Edison Spa

Press Office
Foro Buonaparte, 31
20121 Milan - MI

Tel. +39 02 6222.7331
Fax. +39 02 6222.7379
ufficiostampa@edison.it

Press Release

The Board of Directors Approves the Industrial Plan

EDISON: INVESTMENTS OF 6.2 BILLION EUROS IN 2008-2013

Significantly faster growth in the production of electric power from renewable sources, an area targeted for investments totaling about 1 billion euros

A major expansion of the hydrocarbons operations, with an increase in exploration and production activities and the development of new transnational transportation infrastructures and storage facilities

Sales revenues and results expected to rise sharply

Milan, November 29, 2007 – Edison's Board of Directors, meeting today at the Company's Foro Buonaparte headquarters, reviewed and approved the 2008-2013 Industrial Plan, which calls for significantly faster growth for the Group's investments in renewable energy sources and a major expansion of its international operations, both in the hydrocarbons and electric power areas.

Over the plan's period, the Edison Group will seek to strengthen its position as a **leading operator** in the electric power and hydrocarbon markets, equipping its Italian manufacturing system with **flexible and efficient facilities** and building **infrastructures to import natural gas** that will enable it to significantly increase its commercial potential and to achieve full autonomy in supplying its needs in this area.

The Group will **ensure the ongoing growth of its operations** over the Plan's period **by strengthening its activities in the area of renewable sources of energy**, developing **new electric power generating capacity outside Italy** and, more importantly, expanding its **hydrocarbon exploration and production businesses.**

Consistent with the strategic guidelines described above, the Group will pursue the following **operating and financial objectives during the 2008-2013 period**:

- Average **EBITDA** annual growth rate of **more than 7%** (2008 figure is expected to be in line with 2007's)**;**
- Average **EBIT** annual growth rate of **more than 12%**;
- Increase in the **return on invested capital (ROI)** to a level of **about 10%**;

- At Plan's end, **net indebtedness** in line with current figure.

To achieve the Plan's objectives, the Group intends to **invest** a total of **about 6.2 billion euros** (including 50% of the investments planned by Edipower Spa).

Hydrocarbons Operations

The Industrial Plan calls for the Hydrocarbons Operations to **invest** about **3.2 billion euros.** Between 2008 and 2013, Edison will devote special attention to hydrocarbon exploration projects in North Africa and other high-potential areas with the goal of **increasing both reserves and annual production.** More than 2 billion euros will be invested in these activities, approximately half of which focused on putting into production proven reserves discovered in Algeria, Croatia and Italy.
Gains in production activity will boost the Group's profitability, while at the same time providing a **"natural" hedge against higher procurement costs caused by fluctuations in the oil market.** The Plan's long-term objective is to achieve annual production equal to **15% of the Group's total needs.**

In the procurement area, Edison's goal is to attain **full autonomy for its supply needs** and a high degree of flexibility. Specifically, the Group's objective is to achieve a basic annual **natural gas supply** of more than **23 billion cubic meters** by 2013 (almost double the current supply of 13 billion cubic meters). This objective will also be pursued by developing European-level infrastructures that will transform Italy from a purely consumption market into a strategic hub that will help meet Europe's growing need for natural gas.

During the Plan's period, the Group will help bring on line **three major infrastructural facilities that will significantly increase the reliability of Italy's supply sources** by diversifying the range of import modalities to include both pipelines and LNG ships.
The Rovigo regasification terminal, the only one currently under construction, is expected to be operational by end of 2008. This facility, which will have an annual capacity 8 billion cubic meters (6.4 billion cubic meters will be available to the Group), will import gas from Qatar. It will be followed by the Galsi and ITGI pipelines in 2012.
The Galsi pipeline will link Algeria with Sardinia and Tuscany. Edison, which is the project's main Italian partner, has already signed a contract with Sonatrach, an Algerian company, to import 2 billion cubic meters of natural gas a year.
The ITGI pipeline system will link Italy with the Caspian Sea Basin, passing through Greece and Turkey. Edison has already secured access to 80% of the transmission capacity of the Italy-Greece segment and is currently negotiating the necessary gas supply contracts with the producing countries.

In addition, Edison signed a contract with Sonatrach for the supply of 2 billon cubic meters of natural gas to be delivered once the expansion of Transmed-TTPC pipeline is completed.

Edison will thus be able to rely on a balanced portfolio of long-term contracts for the supply of natural gas from different geographic regions purchased directly from the producing countries.

As part of the process of enhancing the system's reliability and to increase the supply of gas available for sale, Edison will also **expand its system of natural gas storage facilities,** bringing the system's total gas capacity to **2.2 billion cubic meters** by 2013 (equal to 10% of total Italian capacity). This will be accomplished by increasing the capacity of existing facilities in Collalto (Treviso) and Cellino (Teramo) and by developing the new San Potito-Cotignola (Ravenna) and Mafalda-Sinarca (Campobasso) storage concessions.

Electric Power Operations

After completing one of the most ambitious generating capacity expansion programs carried out in Europe in the last 10 years, which brought its installed capacity to 12,500 Megawatts, Edison is now looking to grow in markets outside Italy and in the area of renewable energy sources. This strategy will help the Group **diversify the geographic presence** of its electric power operations and **its mix of generating facilities. A total of about 3 billion euros will be invested in the electric power area.**

Edison is currently assessing a number of growth opportunities outside Italy. Taking a conservative approach, the Group included in the 2008-2013 Plan only projects that have already made a reasonable amount of progress **in areas of strategic interest, such as Greece, the Balkans and Turkey.** The Plan's projects include the startup of a joint venture with Hellenic Petroleum, to which the partners will contribute a functioning 390-MW power plant currently operated by T-Power, a project for a 420-MW combined-cycle facility that Edison is developing in Thisvi and a project currently in the study phase for the construction of a 600-MW coal-fired power plant in the industrial park of the port of Astakos.

In Italy, Edison plans to build an additional 800-MW combined-cycle power plant that will enable it to maintain at around 15% its share of the Italian generating market. In addition, it will streamline its portfolio of CIP6 facilities investing in some power plants (600 Megawatts in total) to increase their generating flexibility and divesting other facilities.

Investments in the area of renewable energy source, a business in which Edison intends to play a leading role, will total about 1 billion euros.
Specifically, the installed capacity of the Group's wind farms will double (from the current 270 MW) thanks to the development of new projects in Italy and abroad.

Edison will also invest in the expansion of its installed base of hydroelectric power plants, which will also be used to produce new green certificates.
Lastly, a major effort will be devoted to the development of **photovoltaic and biomass power plants,** with a total installed capacity of **about 70 Megawatts.**
Overall, the installed capacity of Group facilities that use renewable energy sources will amount to about 2,700 Megawatts.

Consistently with the above described industrial targets, Edison will increase its presence on all market segments of both electric power and gas markets. The Group will benefit of fully liberalization of these markets, as well as of its growing gas availabilities, whose scarcity, in turn, impacted on commercial performances of recent years.

The 2008-2013 Industrial Plan will be presented to the financial community today at 2:30 PM (1:30 PM GMT) during a conference call. Journalists may follow the presentation by telephone in listen-only mode by dialing +39.02 8020928.
The presentation will also be available at the Group's website: www.edison.it.

***

Edison's Press Office: Tel. +39 02 62227331, ufficiostampa@edison.it
Edison's Investor Relations: Tel. +39 02 62228415, investor.relations@edison.it
www.edison.it

Public disclosure required by Consob Resolution No. 11971 of May 14, 1999, as amended.