELECTRIC POWER OPERATIONS — TOTAL SOURCES AND USES

## Third quarter (TWh) \*

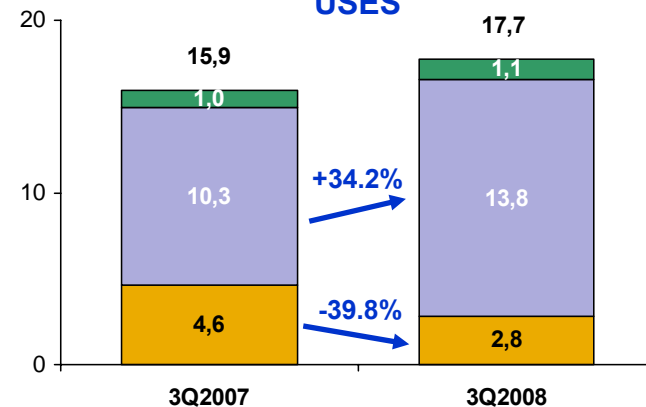
### SOURCES



+11.7%

+ 18.1% at 2008 perimeter

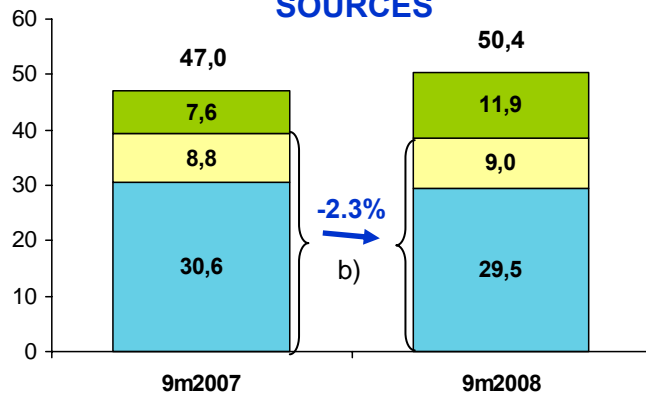
### USES



a) -1.9% at 2008 perimeter

## 9 months (TWh) \*

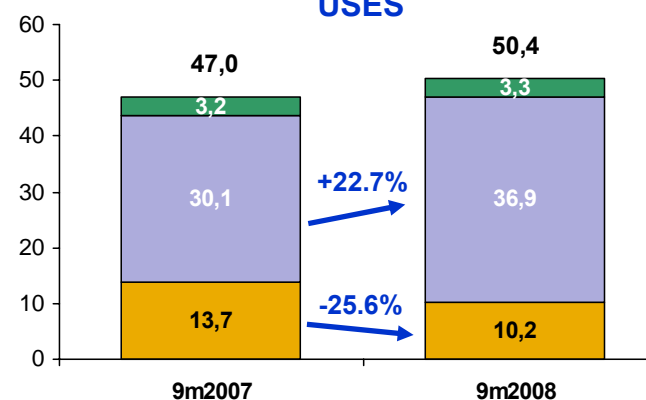
### SOURCES



+7.4%

+ 11.0% at 2008 perimeter

### USES



b) +1.7% at 2008 perimeter

■ Import, domestic purchases and other  
 ■ Edipower production  
 ■ Edison production

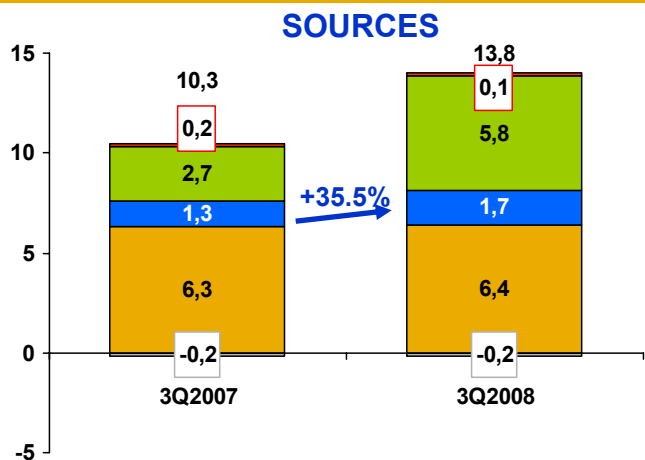
■ Captive and other industrial customers  
 ■ Deregulated market \*\*  
 ■ CIP6

\* net of losses

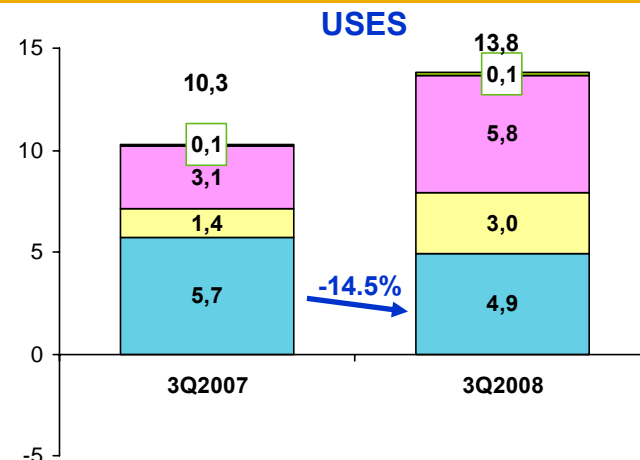
\*\* including export

# ELECTRIC POWER OPERATIONS — SOURCES/USES ON FREE MARKET

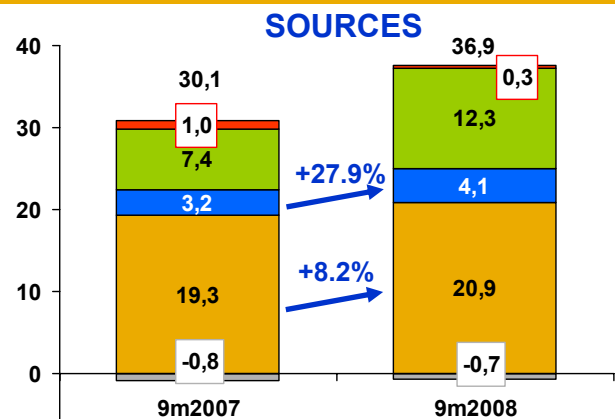
## Third quarter (TWh)



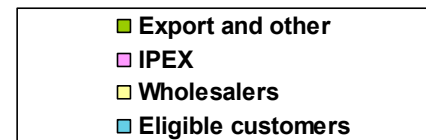
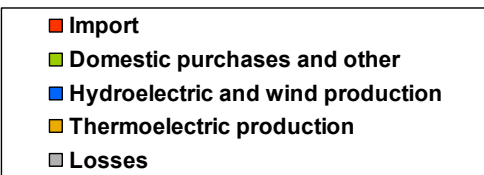
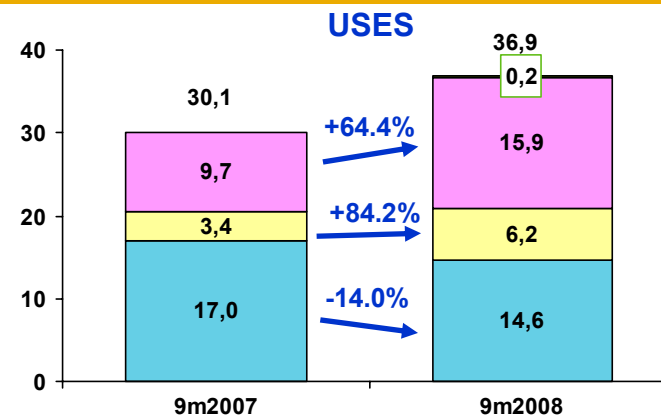
+34.2%



## 9 months (TWh)

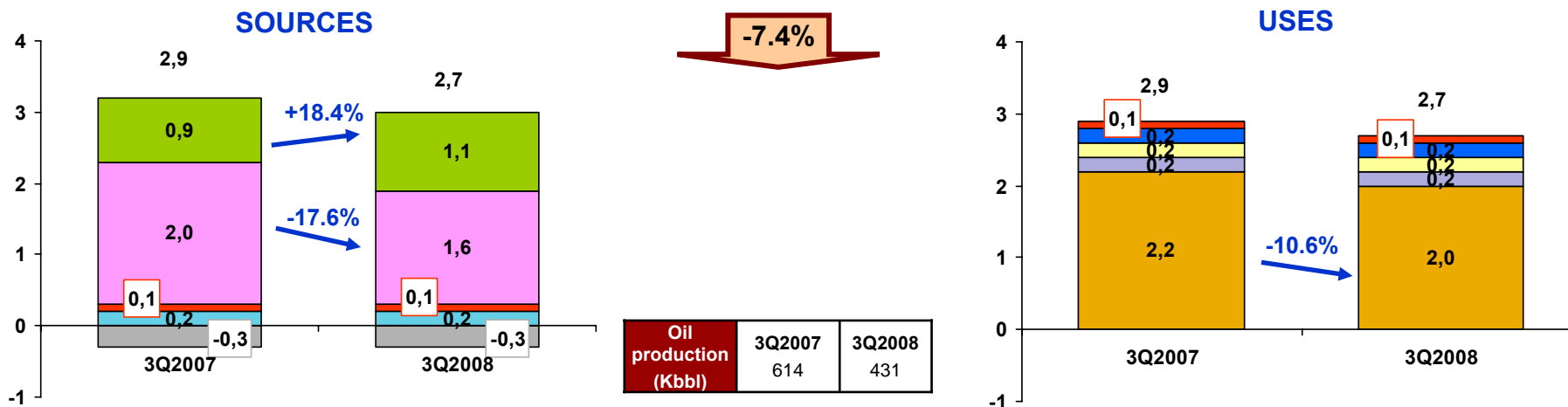


+22.7%

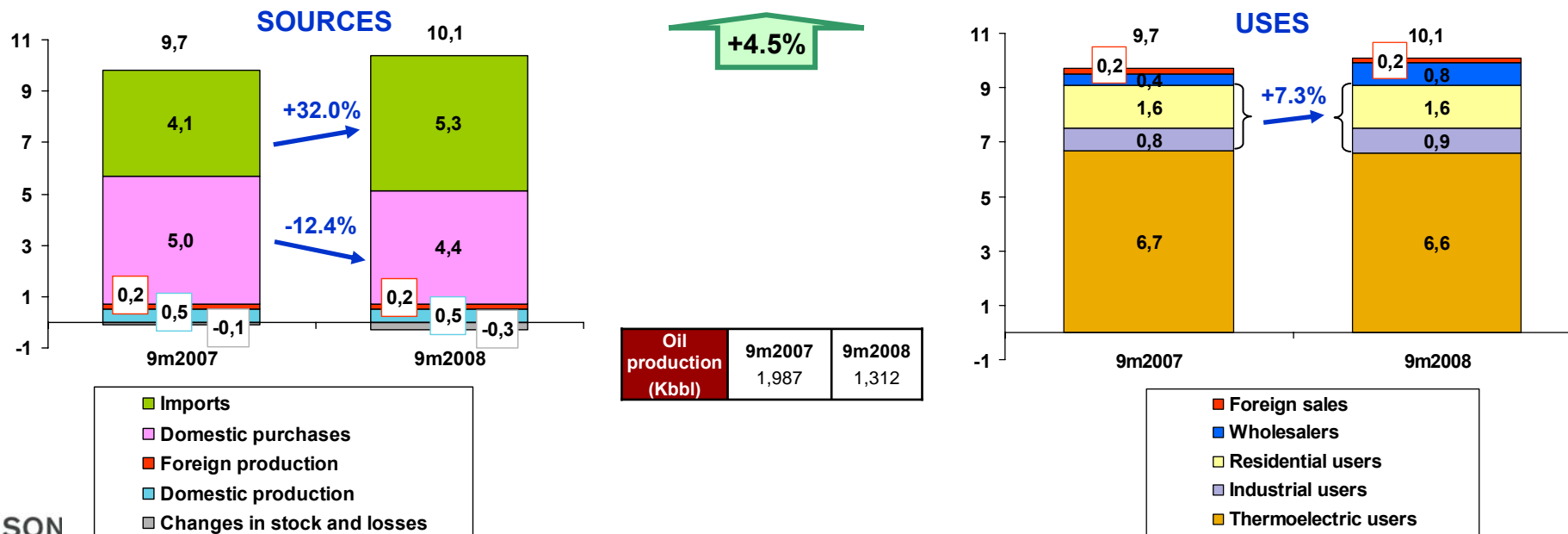


# HYDROCARBONS OPERATIONS — TOTAL SOURCES AND USES

## Third quarter (bcm)



## 9 months (bcm)



# EDISON GROUP — FROM EBITDA TO NET INCOME

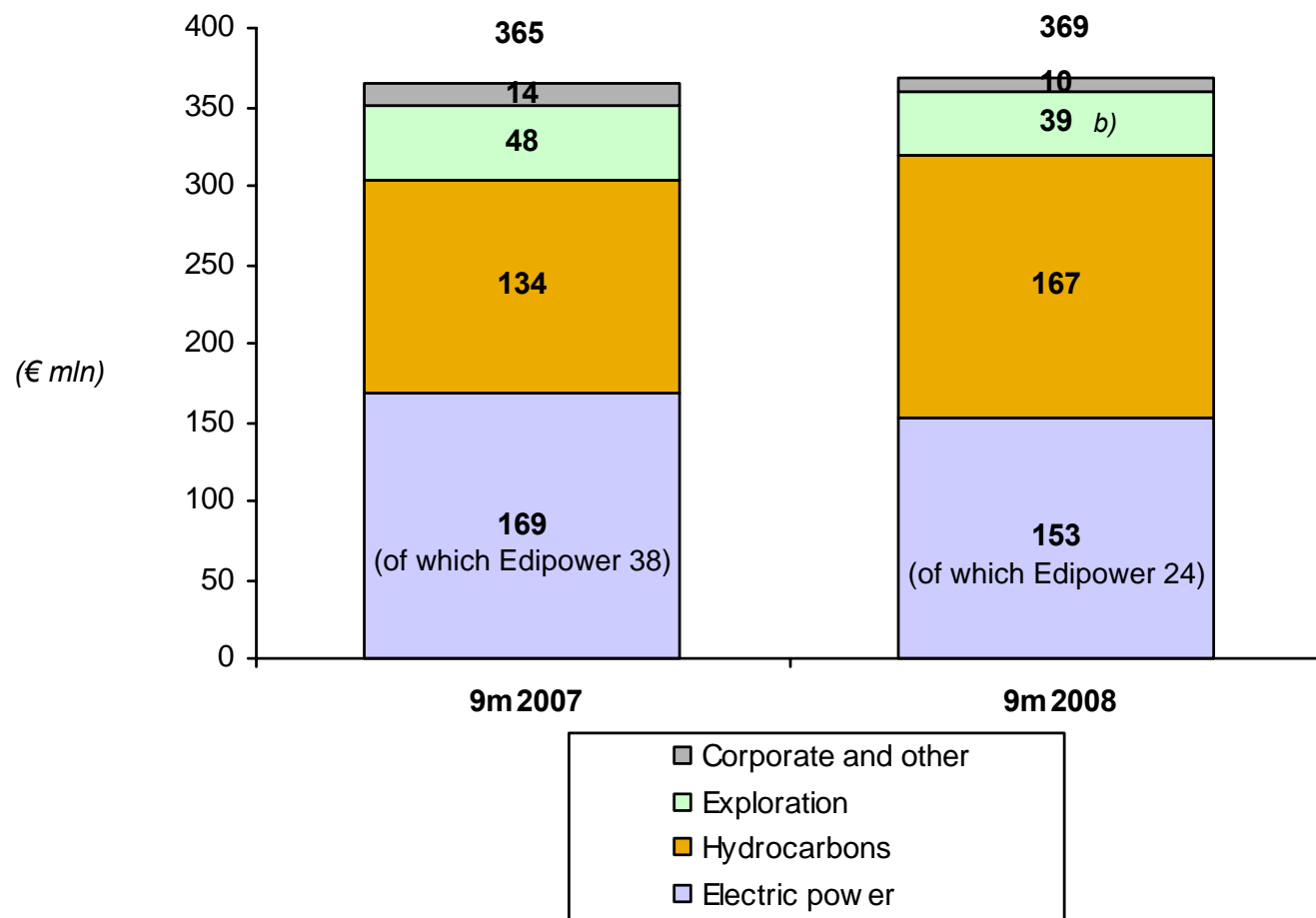
€ mln	3Q2008	3Q2007	Δ	9m2008	9m2007	Δ
<b>EBITDA</b>	<b>400</b>	<b>366</b>	<b>34</b>	<b>1,209</b>	<b>1,270</b>	<b>(61)</b>
Depreciation, amortization and writedowns	(169)	(192)	23	(536)	(524)	(12)
<b>EBIT</b>	<b>231</b>	<b>174</b>	<b>57</b>	<b>673</b>	<b>746</b>	<b>(73)</b>
Net financial income (expense)	(41)	(45)	4	(104) <sup>a)</sup>	(157) <sup>a)</sup>	53
Income (expense) on equity inv. & other	(1)	(11)	10	(43) <sup>b)</sup>	(5)	(38)
<b>Profit before taxes</b>	<b>189</b>	<b>118</b>	<b>71</b>	<b>526</b>	<b>584</b>	<b>(58)</b>
Income taxes	(65)	(51)	(14)	(299) <sup>c)</sup>	(255)	(44)
<b>Profit from continuing operations</b>	<b>124</b>	<b>67</b>	<b>57</b>	<b>227</b>	<b>329</b>	<b>(102)</b>
Profit (loss) from discontinued operations	(1)	-	(1)	(4)	-	(4)
<b>Net income</b>	<b>123</b>	<b>67</b>	<b>56</b>	<b>223</b>	<b>329</b>	<b>(106)</b>
Minority (income) loss	(6)	(2)	(4)	(4)	(8)	4
<b>Group interest in net income</b>	<b>117</b>	<b>65</b>	<b>52</b>	<b>219</b>	<b>321</b>	<b>(102)</b>

a) Of which 46 million and 100 million of interests on bond issues are respectively included in 9m2008 and 9m2007 figures.

b) This figure includes 40 million added to provisions to cover tax risks related mainly to assets sold in previous years.

c) Of which 106 million (65 for deferred taxes, 41 for current taxes) related to the so called "Robin Hood Tax".

# CAPITAL EXPENDITURES AND EXPLORATION a)

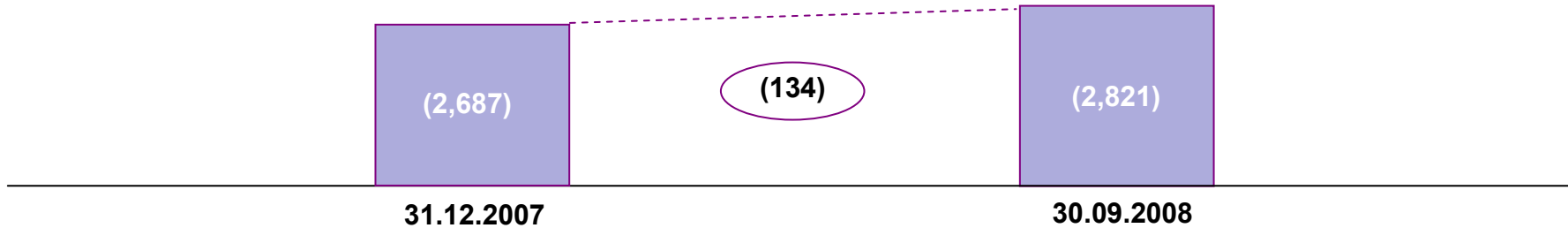


a) Excluding investments in intangibles, equal to € 2 mln in 9m2007 and € 10 mln in 9m2008.

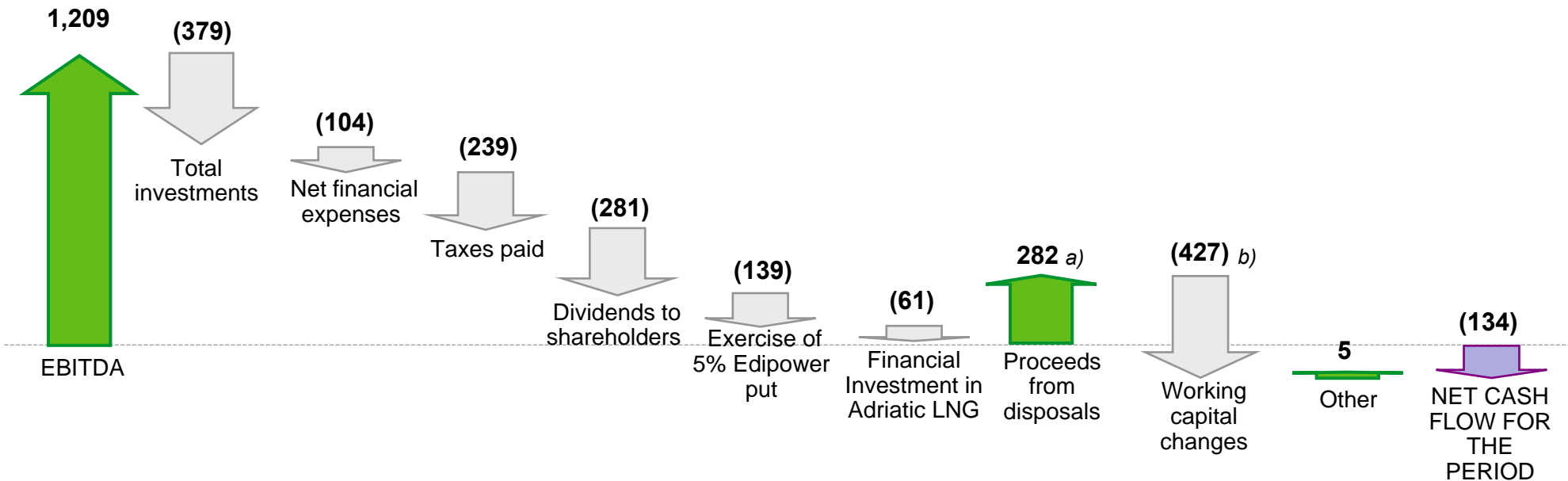
b) In the third quarter 2008, some explorative successes related to the Cassiopea field for € 17 mln were capitalized; under the impact of the capitalization, year to date exploration expenses are lower than the corresponding amount at 30th June 2008.

# NET FINANCIAL POSITION & CASH FLOW

## NET FINANCIAL POSITION (€ mln)



## CASH FLOW IN 9m2008 (€ mln)



a) Mainly represented by the sale of CIP6 plants and 51% Dolomiti Edison Energy Srl.

b) Mainly due to receivables recorded for the recognition of "CEC" item in CIP6 tariff and to the increased value in gas inventories.

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## STATEMENT

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 presentation is consistent with the data in the Company's documents, accounting records and other records.