



**Third quarter and nine months results at  
September 30<sup>th</sup>, 2005**

**November 11<sup>th</sup>, 2005**

# Agenda

- **Shareholding structure**
- **Business environment**
- **Third quarter and nine months results at September 30<sup>th</sup>, 2005:**
  - **Group consolidated results**
  - **Core business operating performance and financial highlights**
  - **Debt evolution**
- **Update in electricity investment program and gas supply evolution**

# Outcome of the tender offer launched by TdE on Edison shares

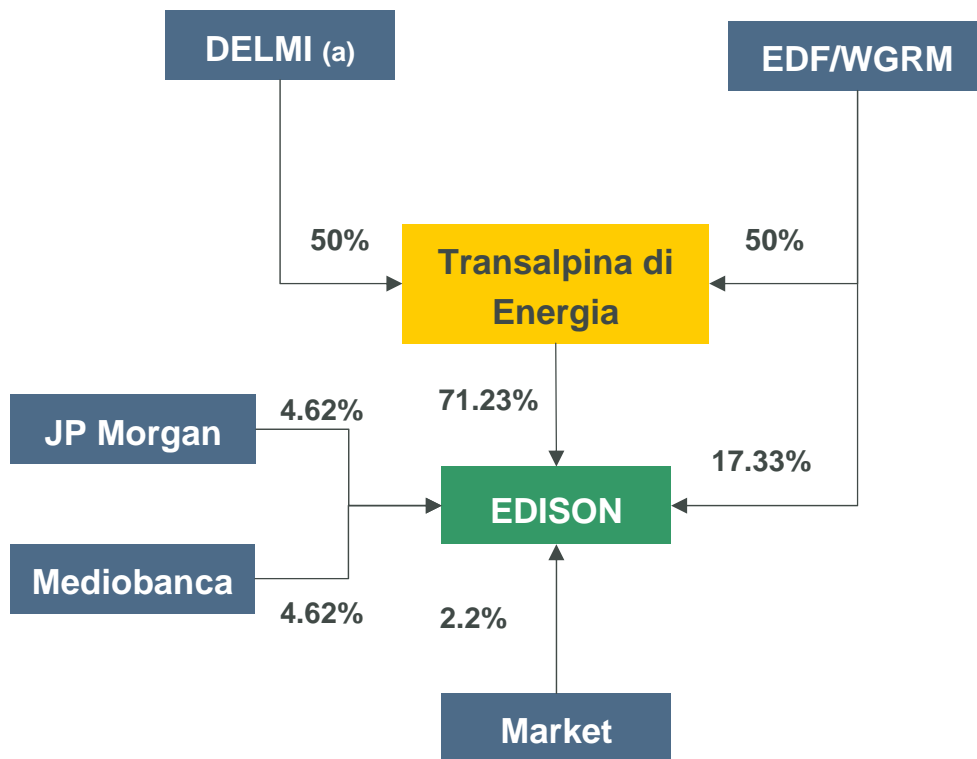
Nr.of shares subject to the tender offer	Nr.of shares sold in the tender offer	% of the shares subject to the tender offer	% of Edison ordinary share capital (b)
1,310,353,184 (a)	1,218,816,750	93.01%	29.28%

Nr.of warrants subject to the tender offer	Nr.of warrants sold in the tender offer	% of the warrants subject to the tender offer
923,217,142	371,389,001	40.23%

*(a) Including N° 7,327,455 shares reserved to the possible exercise of stock options*

*(b) At October 26<sup>th</sup> 2005 (closing date)*

# Capital and shareholding structure after the tender offer and the shares and warrants reallocation



## CAPITAL STOCK AS OF 26.10.2005

- Ordinary shares	4,162,453,154
- Non convertible sav. shares	110,592,420
- TOTAL SHARES	4,273,045,574

## WARRANTS OUTSTANDING AS OF 26.10.2005

- N° 1,018,710,803
- Strike price €1
- Exercise period until 31.12.2007  
on a permanent basis
- Ratio 1 share every warrant

## WARRANTS CONVERTED AS OF 26.10.2005

N°	76,121,927
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(a) AEM Spa 51%, Enia Spa 15%, Società Elettrica Altoatesina SEL Spa 10%, Dolomiti Energia Spa 10%, Mediobanca 6%, Fondazione Cassa di Risparmio Torino 5%, Banca Popolare di Milano 3%

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- **Shareholding structure**

- **Business environment**

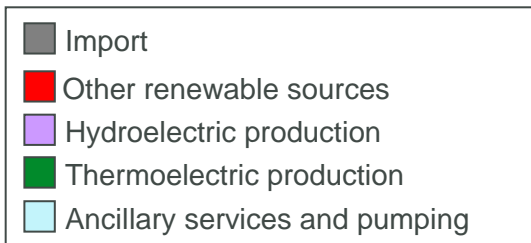
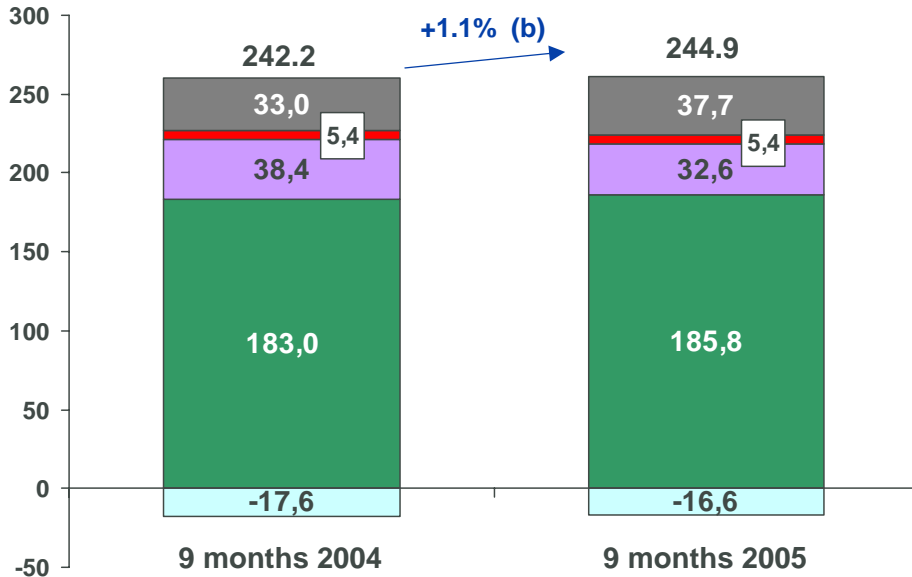
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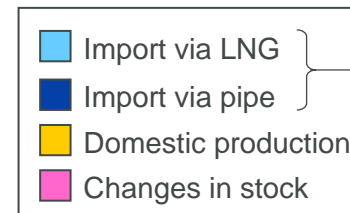
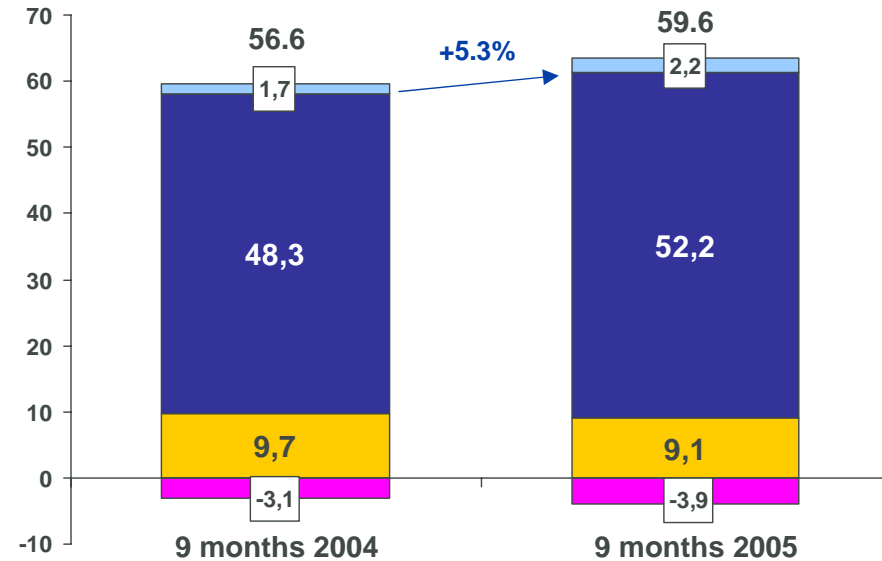
- **Update in electricity investment program and gas supply evolution**

# Electric power availability mix and gas supply sources in Italy

## Electricity supply mix (TWh) <sup>(a)</sup>



## Gas supply mix (bcm)



Algeria	19.6
Russia	15.9
Netherlands	6.3
Norway	6.4
Libya	3.1
Nigeria & Other	3.1

(a) Gross of losses

(b) 1.7% on a seasonally adjusted basis

Source: GRTN

Source: MAP and Edison estimates

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# Group 3Q and 9 months statement of income at Sept. 30<sup>th</sup>, 2005

(€ mln – IAS compliant)	3 <sup>rd</sup> quarter '05	3 <sup>rd</sup> quarter '04	Δ %	9 months '05	9 months '04	Δ %
Sales revenues	1,502	1,296	+16%	4,805	4,364	+10%
<b>EBITDA</b>	<b>343</b>	<b>333</b>	+3%	<b>949</b>	<b>1,037</b>	-8%
<i>% on total sales</i>	<b>22.8%</b>	<b>25.7%</b>		<b>19.8%</b>	<b>23.8%</b>	
<b>EBIT</b>	<b>203</b>	<b>192</b>	+6%	<b>528</b>	<b>625</b>	-16%
<i>% on total sales</i>	<b>13.5%</b>	<b>14.8%</b>		<b>11.0%</b>	<b>14.3%</b>	
Net Financial Expenses	-61	-80	-24%	-181	-232	-22%
Other income/(expenses)	25	-32	na	63	-40	na
<b>Result bef. taxes &amp; min. interest</b>	<b>167</b>	<b>80</b>	+109%	<b>410</b>	<b>353</b>	+16%
Taxes	-18	-35	-49%	-54	-105	-49%
Minority interest – (income)/loss	-7	-12	-42%	-16	-62	-74%
<b>Group net income</b>	<b>142</b>	<b>33</b>	na	<b>340</b>	<b>186</b>	+83%

- The 3<sup>rd</sup>Q operating results, which will be examined in detail in the following slides, have shown a significant recovery with respect to the trend of the first half of the year in sales revenues, EBITDA and EBIT.
- The Group's positive operating performance in the quarter has allowed to balance the impact of the expiration of some CIP6 incentives. 3<sup>rd</sup>Q results were not affected any more by the non recurrent negative factors incurred in the first half of the year, as extraordinary maintenance in some plants and the costs for using the strategic gas reserves.
- The Group net income has posted an increase of 109 and 154 million, respectively in the 3<sup>rd</sup>Q and 9 months, due to the material reduction of financial expenses, taxes and minorities, achieved through the ongoing rationalisation of the Group economic and financial structure, and to some non recurrent income.



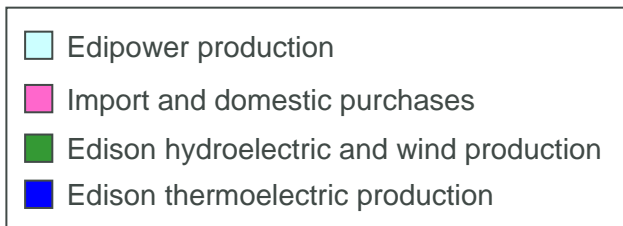
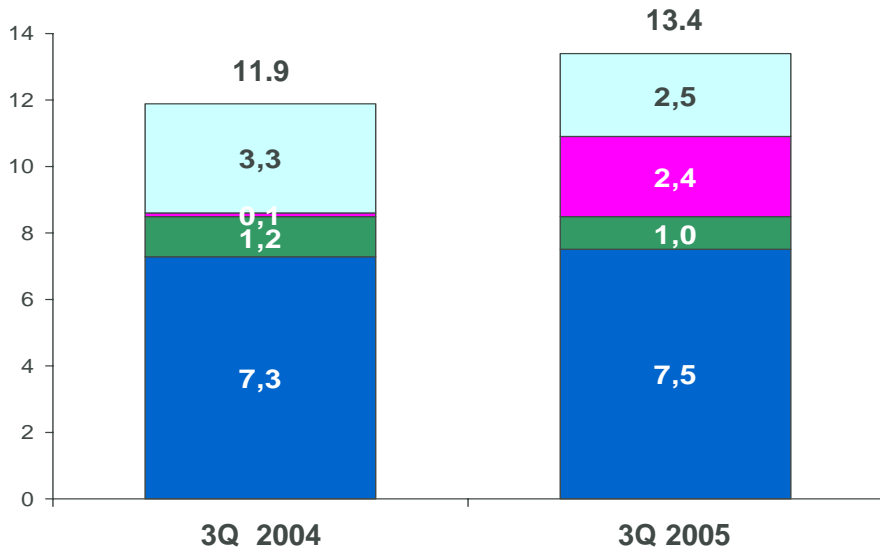
# Edison group 9 months 2005 operating performance by business

<i>(€ mln – IAS compliant)</i>	Core Business		Non Core		Consolidated	
	9m2005	9m2004	9m2005	9m2004	9m2005	9m2004
<b>Sales revenues</b>	<b>4,553</b>	<b>3,745</b>	<b>252</b>	<b>619</b>	<b>4,805</b>	<b>4,364</b>
<b>EBITDA</b>	<b>933</b>	<b>1,019</b>	<b>16</b>	<b>18</b>	<b>949</b>	<b>1,037</b>
<i>% on sales</i>	<i>20.5%</i>	<i>27.2%</i>	<i>6.3%</i>	<i>2.9%</i>	<i>19.8%</i>	<i>23.8%</i>
Depreciation & amort.	(417)	(408)	(4)	(4)	(421)	(412)
<b>EBIT</b>	<b>516</b>	<b>611</b>	<b>12</b>	<b>14</b>	<b>528</b>	<b>625</b>
<i>% on sales</i>	<i>11.3%</i>	<i>16.3%</i>	<i>4.8%</i>	<i>2.3%</i>	<i>11.0%</i>	<i>14.3%</i>

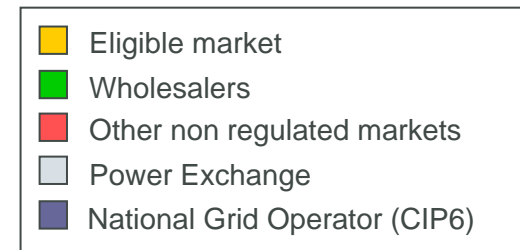
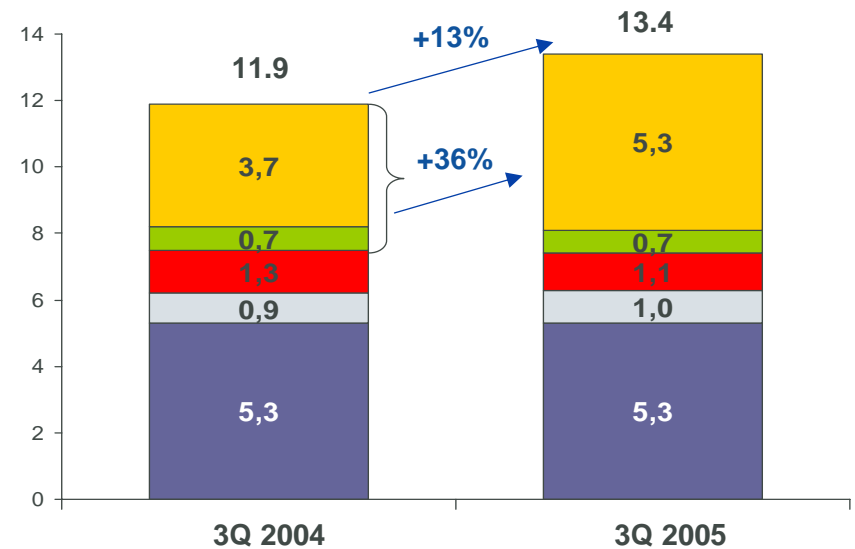
- Sales revenues in the core business posted an increase of 21.6% due to the combined effect of the increase in sales volumes (+21% in gas and +4% in electricity) and the increase in average unit selling prices, mainly driven by the oil reference market.
- EBITDA for the 9 months, even recovering in the 3<sup>rd</sup> Q, with an increase of 15 million euros from 326 million in 3<sup>rd</sup>Q 2004 to 341 million in 3<sup>rd</sup> Q 2005, still posted a reduction of 8.4% due to the one time effects previously mentioned and the lower hydroelectric production (around 18%)
- The results for non core activities include 229 million of sales revenues and 11 million of EBITDA related to Tecnimont: these figures represent only the first 6 months operations, as Tecnimont has been sold in the month of October.

# Edison Group operating performance in the electricity market Third quarter 2005

Power availability mix (TWh) (a)



Power sales mix (TWh)

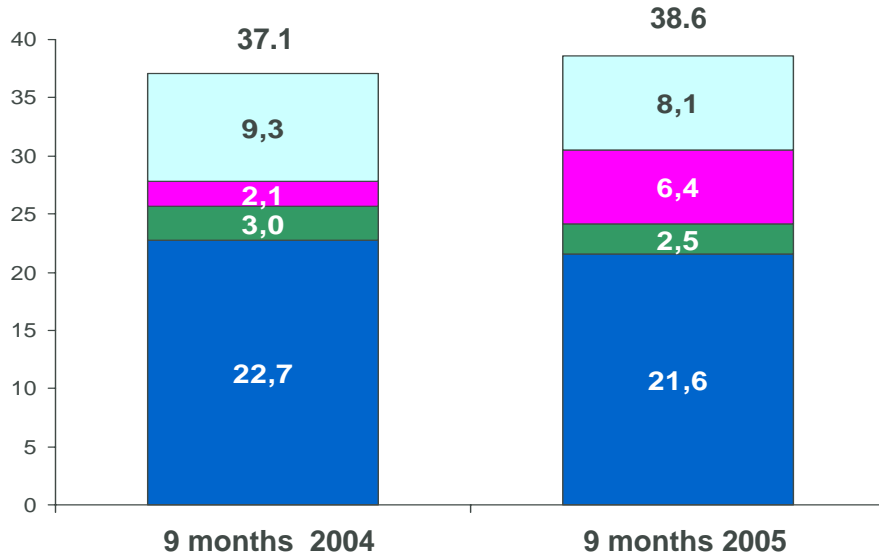


(a) Net of losses and settlements with National Grid Operator (GRTN)

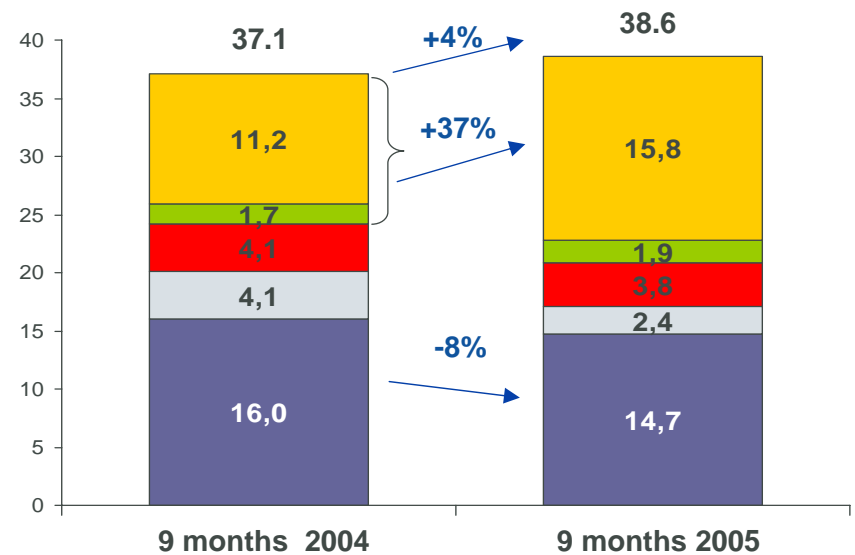
# Edison Group operating performance in the electricity market

## Nine months at September 30<sup>th</sup>, 2005

Power availability mix (TWh) (a)



Power sales mix (TWh)



- Edipower production
- Import and domestic purchases
- Edison hydroelectric and wind production
- Edison thermoelectric production

- Eligible market
- Wholesalers
- Other non regulated markets
- Power Exchange
- National Grid Operator (CIP6)

(a) Net of losses and settlements with National Grid Operator (GRTN)

## Electric power – key financial data (IAS compliant)

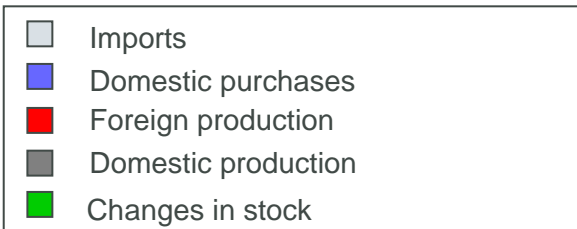
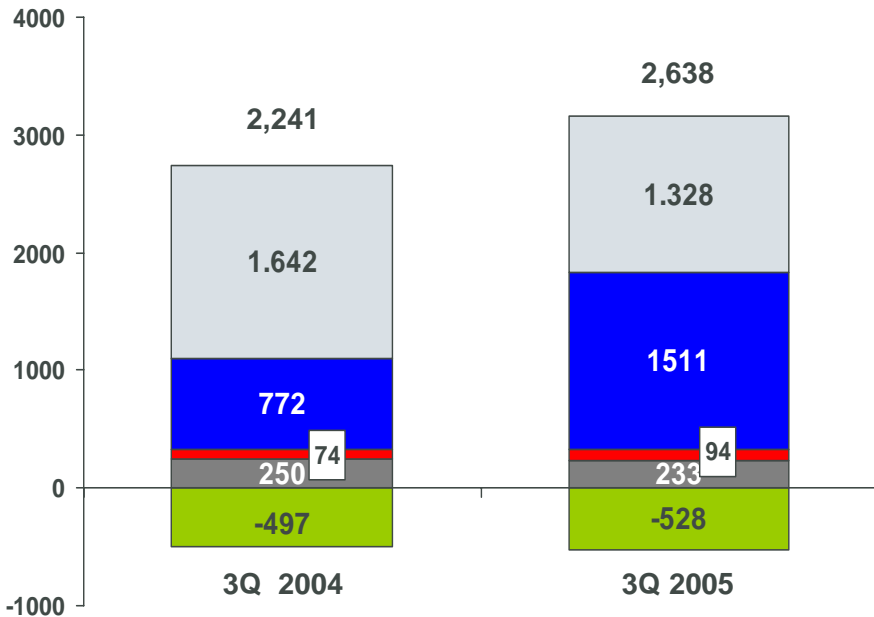
(€ mln)	1H05	3Q05	9 months 05	1H04	3Q04	9 months 04	Δ % 3Q05 / 3Q04	Δ % 9m05 / 9m04
<b>Sales Revenues</b>	<b>2,268</b>	<b>1,304</b>	<b>3,572</b>	<b>2,098</b>	<b>989</b>	<b>3,087</b>	<b>+ 32</b>	<b>+ 16</b>
<b>EBITDA</b>	<b>474</b>	<b>261</b>	<b>735</b>	<b>577</b>	<b>269</b>	<b>846</b>	<b>- 3</b>	<b>- 13</b>
<i>% on sales</i>	<i>20.9</i>	<i>20.0</i>	<i>20.6</i>	<i>27.5</i>	<i>27.2</i>	<i>27.4</i>		

- Sales revenues in the 3<sup>rd</sup>Q posted an increase of around 32% due to the increase in volumes (+13% on an overall basis, +36% on eligible and wholesalers free markets) and the improvement of average selling prices thanks to the positive trend of the reference fuel prices and the pricing policy in the non regulated markets.
- Higher volumes of outside purchases allowed to increase the total availability of power in the 3<sup>rd</sup>Q, with a reversal of the trend of the first half of the year, balancing the lower production vis à vis the same period of 2004.
- EBITDA for the 3<sup>rd</sup>Q were roughly in line with 2004 because the favourable operating performance balanced the impact of the loss of CIP 6 incentives.
- During the 3<sup>rd</sup>Q all Edison CIP6 plants and Edipower plants, which had suffered temporary shutdowns in the first half of the year, started to operate regularly. Candela new plant started also operations in August and Brindisi plant, which had to stop production in Spring for issues related to the use of the carbonyl, has been working regularly since the half of October.

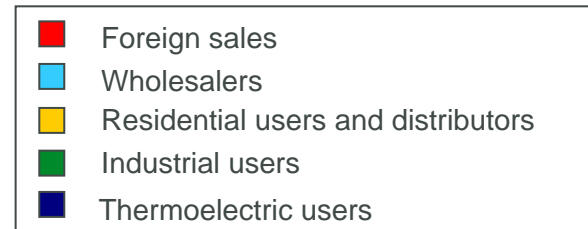
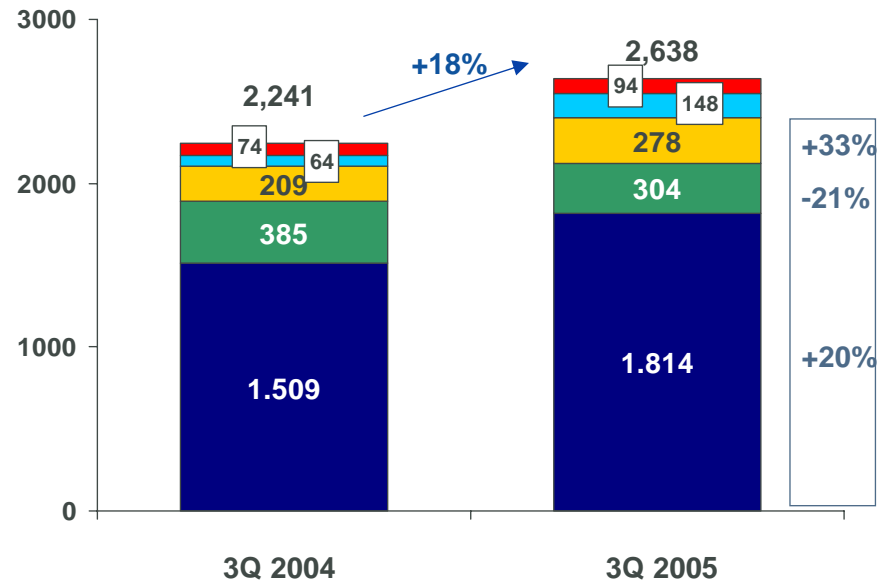
# Edison Group operating performance in the gas market

## Third quarter 2005

### Gas availability mix (mln cm)



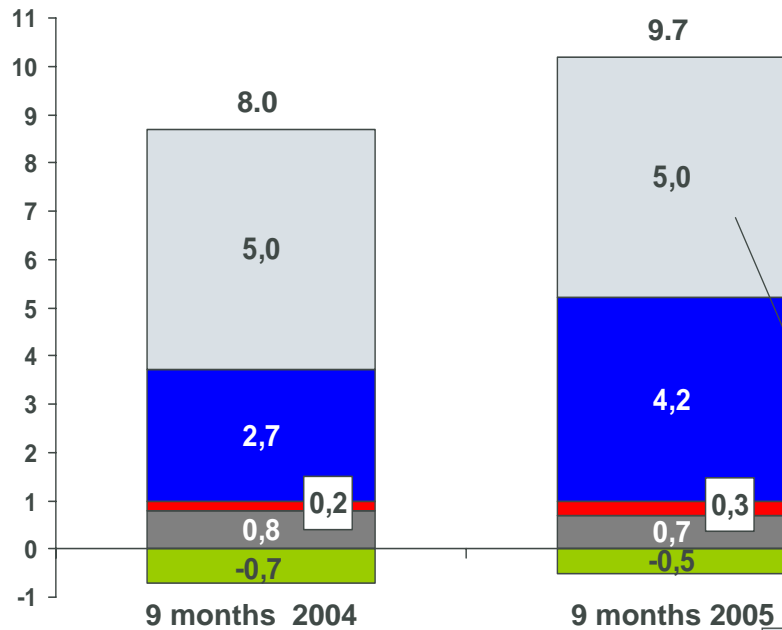
### Gas sales mix (mln cm)



# Edison Group operating performance in the gas market

## Nine months at September 30<sup>th</sup>, 2005

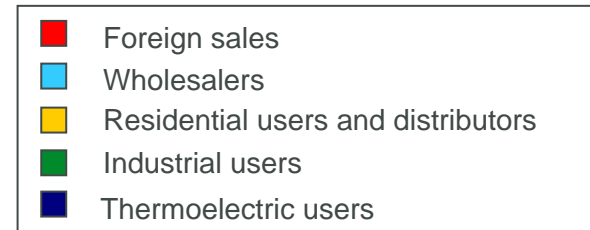
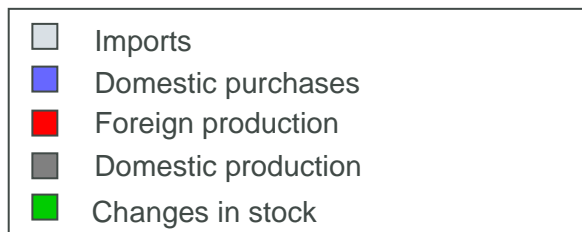
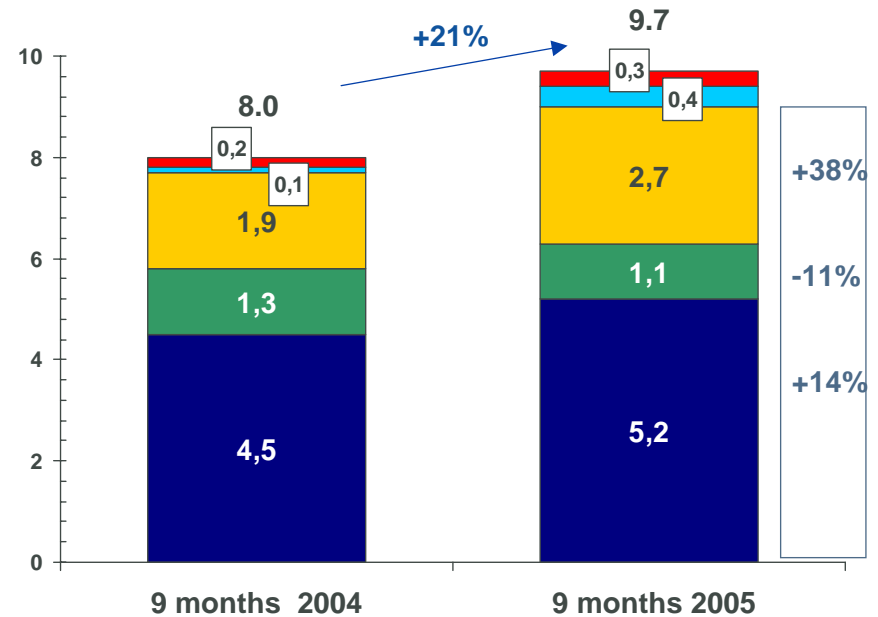
### Gas availability mix (bcm)



Imports from:

Algeria 0,4 bcm  
 Libya 1,8 bcm  
 Russia 1,3 bcm  
 Norway 0,8 bcm  
 Spot 0,7 bcm

### Gas sales mix (bcm)

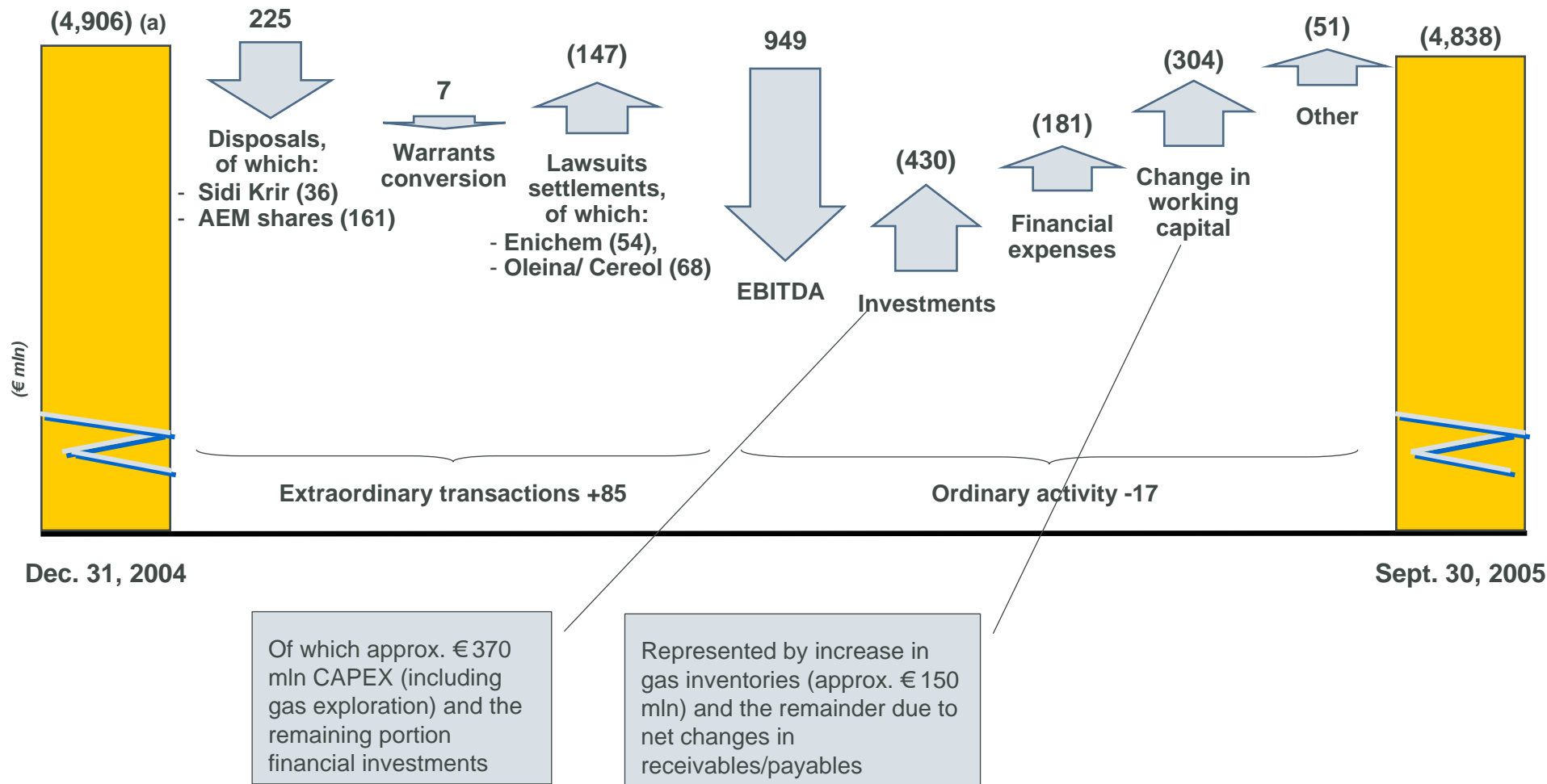


## Hydrocarbons – key financial data (IAS compliant)

(€ mln)	1H05	3Q05	9 months 05	1H04	3Q04	9 months 04	Δ % 3Q05 / 3Q04	Δ % 9m05 / 9m04
<b>Sales Revenues</b>	1,573	678	2,251	1,093	433	1,526	+ 57	+ 48
<b>EBITDA</b>	154	105	259	158	80	238	+ 31	+ 9
<i>% on sales</i>	9.8	15.5	11.5	14.5	18.5	15.6		

- Sales revenues were up around 57% in the 3<sup>rd</sup>Q and around 48% in the 9 months for higher volumes (respectively +18% and +21%) and higher average unit selling prices.
- EBITDA for the 3<sup>rd</sup>Q posted an improvement of more than 30% mainly due to the above mentioned increase in volumes; the different rate of increase, compared to sales revenues, is due to the different ways through which changes in the price of benchmark fuels and oil products are mirrored in import costs and final selling prices to customers.
- EBITDA for the 9 months, even supported by the improvement in the third quarter, have shown a lower increase, if compared to the trend in volumes and in sales, due to the cost of using the strategic gas reserves during periods of unusually intense cold early in 2005. Appropriate actions of filing with the concerned Authorities have been put in place by the Company in order to reduce the cost of drawing from such reserves.

# Consolidated net debt evolution in 9 months 2005



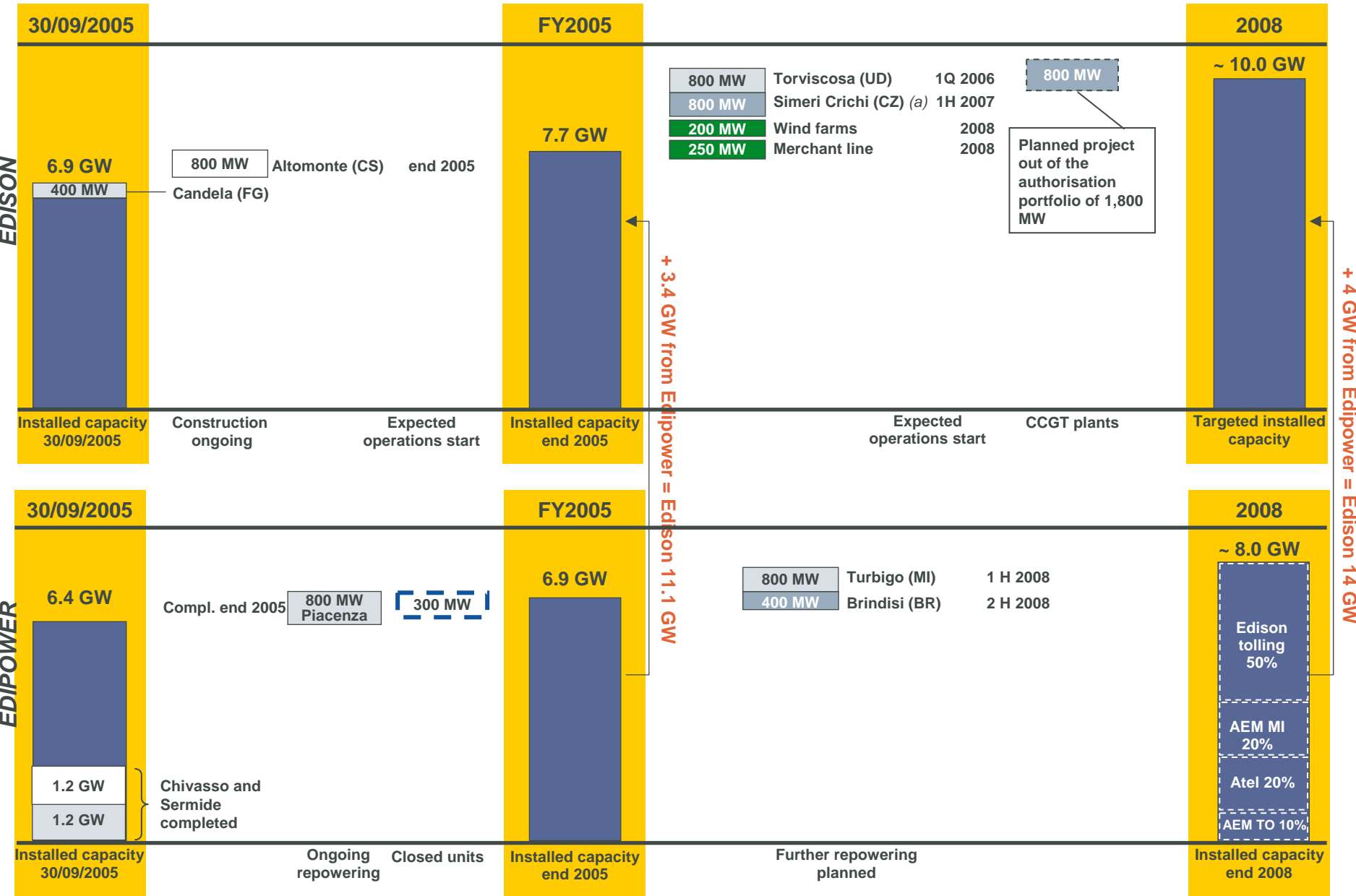
(a) Restated IAS compliant



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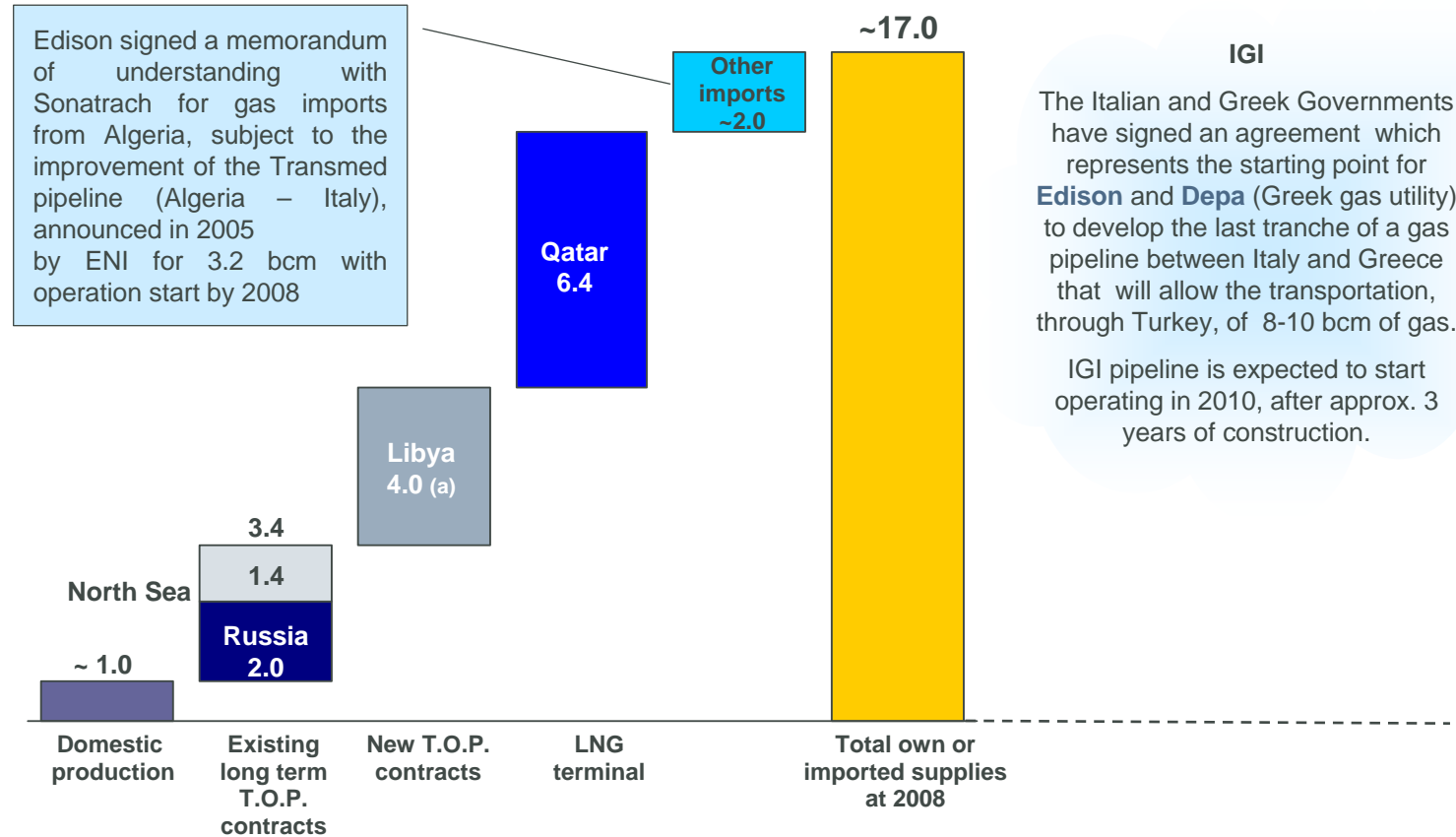
# Edison growth strategy – progress in the investment program



(a) Construction in process

# Development of Edison gas sources in Italy

## Edison gas supply mix at 2008 (bcm)



(a) Plateau level reached by 2006.

Gas supply strategy aims at replacing gas purchases from ENI in Italy with a diversified supply portfolio based on own sources and long term contracted volumes, in order to enhance Edison growth in the electricity business and to sustain the penetration in the free market.

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