



Press Release

EDISON: COMMUNICATION ON INDEPENDENT DIRECTORS

Milan, January 24th, 2012 – As per Consob's request, Edison informs that on January 19th, 2012 Consob sent to Edison the following letter:

“RE: Reorganization of Edison S.p.A. – Information and documents request, according to art. 115, paragraph 1, lett. a) of the D. Lgs. n. 58/98

We make reference to the note n. 11101603 of December 27, 2011, sent, among others, to your company, whereby, in connection with the preliminary agreement – executed by the Managing Director Bruno Lescoeur – concerning the reorganization of Edison and Edipower, we requested, pursuant to art. 114, paragraph 5, of D. Lgs. n. 58/98, the publication of a press release containing, *inter alia*, “*information in connection with the activation of the procedure for transactions with related parties by Edison S.p.A., with specific reference to the involvement of the independent directors*” and indicating “*whether, pursuant to Consob regulation n. 17221 of March 12, 2010, as subsequently amended, one or more independent directors had been involved in the negotiation phase and whether, and how, they will be involved in the resolution phase*”. The abovementioned note also requested indications on “*whether such independent directors exercised their right established by the abovementioned regulation of requiring assistance of independent advisors of their own choice*”.

We also make reference to the press release issued on December 29, 2011, whereby this company specified that “*with reference to the application of the procedure on related party transaction and the applicable Consob Regulation, considering that the preliminary agreement announced on 27 December 2011 is subject to the approval of the competent corporate bodies, Edison informs that such procedure has been initiated with regard to the independent directors' appointment of Goldman Sachs and Rothschild as advisors, to provide their assistance on matters concerning the valuations in the context of this approval by the board of directors*”.

Finally, we make reference to the procedure for transactions with related parties approved by the Board of Directors of your company, identified with general resolution 79/10 of December 2010, which, in order to ensure the substantial fairness of “highly material” and “less material” transactions, sets forth, *inter alia*:

- a) the establishment of a standing committee, comprised exclusively of non-executive, independent directors who do not qualify as related parties, which will be required to issue a grounded opinion stating whether a transaction is in the Company's interest and if the transaction's terms and conditions are beneficial and substantively fair;

- b) limited to highly material transactions, the independent committee's involvement in the transaction's, which must be provided with an extensive and timely flow of information and has the right to request further clarifications.

Precisely, with respect to letter a) above, the procedure specifies that *“a Committee of Independent Directors, the members of which shall be appointed by the Board of Directors for the full length of their term of office, shall be established, it being understood that the Alternative, Equivalent Oversight Entities shall be activated automatically on each occasion [...] without the involvement of the Board of Directors, in the event of Transactions with regard to which members of the Committee of Independent Directors disclose that they qualify as a Related Party”*.

Additionally, pursuant to paragraph 10.5 of the procedure, the disclosure requirements and the substitution mechanisms required for a related-party relationship, also apply *“if an Independent Director, who is either a member of the Committee of Independent Directors or serves as an Alternative, Equivalent Oversight Entity, while qualifying as a non-related party, nevertheless has a relationship with the counterparty that, in a specific Transaction, could undermine his/her independence vis-à-vis the counterparty”*.

With reference to letter b) above, the procedure – in compliance with the provisions set forth by art. 8 of to Consob regulation n. 17221 of March 12, 2010, as subsequently amended, – specifies that: *“only in connection with Highly Material Transactions, the Committee of Independent Directors [...] shall become involved, acting through the Corporate Affairs Function or other Functions involved of the General Counsel Department, in the Transaction negotiation phase and in the information gathering phase receiving from the Department/Business Unit involved on each occasion, working through the Corporate Affairs Function or other Function involved of the General Counsel Department, that will have to retain on file documentary evidence of its actions, a complete and timely flow of information delivered without delay as soon as it becomes available”*.

With respect to the above, pursuant to the abovementioned provision of law, we hereby request information on the following, within January 23, 2012:

- whether any of the members of the Independent Committee has disclosed any related-party relationship, with consequent activation of the Alternative, Equivalent Oversight Entities or, in any case, any relationship with the counterparty, with an indication of the consequent evaluations carried out in order to assess the independency from such counterparty;
- whether, during the negotiations and the preliminary inquiries conducted as of the date hereof, the Independent Committee has been involved, receiving from the Department/Business Unit involved the necessary flow of information.”

On January 24th, 2012 Edison sent to Consob the following letter:

“Re: Restructuring of Edison S.p.A.– Information and documents request, according to art. 115, paragraph 1, lett. a) of the D. Lgs. n. 58/98

Reference is made to the query submitted by this Commission on January 19, 2012, this letter provides the requested information and documents.

With regard to the first request: during the meeting of the Independent Committee held on January 13, 2012, required, among others, to evaluate the “Definition of the activities to be carried out in relation to the drafting of the opinion required by the procedure for transactions with related parties in connection with Highly Material Transactions”, with reference to the above captioned transaction, for the part in which Edison is involved, that is the transfer to Delmi of the participation in Edipower held by Edison and the gas supply agreements between Edison and Edipower (hereinafter, “Edipower Transaction”), Mr. Mario Cocchi pronounced the following statement: “Mr. Mario Cocchi informs the other members of the Independent Committee that (i) he holds the office of independent member of the Management Committee of A2A S.p.a. (qualified in the “Procedure for Transactions with Related Parties” of Edison S.p.A., as related party of the Company, see Paragraph 7.2), (ii) to be a Shareholder and minority economical beneficiary, as well as Executive Director, of Carlo Tassara S.p.A., minority shareholder of Edison S.p.A. and (iii) that such relationships were disclosed to the Board of Directors of the company, which, after evaluating the situation, did not raise any objection to the appointment of Mr. Cocchi as independent Director.” In this respect, the Committee unanimously deemed it appropriate to perform a detailed evaluation of the circumstances pointed out by Mr. Cocchi in his statement in relation to the content of the procedure for transactions with related parties adopted by the Company; and, therefore, decided to require a legal opinion from a legal advisor, identified as Mr. XXX, member of the Bar Association of Milan. During the following meeting of the Independent Committee held on January 20, 2012, Mr. XXX submitted his opinion, which - after a detailed evaluation on the nature of such transaction, of the offices held Mr. Cocchi and the applicable law - pointed out that the latter is the position of being a related-party, or equivalent, in relation to the Edipower Transaction, and therefore, in connection with such transaction, it is deemed necessary, or at least appropriate, to apply the provisions set forth by the procedure concerning the activation of an Alternative, Equivalent Oversight Entity. Following the agreement between all the independent directors constituting the Independent Committee on such opinion, during the same committee, the Alternative, Equivalent Oversight Entity was activated, being the latter composed by the other independent directors of the committee, pursuant to Paragraph 10.2.(i) of the procedure.

With regard to the second request: as already specified in the letter dated January 9, 2012 submitted to this Commission, the Company did not participate in the discussions that resulted in the decision announced on December 27, 2011 and, therefore, the independent committee was not involved in such discussions. Conversely, the Company provided and will provide to the Alternative, Equivalent Oversight Entity the documentation concerning the negotiation of the transfer to Delmi of the participation held by Edison in Edipower and the gas supply agreement between Edison and Edipower.”

Duty to notify the public in accordance with Consob decision no. 11971 of 05/14/1999 as amended.

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