

# EDISON FIRST HALF 2006 RESULTS

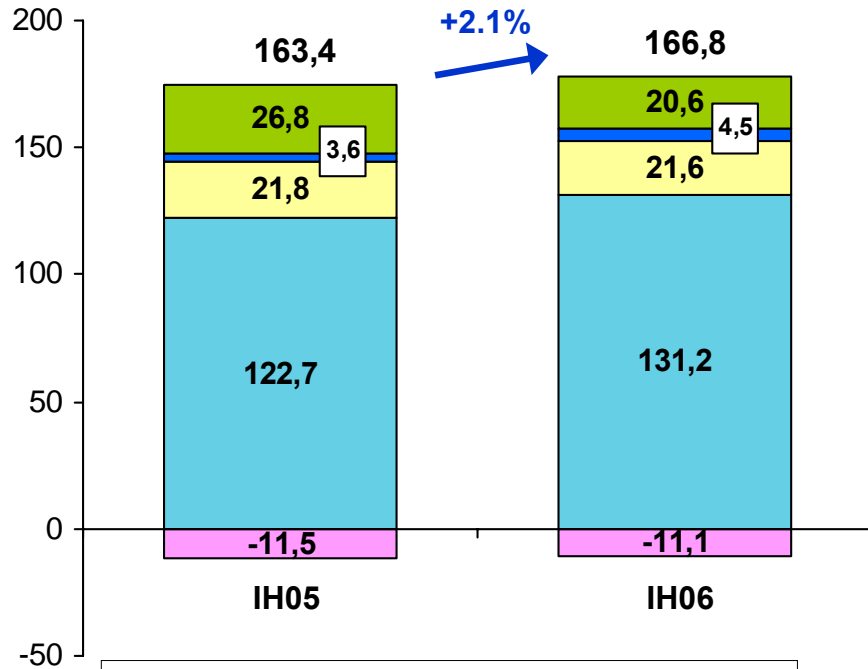
Milan, August 2nd 2006

# AGENDA

- **Business environment**
- **First Half 2006 results:**
  - **Consolidated financial highlights**
  - **Electric power and hydrocarbons operating performance**
  - **Capital expenditures**
  - **Debt evolution**

# ELECTRIC POWER AVAILABILITY MIX AND GAS SUPPLY MIX IN ITALY

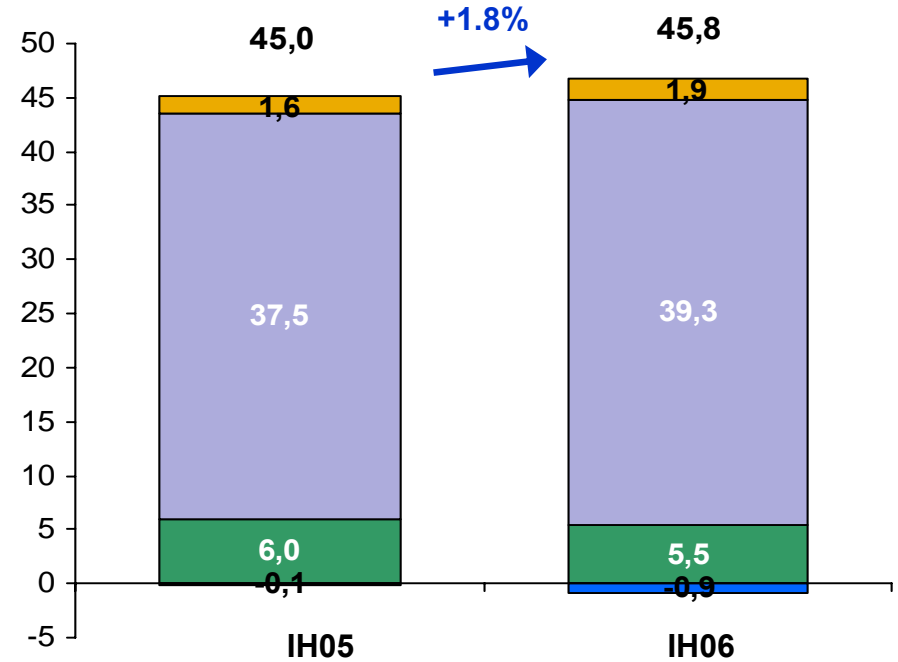
## Electricity supply mix (TWh)



	$\Delta$ % yoy
Net import	-23.1%
Other renewable sources	+22.8%
Hydroelectric production	-0.9%
Thermoelectric production	+6.9%
Ancillary services and pumping	

Source: Terna

## Gas supply mix (bcm)



	$\Delta$ % yoy	(bcm)
Import via LNG	+19.4%	Algeria 14.3
Import via pipe	+5.3%	Russia 12.6
		Netherlands 4.7
		Norway 3.3
		Libya 3.6
		Nigeria and other 2.7
Domestic production	-8.0%	
Changes in stock	-	

Source: MAP and Edison estimates

# FIRST HALF 2006 RESULTS

# EDISON GROUP — CONSOLIDATED HIGHLIGHTS

<b>FY05 (a)</b>	<b>(€ mln)</b>	<b>IH06</b>	<b>IH05 (a)</b>	<b>Δ%</b>
<b>6,629</b>	<b>Sales revenues</b>	<b>4,266</b>	<b>3,225</b>	<b>32.3</b>
<b>1,288</b>	<b>EBITDA</b>	<b>774</b>	<b>597</b>	<b>29.6</b>
<b>639</b>	<b>EBIT</b>	<b>415</b>	<b>320</b>	<b>29.7</b>
<b>504</b>	<b>Group net income</b>	<b>398 (b)</b>	<b>200</b>	<b>99.0</b>
<b>620</b>	<b>CAPEX (including exploration)</b>	<b>214</b>	<b>261</b>	
<b>2,963</b>	<b>Employees</b>	<b>2,950</b>	<b>4,497</b>	
<b>31-12-05 (a)</b>		<b>30-06-06</b>	<b>30-06-05 (a)</b>	
<b>11,251</b>	<b>Net invested capital</b>	<b>11,346</b>	<b>11,228</b>	
<b>4,820</b>	<b>Net borrowings</b>	<b>4,705</b>	<b>4,806</b>	
<b>6,431</b>	<b>Stockholders' equity</b>	<b>6,641</b>	<b>6,422</b>	
<b>6,272</b>	<b><i>Of which Group's net interest</i></b>	<b>6,491</b>	<b>5,958</b>	
<b>0.75</b>	<b>Debt / Equity ratio</b>	<b>0.71</b>	<b>0.75</b>	

a) Data restated following the adoption of IFRIC 4.

b) This figure includes the net positive impact for 202 million euros due to the realignment of the taxable base of many power plants to higher statutory amounts.

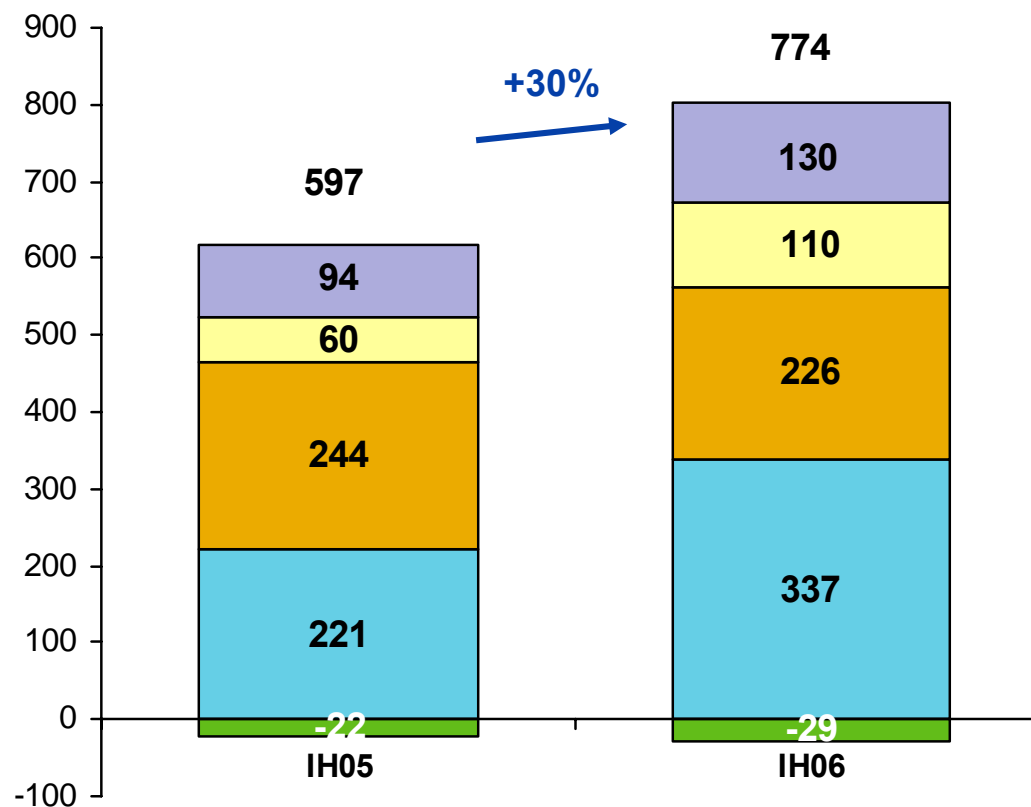
# OPERATING PERFORMANCE

<i>(€ mln)</i>	Electric power			Hydrocarbons			Corporate, adj. and other <sup>(b)</sup>		Total Edison Group		
	IH06	IH05 <sup>(a)</sup>	Δ%	IH06	IH05 <sup>(a)</sup>	Δ%	IH06	IH05 <sup>(a)</sup>	IH06	IH05 <sup>(a)</sup>	Δ%
<b>Sales revenues</b>	<b>3,360</b>	<b>2,222</b>	<i>51.2</i>	<b>2,084</b>	<b>1,548</b>	<i>34.6</i>	<b>(1,178)</b>	<b>(545)</b>	<b>4,266</b>	<b>3,225</b>	<i>32.3</i>
<b>EBITDA</b>	<b>563</b>	<b>465</b>	<i>21.1</i>	<b>240</b>	<b>154</b>	<i>55.8</i>	<b>(29)</b>	<b>(22)</b>	<b>774</b>	<b>597</b>	<i>29.6</i>
Depreciation and writedowns	(294)	(226)	<i>30.1</i>	(59)	(44)	<i>34.1</i>	(6)	(7)	(359)	(277)	<i>29.6</i>
<b>EBIT</b>	<b>269</b>	<b>239</b>	<i>12.6</i>	<b>181</b>	<b>110</b>	<i>64.5</i>	<b>(35)</b>	<b>(29)</b>	<b>415</b>	<b>320</b>	<i>29.7</i>

a) Data restated following the adoption of IFRIC 4.

b) These figures include IWH results in 2006 and IWH and Tecnimont results in 2005.

# EDISON GROUP — EBITDA CHANGE BY ACTIVITY

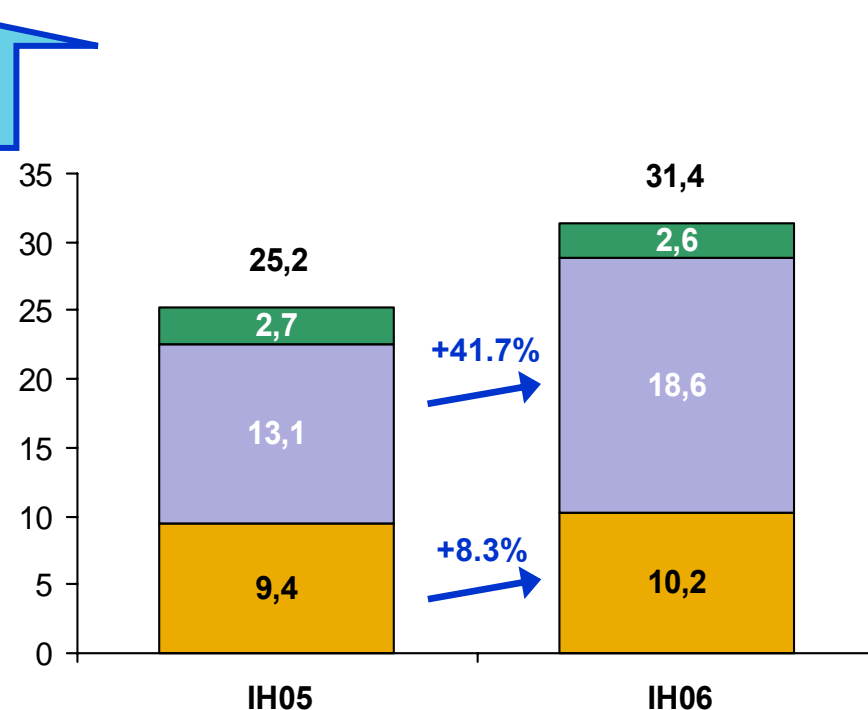
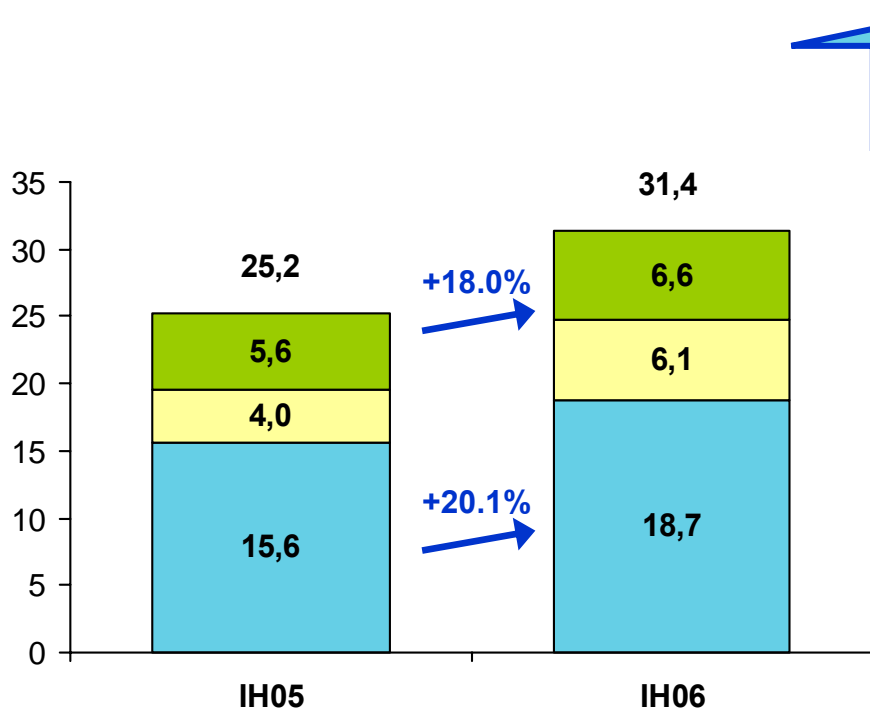


	$\Delta$ yoy
Gas E&P, logistics and other	+36
Gas supply and sales	+50
CIP6, captive and other regulated activities	(18)
Electric power merchant activities	+116
Corporate	(7)

# ELECTRIC POWER OPERATIONS — TOTAL SOURCES AND USES

## Sources (\*) (TWh)

## Uses (\*) (TWh)



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

- Captive and other industrial customers
- Deregulated market
- National Grid Operator (CIP6)

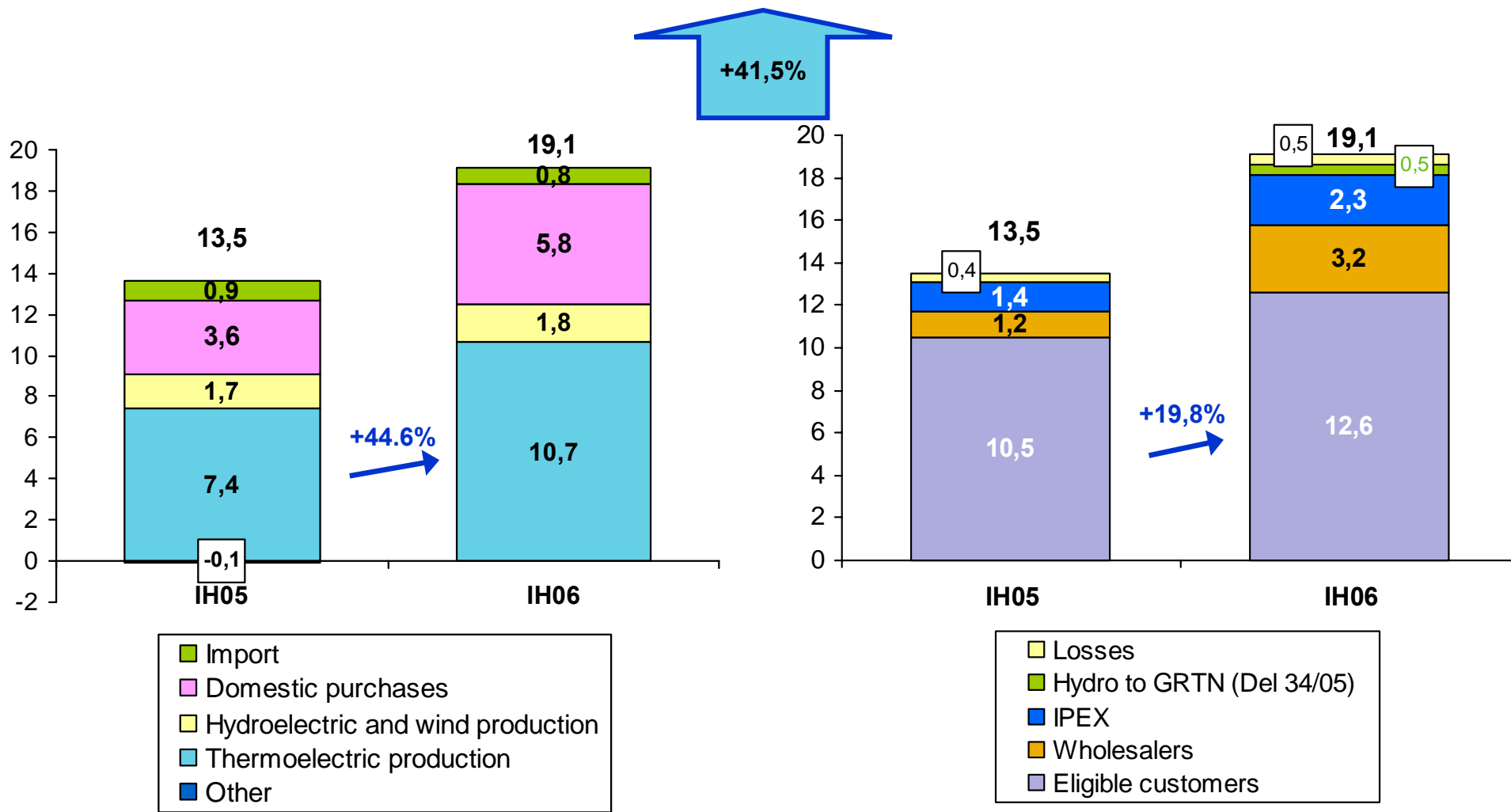
(\*) net of losses



# ELECTRIC POWER OPERATIONS — SOURCES/USES ON FREE MARKET

Sources (\*) (TWh)

Uses (\*) (TWh)



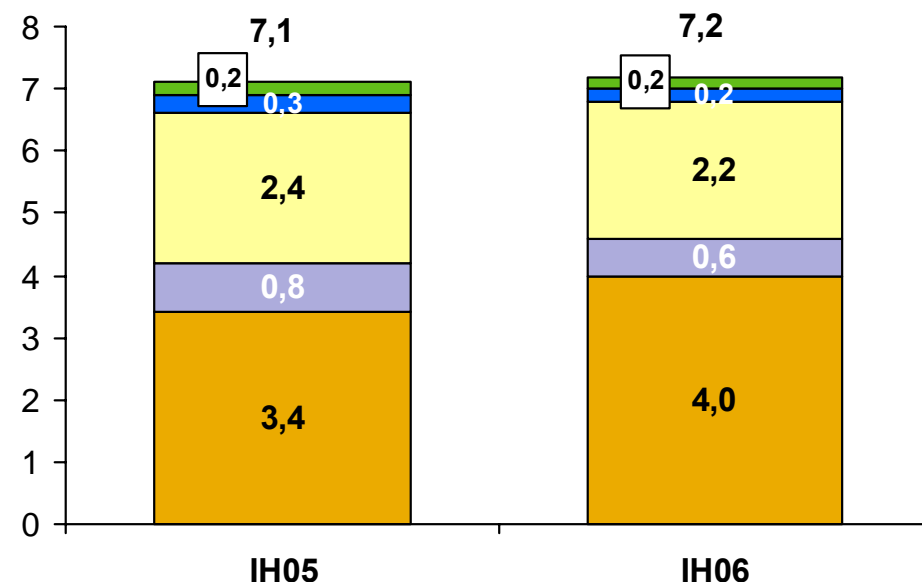
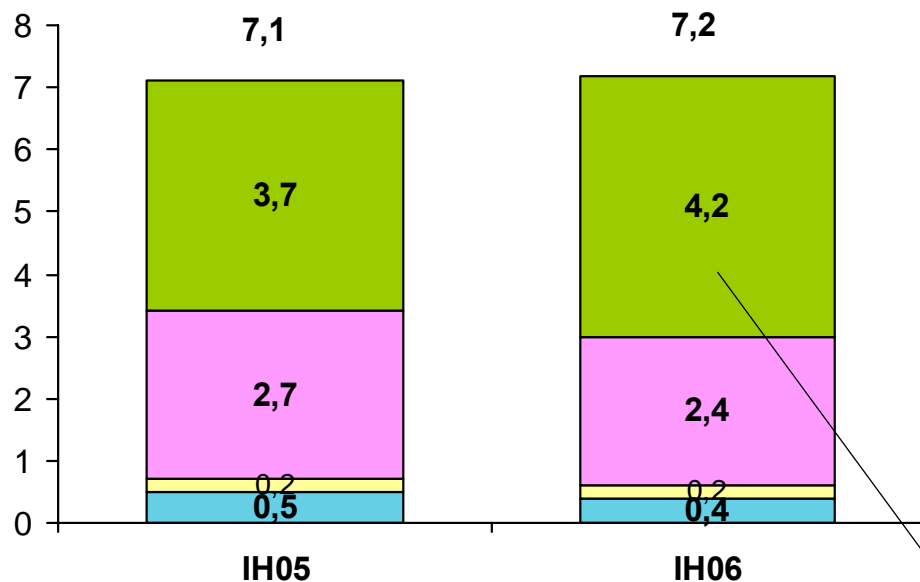
(\*) gross of losses

# HYDROCARBONS OPERATIONS — TOTAL SOURCES AND USES

## Sources (\*) (TWh)

## Uses (\*) (TWh)

+1.9%



- Imports
- Domestic purchases and losses
- Foreign production
- Domestic production

**Imports from:**

Libya	2.1 bcm
Russia	0.9 bcm
Norway	0.7 bcm
Spot	0.5 bcm

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

(\*) gross of losses

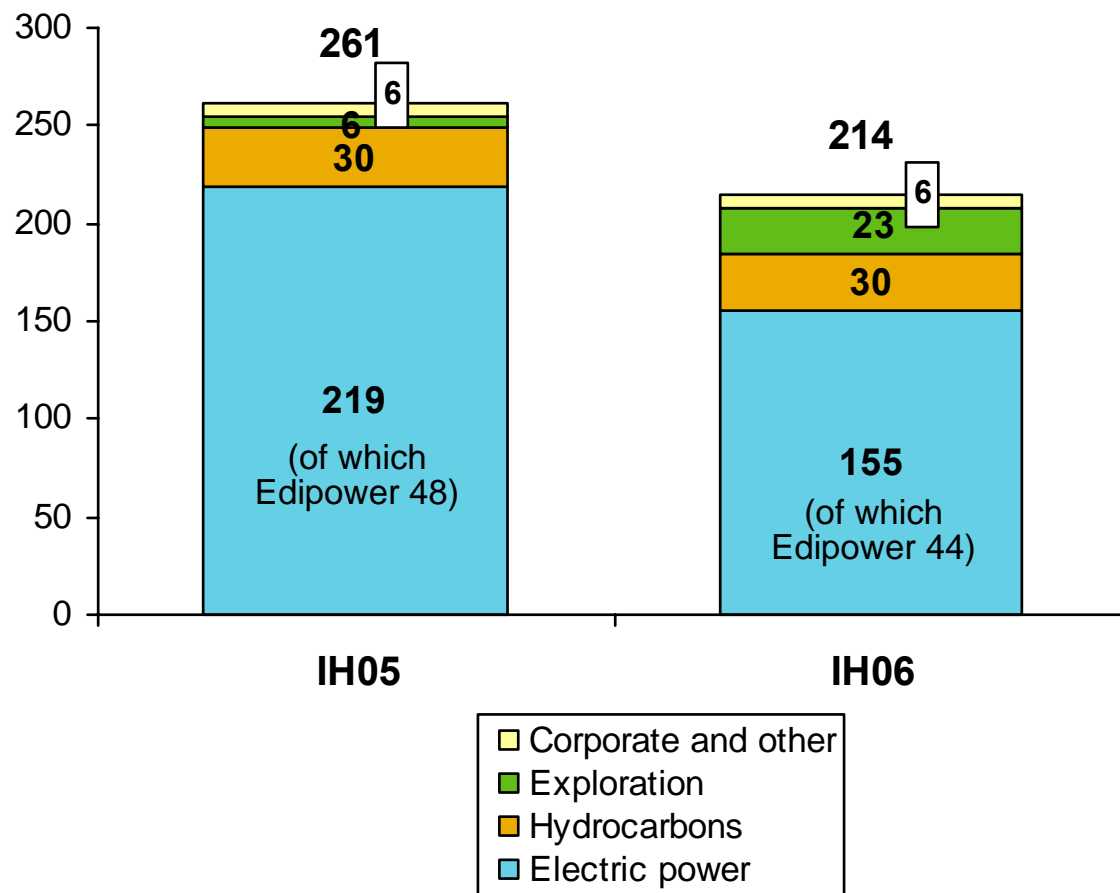
# EDISON GROUP — FROM EBITDA TO NET INCOME

<i>(mln €)</i>	IH06	IH05	Δ
<b>EBITDA</b>	<b>774</b>	<b>597</b>	<b>+177</b>
Depreciation, amortization and writedowns	(359)	(277)	-82
<b>EBIT</b>	<b>415</b>	<b>320</b>	<b>+95</b>
Net financial expense	(136)	(112)	-24
Other income (expense), net	5	38	-33
Net effect of fiscal realignment (*)	202	-	+202
Other income taxes	(85)	(37)	-48
Minority (income) loss	(3)	(9)	+6
<b>Group interest in net income</b>	<b>398</b>	<b>200</b>	<b>+198</b>

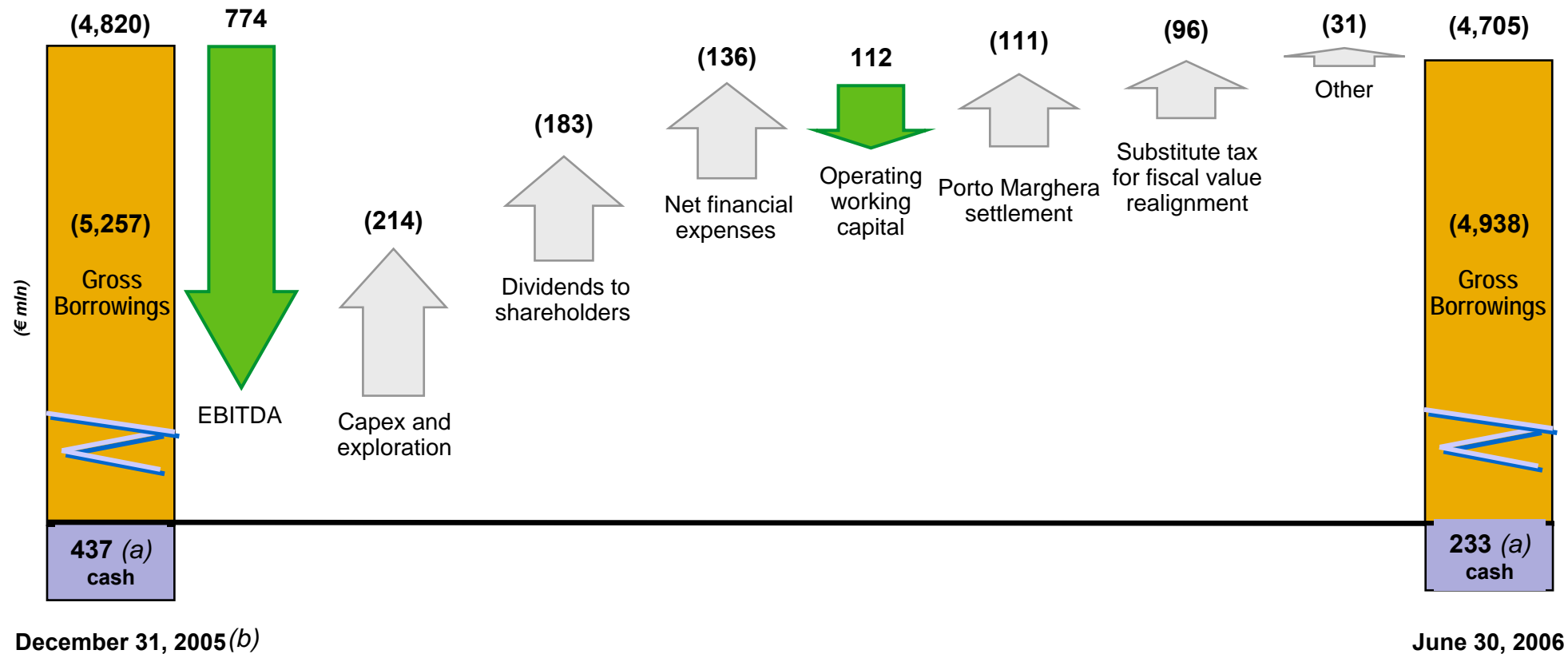
(\*) Represented by the net impact of the release of provisions for deferred taxes (€298 mln) against the payment of the substitute tax for fiscal value realignment (€96 mln).

# CAPITAL EXPENDITURES AND EXPLORATION

(€ mln)



# CONSOLIDATED NET DEBT EVOLUTION IN 2006



- a) Current financial assets, cash in hand and equivalent
- b) Data restated following the adoption of IFRIC 4.

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