PRESS RELEASE

EDISON CLOSES Q1 WITH REVENUES OF €2.8 BILLION AND EBITDA SHOWING STRONG GROWTH AT €229 MILLION.

Net result of -€19 million euros, in progress compared to -€76 million in first-quarter 2016.

Net financial debt for the first time below 1 billion euros (934 million), confirming the company's financial soundness.

Milan, 05 May 2017 - The Edison Board of Directors met today, examining the Quarterly Report at March 31, 2017, which closed with a significant increase in EBITDA thanks to the good performance registered by all business areas. The increase in demand and prices of gas and electricity, coupled with the contribution made by the new business area devoted to energy and environmental services, which as from April 2016 includes the results of Fenice, made for a great improvement in the company's industrial performance during the quarter. The €19 million net loss (-€76 million in the same period last year) is affected by the volatility of commodities and currency hedges.

The Quarterly Report reflects the new consolidation scope which includes Fenice (an energy efficiency and environmental services company that has been consolidated since 1 April 2016), Cellina Energy (resulting from the exchange of Edison's investments in Hydros and SelEdison with Alperia's investment in Cellina Energy, the company that owns the hydroelectric station on the Cellina River and has been consolidated on a line-for-line basis since 1 June 2016), IDREG's hydroelectric activities (acquired in May 2016) and the investments in Comat and Assistenza Casa, which, having been taken over in March 2017, have a limited impact on the quarter.

Please note that, despite the fact that the law has eliminated the obligation to publish the Quarterly Report, the company has opted, in line with past choices, to provide the market with voluntary quarterly consolidated information, more concise and focussed on its business performance.

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EDISON GROUP HIGHLIGHTS

in millions of euros	**3 months 2017**	**3 months 2016**
Sales revenues	**2,798**	**3,026**
EBITDA	**229**	**172**
EBIT	**8**	**(34)**
Group interest in net loss	**(19)**	**(76)**

Group Operating Performance at March 31, 2017

During the first quarter of 2017, a recovery in demand and prices of gas and electricity was seen as compared with the same period of last year. This was a consequence of two different causes: on the one hand, the temperatures below the seasonal average and on the other the lower availability of electric power produced abroad. Both these phenomena resulted in an increase in prices.

More specifically, the **Italian demand for electricity during the quarter came to 79 TWh (+0.6% on the 78.5 TWh recorded for the same period in 2016)**. The recovery of demand, together with the significant decline in net imports (-29% to 9.2 TWh) following maintenance of the French nuclear plants, supported the increase in thermoelectric generation (+10% to 51.5 TWh), which balanced out the downturn to the hydroelectric sector due to the lower water available in the period (-5% to 7.5 TWh). Tension on the bordering electricity markets influenced electric power prices, resulting in a 45% increase in the Single National Price (known as the "PUN" in Italy), up to €57.4 per MWh from €39.6 per MWh in the first quarter of 2016.

The greater thermoelectric production, together with the winter temperatures falling below seasonal averages, particularly in January, brought about the **increase in the demand for gas, which during the first quarter of the year grew by 8.6% to 25.6 billion cubic meters with respect to the same period of 2016**. In detail, gas consumption for thermoelectric use rose by 18% (6.7 billion cubic meters), that for residential use by 5% (13.7 billion cubic meters) and for industrial use by 7% (4.7 billion cubic meters). This increase in demand resulted in an increase of spot gas prices coming in Italy at 21.6 cents per cubic meter, showing a rise of 41.2% on the same period of last year. The trend of oil prices was also positive, in the first quarter averaging out at 54.7 dollars per barrel, as compared with the 35.1 dollars per barrel recorded in the same period in 2016: this was made possible by the agreements reached between the OPEC countries and another 10 producing countries to limit production, which reduced the availability of the commodity on the market.

In this context, Edison closed the first quarter of the year with **revenues of €2,798 million**, compared to €3,026 million in the same period of 2016. This decline is mainly connected with the lower proceeds[1] from

[1] The reduction in revenues on derivative contracts corresponded to a similar reduction in the relative cost item.

derivative hedging contracts relating to prices dynamics that resulted in an impact particularly on the **hydrocarbons operations.** Revenues in this business sector came in at €1,636 million, recording a decline of 10.9% on the same period of 2016 despite the increase in sales. Performance of the **electric power operations** was positive, which in the first quarter recorded a rise in revenues of 1.9% to €1,387 million, thanks to the contribution made by Fenice (consolidated as from 01 April 2016) and to the growth in average sale prices as a result of the scenario described above.

EBITDA recorded strong growth, coming in at €229 million up 33.1% on the €172 million of the first quarter 2016, thanks to the good performance of all business areas. More specifically, the **Adjusted EBITDA[2] for the electricity power operations has risen to €68 million** (+58.1% on the €43 million of the first quarter 2016), mainly benefiting from the contribution made by Fenice and the greater margins recorded in thermoelectric generation. The **Adjusted EBITDA[2] of the hydrocarbons operations has increased significantly to €181 million** (+23.1% from the €147 million recorded in the first quarter last year), thanks to the recovery of the oil scenario, which has resulted in greater profitability of the hydrocarbons' exploration and production activities. Gas purchases and sales remain important and account for two thirds of the hydrocarbons operations' adjusted EBITDA.

EBIT came in at €8 million, with an improvement on the negative result for €34 million recorded in the first quarter last year, thanks to the positive operating performance and the lower amortisation connected with the impairment applied in the 2016 financial statements. The result was affected by the change to the scope of consolidation, the greater costs of exploration and production and the net change in fair value relative to the hedging of the commodities and exchange rates, which was negative for €98 million (€-92 million in the first quarter of 2016).

The **result before taxes was positive for €4 million**, from the negative €67 million of the first quarter 2016, due to the above-described performance, the lower net exchange losses recorded in the period and the improvement in the cost of debt.

Edison closed the first quarter of the year with a net loss of €19 million (€-76 million in the same period of 2016) thanks to the sharp improvement in industrial activities.

Net financial debt as at 31 March 2017 dropped below a billion euros for the first time, coming in at €934 million, from the 1,062 million recorded at end 2016.

<u>Outlook</u>

Considering the effects of seasonality, Edison estimates 2017 EBITDA of at least €650 million, in line with the outlook already announced.

<u>Key events during the first quarter of 2017</u>

Below are the events that took place after the communication of the 2016 financial statements.

[2] Adjusted EBITDA reflect the effect of the reclassification from the Hydrocarbons Operations to the Electric Power Operations of the portion of the results of commodity and foreign exchange hedges executed in connection with contracts to import natural gas attributable to the Electric Power Operations. This reclassification is been made to provide a consistent operational presentation of industrial results. Adjusted EBITDA include central staff and technical services.

1 March 2017 - Edison entered the urban biomass district heating sector, acquiring 51% of Comat Energia, the Comat Group company operating in over 50 mountain communities across Piedmont. The operation is part of Edison's development strategy in the energy and environmental services sector as it pursues a market leadership position in Italy in this segment too, offering integrated services covering all business sectors, from industry to the voluntary sector and public administration. Comat Energia operates in the woody biomass district heating sector through around 100 thermal (heat production) plants. Through simple, tried and tested technologies that allow the municipalities to access heating forms that are both environmentally and economically sustainable.

2 March 2017 - Edison has strengthened the offer of innovative services for customers by purchasing 51% of Assistenza Casa, the Italian company of the international HomeServe Group, which retained the remaining 49% of the capital. As a result, Edison confirmed its capacity to innovate, flanking competitive offers of electric power and gas with a complete range of maintenance, installation and assistance services for household plants and smart homes. Assistenza Casa, established in 2010, numbers more than 50 employees, boasting a network of around 1,400 artisans across Italy and approximately 300 thousand customers.

2 March 2017 - Edison sold its 51% stake in Gever, the company heading the thermoelectric plant used by the Burgo site, to Burgo, which already held 49%.

April 2017 - in order to ensure the coverage of Edison financial needs and support the necessary financial flexibility, Edison was granted two revolving credit facilities maturing in two years: the first, with EDF Sa and for €600 million, actually renews an identical facility that had matured; the second, which is purely a back-up, was subscribed by a limited number of banks and comes to €300 million.

Documentation

The Quarterly Report at March 31, 2017 of the Edison Group, approved today by the Board of Directors of Edison Spa, will be made available to the public starting from May 9, 2017 at the company's office, on the website of Borsa Italiana Spa (www.borsaitaliana.it) and Edison Spa (http://www.edison.it/it/bilanci-e-documenti-correlati), as well as on the electronic storage site "eMarket STORAGE" (www.emarketstorage.com).

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The "Dirigenti preposti alla redazione dei documenti contabili societari" of Edison Spa, Didier Calvez and Roberto Buccelli, attest that – pursuant to article 154-bis, section 2 of the Consolidated finance act (Italian Legislative decree no. 58/1998) – the accounting disclosures in this release are consistent with records, ledgers and accounting entries. The Quarterly Report at March 31, 2017 is not audited.

This press release and, in particular, the section entitled "Outlook", contain forward-looking statements. Such statements are based on the Group's current forecasts and projections in relation to future events and are, by their very nature, subject to intrinsic risk and uncertainty. Actual results could differ materially from the forecasts referenced in these statements due to many different factors, including the continued volatility and deterioration of capital and financial markets, fluctuations in the prices of raw materials, changes in macroeconomic conditions and in economic growth and other changes in business conditions, the outcome of arbitration proceedings for gas procurement contracts, changes in legislation, including regulations, and in the institutional context (both in Italy and abroad) and many other factors, most of which are beyond the Group's control.

Abridged consolidated economic-equity statements are attached.

Material information pursuant to Consob resolution no. 11971 of 14 May 1999, as amended.

PRESENTATION FORMATS

Consolidated Income Statement

(in millions of euros)	1st quarter 2017	1st quarter 2016
Sales revenues	2,798	3,026
Other revenues and income	38	20
Total net revenues	**2,836**	**3,046**
Raw materials and services used (-)	(2,528)	(2,820)
Labor costs (-)	(79)	(54)
EBITDA	**229**	**172**
Net change in fair value of commodity derivatives	(98)	(92)
Depreciation, amortization and writedowns (-)	(122)	(114)
Other income (expense), net	(1)	-
EBIT	**8**	**(34)**
Net financial income (expense)	(13)	(30)
Income from (Expense on) equity investments	9	(3)
Profit (Loss) before taxes	**4**	**(67)**
Income taxes	(18)	(4)
Profit (Loss) from continuing operations	**(14)**	**(71)**
Profit (Loss) from discontinued operations	-	-
Profit (Loss)	**(14)**	**(71)**
Broken down as follows:		
Minority interest in profit (loss)	5	5
Group interest in profit (loss)	**(19)**	**(76)**
Earnings (Loss) per share (in euros)		
Basic earnings (loss) per common share	(0.0040)	(0.0150)
Basic earnings per savings share	0.0125	0.0125
Diluted earnings (loss) per common share	(0.0040)	(0.0150)
Diluted earnings per savings share	0.0125	0.0125

Consolidated Balance Sheet

(in millions of euros)	03.31.2017	12.31.2016 (*)
ASSETS		
Property, plant and equipment	3,929	3,937
Investment property	5	5
Goodwill	2,357	2,357
Hydrocarbon concessions	387	396
Other intangible assets	128	128
Investments in associates	107	104
Available-for-sale investments	152	158
Other financial assets	88	94
Deferred-tax assets	480	498
Other assets	304	310
Total non-current assets	**7,937**	**7,987**
Inventories	194	180
Trade receivables (*)	1,584	1,877
Current-tax assets	7	8
Other receivables (*)	1,051	1,390
Current financial assets	23	22
Cash and cash equivalents	194	206
Total current assets	**3,053**	**3,683**
Total assets	**10,990**	**11,670**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	5,377	5,377
Reserves and retained earnings (loss carryforward)	598	988
Reserve for other components of comprehensive income	23	(21)
Group interest in profit (loss)	(19)	(389)
Total shareholders' equity attributable to Parent Company shareholders	**5,979**	**5,955**
Shareholders' equity attributable to minority shareholders	315	310
Total shareholders' equity	**6,294**	**6,265**
Provision for employee severance indemnities and provisions for pensions	43	44
Provision for deferred taxes	55	52
Provisions for risks and charges	1,159	1,142
Bonds	-	-
Long-term financial debt and other financial liabilities	215	215
Other liabilities	26	74
Total non-current liabilities	**1,498**	**1,527**
Bonds	617	615
Short-term financial debt	319	460
Trade payables (*)	1,425	1,695
Current taxes payable	12	7
Other liabilities (*)	825	1,101
Total current liabilities	**3,198**	**3,878**
Total liabilities and shareholders' equity	**10,990**	**11,670**

(*) Since January 1, 2017, for a better representation of the operating working capital, the receivables and payable owed to/by partners and associates in hydrocarbon exploration projects are respectively included in trade receivables and trade payables, instead of in other receivables and other liabilities.
For the purposes of consistent comparison the amounts at December 31, 2016, receivables for 47 million euros and payables for 88 million of euros, were reclassified in coherence with the 2017 data.

Changes in Consolidated Shareholders' Equity

(in millions of euros)	Share capital	Reserves and retained earnings (loss carry-forward)	Reserve for other components of comprehensive income	Group interest in profit (loss)	Total shareholders' equity attributable to Parent Company shareholders	Shareholders' equity attributable to minority shareholders	Total shareholders' Equity
Balance at December 31, 2016	**5,377**	**988**	**(21)**	**(389)**	**5,955**	**310**	**6,265**
Aprropriation of the previous year's profit (loss)	-	(389)	-	389	**-**	-	**-**
Dividends and reserves distributed	-	-	-	-	**-**	(1)	**(1)**
Capital and reserves increase	-	-	-	-	**-**	-	**-**
Change in scope of consolidation	-	-	-	-	**-**	1	**1**
Other changes	-	(1)	-	-	**(1)**	-	**(1)**
Total comprehensive profit (loss)	-	-	44	(19)	**25**	5	**30**
of which:							
- Change in comprehensive income	-	-	44	-	**44**	-	**44**
- Profit (loss) at March 31, 2017	-	-	-	(19)	**(19)**	5	**(14)**
Balance at March 31, 2017	**5,377**	**598**	**23**	**(19)**	**5,979**	**315**	**6,294**