

# EDISON FIRST QUARTER 2008 RESULTS

Milan, May 13th 2008

# AGENDA

- **Business environment**
- **First Quarter 2008 results:**
  - **Consolidated financial highlights**
  - **Electric power and hydrocarbons operating performance**
  - **Capital expenditures**
  - **Debt evolution**

# MARKET REFERENCE SCENARIO

	1Q2008	1Q2007	Δ	FY2007
Brent dated (\$/bbl)	<b>96.9</b>	57.8	68%	72.5
Exchange rate (€/\$)	<b>1.50</b>	1.31	14%	1.37
Brent dated (€/bbl)	<b>64.6</b>	44.1	47%	52.9
<hr/>				
Gas Release 1 * (€/000 scm)	<b>284.7</b>	254.1	12%	249.1
Gas D.249/06 AEEG ** (€/000 scm)	<b>288.7</b>	275.4	5%	262.0
<hr/>				
PUN <sub>TWA</sub> (€/MWh)	<b>80.8</b>	69.2	17%	71.0
PUN F1 (€/MWh)	<b>104.6</b>	103.4	1%	106.1
Spark Spread (€/MWh)	<b>20.7</b>	16.9	23%	22.3
Spark Spread F1 (€/MWh)	<b>44.6</b>	51.1	(13%)	57.3
CO <sub>2</sub> (€/ton)	<b>21.5</b>	2.0	n.s.	0.6

\* At PSV of Snam Rete Gas

\*\* At power station

Source: Edison

# ELECTRIC POWER AVAILABILITY MIX AND GAS SUPPLY SOURCES IN ITALY

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

	1Q2008	1Q2007	Δ	FY2007
Thermoelectric production	69.6	66.4	4.8%	265.6
Hydroelectric production	8.3	8.5	(2.2%)	39.0
Other renewable production	3.1	2.6	19.3%	9.8
Net import	10.4	13.1	(20.7%)	45.9
Ancillary services and pumping	(5.1)	(5.2)		(20.5)
<b>Total Sources</b>	<b>86.2</b>	<b>85.4</b>	<b>0.9% a)</b>	<b>339.8</b>

(\*) Gross of losses

a) 0.4% on a seasonally adjusted basis

Source: Terna

## Gas supply mix (bcm)

	1Q2008	1Q2007	Δ	FY2007
Domestic production	2.2	2.5	(13.1%)	9.7
Import	23.1	21.1	9.3%	73.9
Changes in stock	3.5	2.6	35.9%	1.0
Losses	(0.3)	(0.3)		(1.0)
<b>Total Sources</b>	<b>28.5</b>	<b>25.9</b>	<b>9.8%</b>	<b>83.6</b>

Source: MSE and Edison estimates

# FIRST QUARTER 2008 RESULTS

# EDISON GROUP — CONSOLIDATED HIGHLIGHTS

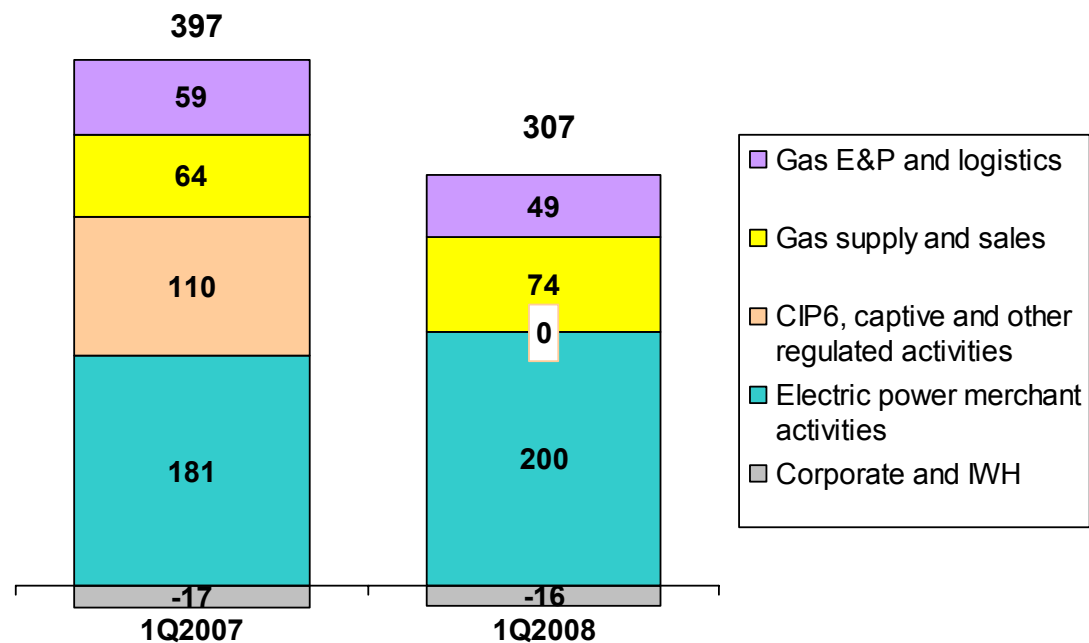
FY2007	(€ mln)	1Q2008	1Q2007	Δ
8,276	<b>Sales revenues</b>	<b>2,502</b>	2,231	12.1%
1,605	<b>EBITDA</b>	<b>307</b>	397	(22.7%)
896	<b>EBIT</b>	<b>127</b>	228	(44.3%)
687	<b>Profit before taxes</b>	<b>97</b>	170	(42.9%)
497	<b>Group net income</b>	<b>52</b>	87	(40.2%)
489	<b>CAPEX (incl. exploration)</b>	<b>90</b>	135	
2,960	<b>Employees <sup>a)</sup></b>	<b>2,944</b>	2,921	
31.12.2007		31.03.2008		
10,838	<b>Net invested capital</b>	<b>10,884</b>		
2,687	<b>Net borrowings</b>	<b>2,708</b>		
8,151	<b>Stockholders' equity</b>	<b>8,176</b>		
8,004	<i>Of which Group's net interest</i>	<b>8,039</b>		
0.33	<b>Debt / Equity ratio</b>	<b>0.33</b>		

a) Does not include employees in water activity concessions.

# OPERATING PERFORMANCE

( <i>€ mln</i> )	Electric power			Hydrocarbons			Corporate, adj. and other		Total Edison Group		
	1Q2008	1Q2007	Δ	1Q2008	1Q2007	Δ	1Q2008	1Q2007	1Q2008	1Q2007	Δ
Sales revenues	1,858	1,737	7.0%	1,410	1,201	17.4%	(766)	(707)	2,502	2,231	12.1%
EBITDA	200	291	(31.3%)	123	123	-	(16)	(17)	307	397	(22.7%)

## EBITDA (€ mln)

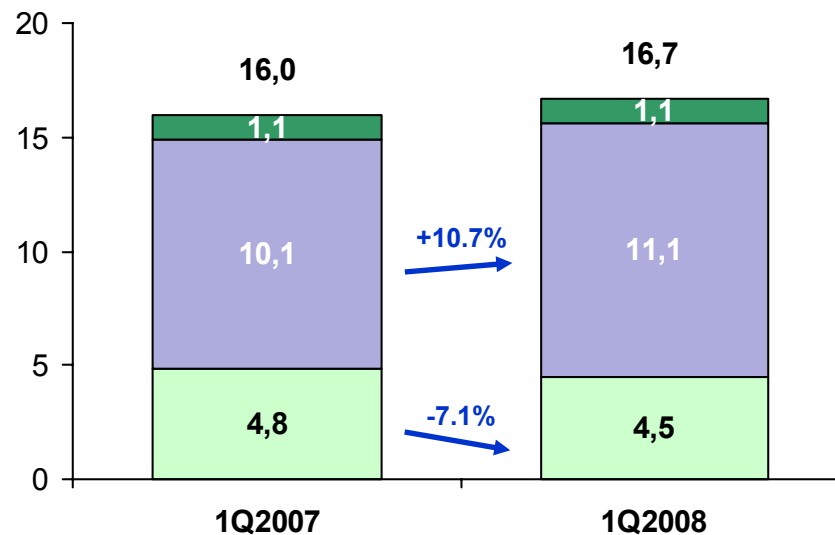
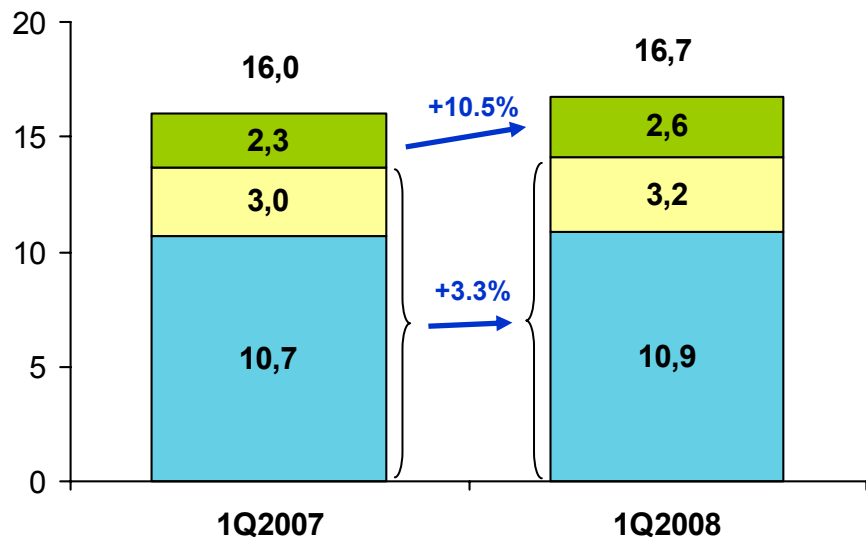


# ELECTRIC POWER OPERATIONS — TOTAL SOURCES AND USES

## SOURCES (TWh) (\*)

## USES (TWh) (\*)

+4.3%



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

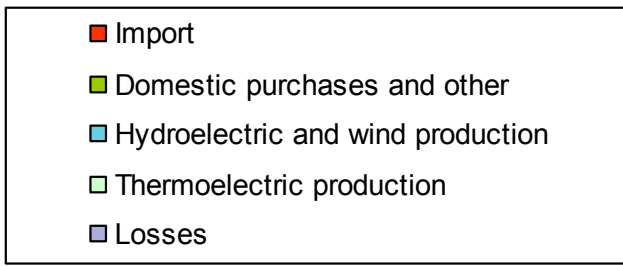
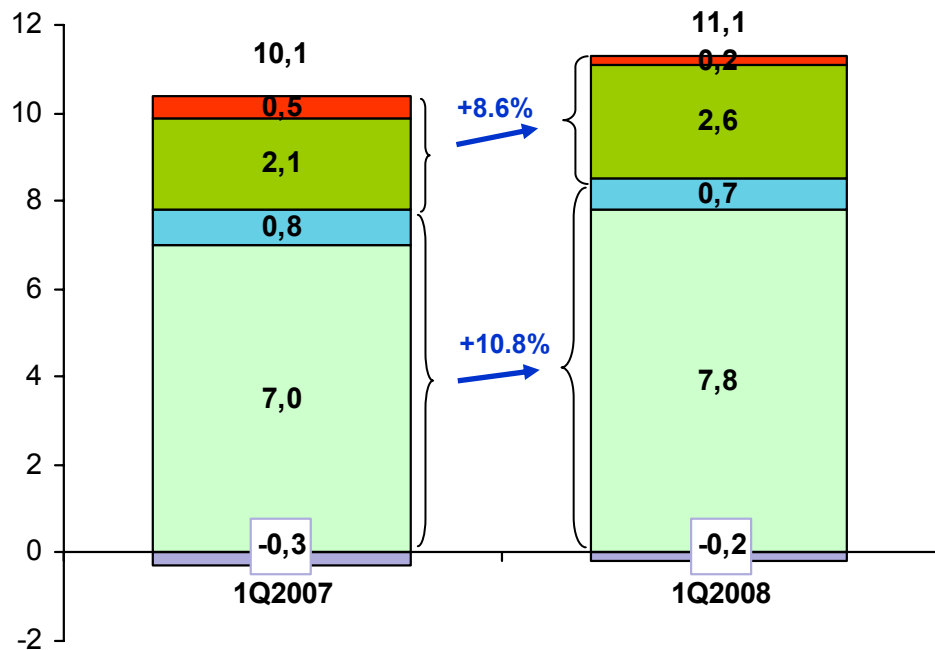
- Captive and other industrial customers
- Deregulated market (a)
- CIP6

(\*) net of losses

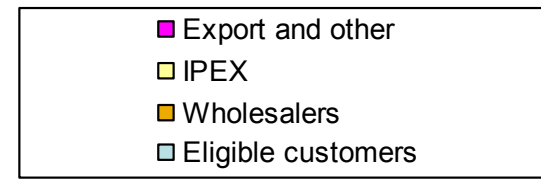
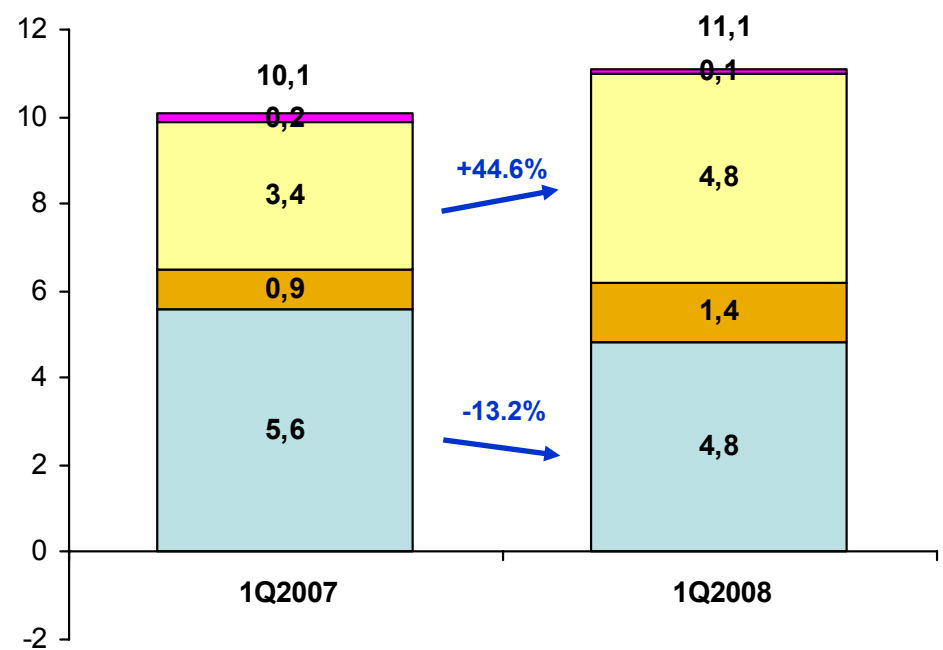
(a) Including export

# ELECTRIC POWER OPERATIONS — SOURCES/USES ON FREE MARKET

## SOURCES (TWh)

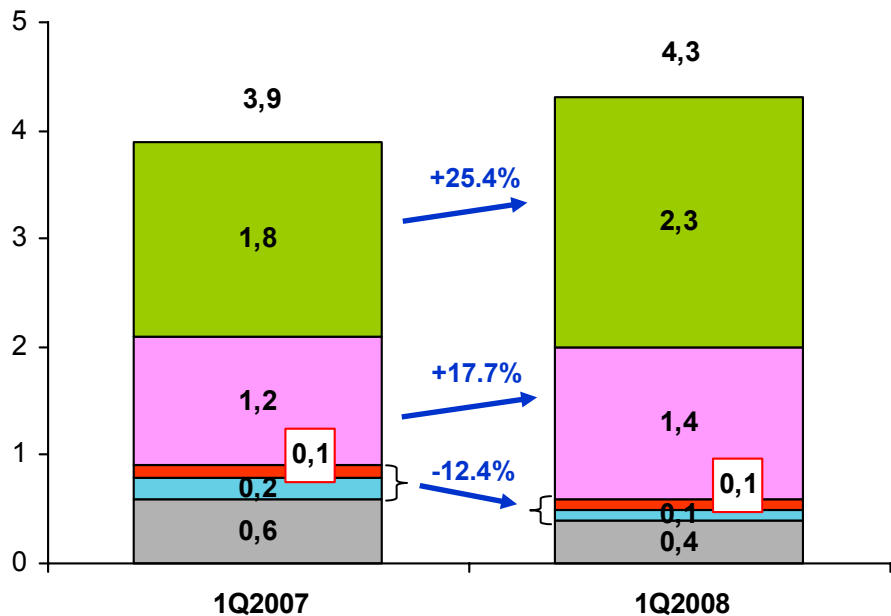


## USES (TWh)

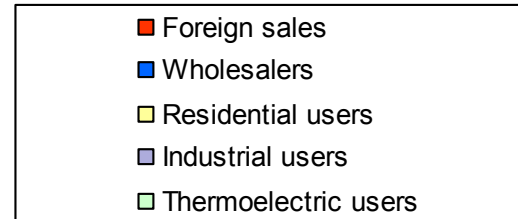
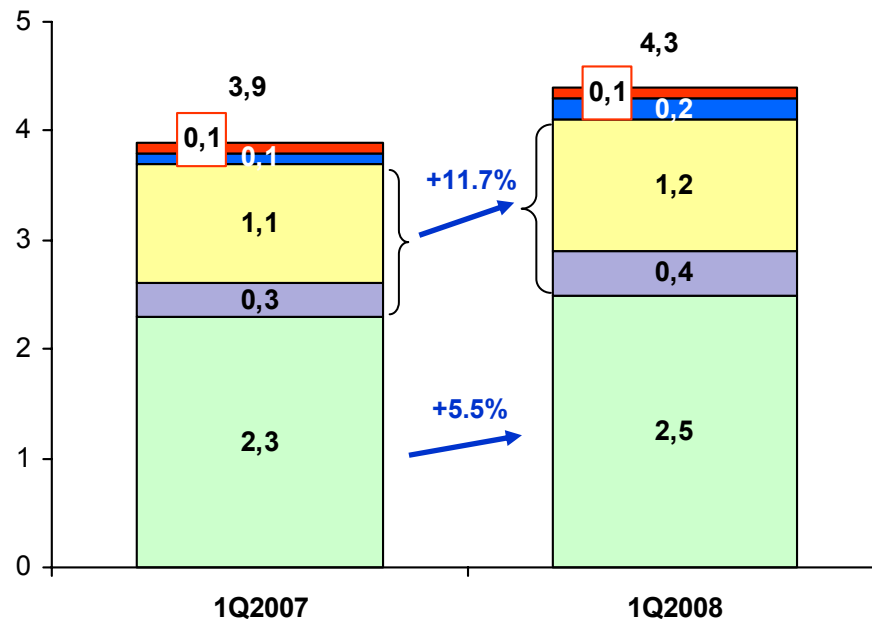


# HYDROCARBONS OPERATIONS — TOTAL SOURCES AND USES

## SOURCES (bcm)



## USES (bcm)



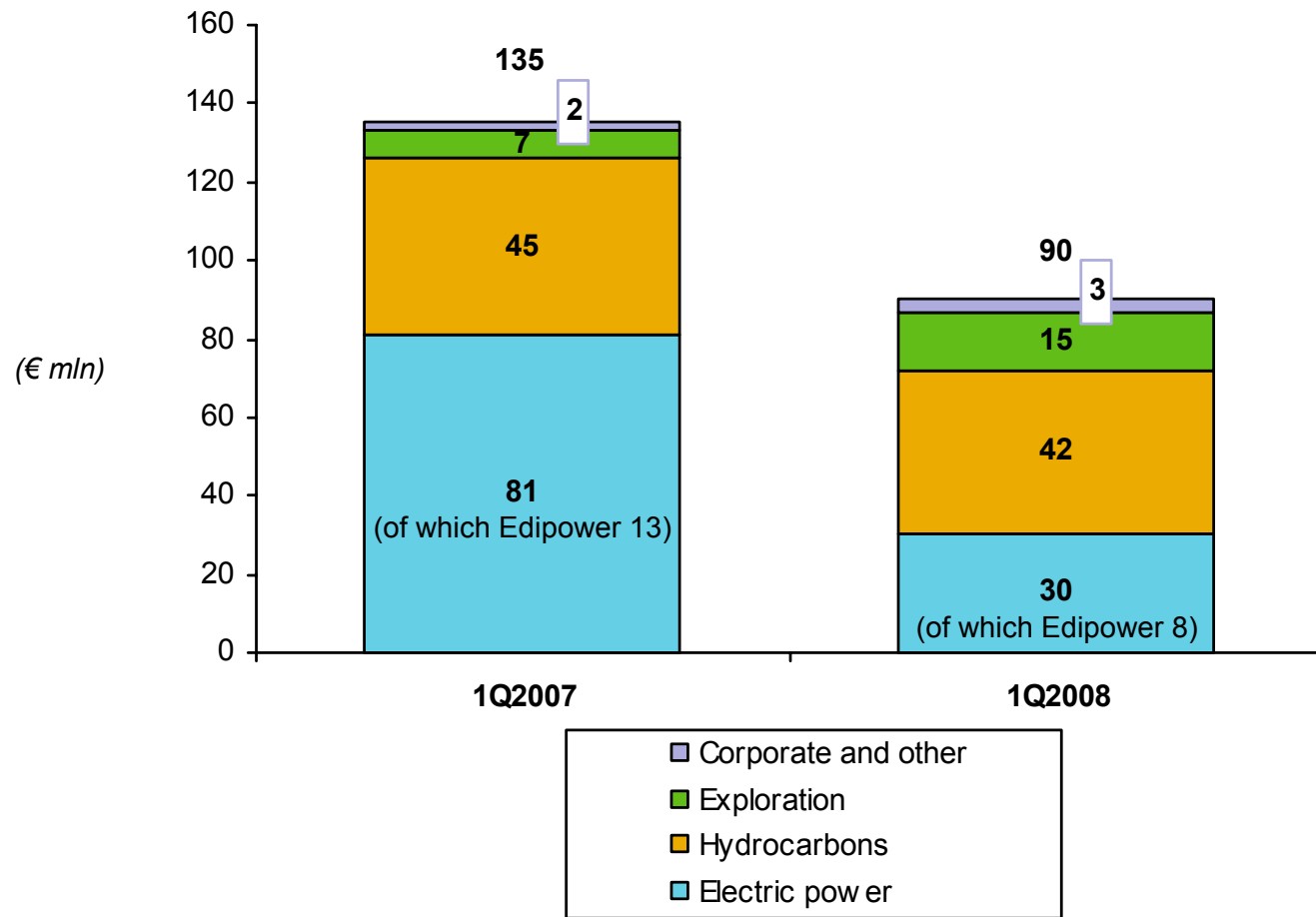
<b>Oil production (Kbbl)</b>	<b>718</b>	<b>446</b>
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# EDISON GROUP — FROM EBITDA TO NET INCOME

(€ mln)	1Q2008	1Q2007	Δ
<b>EBITDA</b>	<b>307</b>	<b>397</b>	<b>(90)</b>
Depreciation, amortization and writedowns	(180)	(169)	(11)
<b>EBIT</b>	<b>127</b>	<b>228</b>	<b>(101)</b>
Net financial income (expense) <sup>a)</sup>	(25)	(55)	30
Income (expense) on equity inv. & other	(5)	(3)	(2)
<b>Profit before taxes</b>	<b>97</b>	<b>170</b>	<b>(73)</b>
Income taxes	(44)	(80)	36
<b>Profit from continuing operations</b>	<b>53</b>	<b>90</b>	<b>(37)</b>
Profit (loss) from discontinued operations	(2)	-	(2)
<b>Net income</b>	<b>51</b>	<b>90</b>	<b>(39)</b>
Minority (income) loss	1	(3)	4
<b>Group interest in net income</b>	<b>52</b>	<b>87</b>	<b>(35)</b>

a) Of which 15 million and 37 million of interests on bond issues are respectively included in 1Q 2008 and 1Q 2007 figures

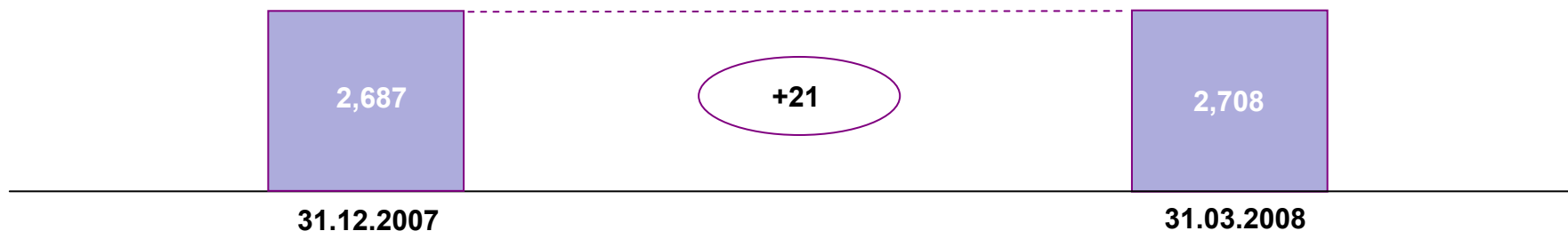
# CAPITAL EXPENDITURES AND EXPLORATION \*



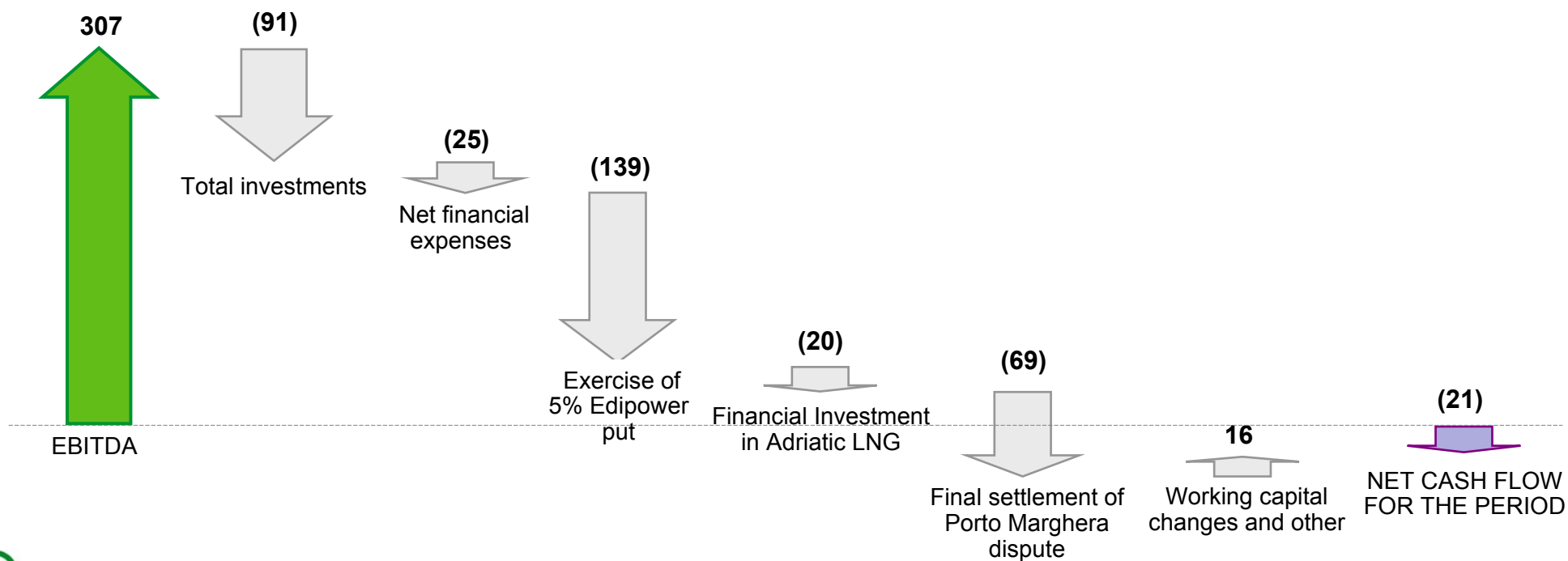
\* Excluding investments in intangibles, equal to 0 in 1Q2007 and € 1 mln in 1Q2008

# NET FINANCIAL POSITION & CASH FLOW

## NET FINANCIAL POSITION (€ mln)



## CASH FLOW IN 1Q2008 (€ mln)



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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.