



Press Release

Edison's Board of Directors Reviews the Quarterly Report at September 30, 2005

EDISON: PROFIT FOR FIRST NINE MONTHS GREW BY 83% TO 340 MILLION EUROS

In the third quarter, sales revenues grew by 16% to 1,502 million euros and EBIT increased 6% to 203 million euros, profit more than quadrupled to 142 million euros.

Milan, November 11, 2005 – Edison's Board of Directors met today at the Company's Foro Buonaparte headquarters under the Chairmanship of Giuliano Zuccoli. It reviewed the Quarterly Report at September 30, 2005. In particular, **in the first nine months of 2005** the Group reported **a profit of 340 million euros, a gain of 83%** compared with the 186 million euros earned in the same period last year. Board Member Pierre Gadonneix, *PDG* of EdF, was present.

In the third quarter of 2005 profit more than quadrupled to 142 million euros, sales revenues increased 16% to 1,502 million euros and EBIT grew to 203 million euros, or 6% more than in the same period last year.

The results for the first nine months of 2005 and the corresponding period in 2004 are being presented in accordance with International Financial Reporting Standards (IAS/IFRS).

“During the third quarter of 2005, Edison reported extremely positive results, confirming that the Company's growth trend is continuing,” said Umberto Quadrino, Edison's Chief Executive Officer. “Thanks to strong sales to customers in the deregulated market and an improved operating and financial structure, the third quarter ended with one of the best results reported in recent years.”



HIGHLIGHTS OF THE EDISON GROUP

(in millions of euros)

	9/30/05	9/30/04	3Q05	3Q04
Sales revenues	4,805	4,364	1,502	1,296
EBITDA	949	1,037	343	333
<i>as a % of sales revenues</i>	<i>19.8%</i>	<i>23.8%</i>	<i>22.8%</i>	<i>25.7%</i>
EBIT	528	625	203	192
<i>as a % of sales revenues</i>	<i>11%</i>	<i>14.3%</i>	<i>13.5%</i>	<i>14.8%</i>
Profit	340	186	142	33

HIGHLIGHTS OF THE GROUP'S ELECTRIC POWER AND HYDROCARBONS OPERATIONS

(in millions of euros)

	9/30/05	9/30/04	3Q05	3Q04
Electric Power Operations				
Sales revenues	3,572	3,087	1,304	989
EBITDA	735	846	261	269
EBIT				
Hydrocarbons Operations	2,251	1,526	678	433
Sales revenues	259	238	105	80

Sales Volumes

During the first nine months of 2005, unit sales of natural gas grew by 21%, rising from 8,022 million cubic meters to 9.701 million cubic meters. Higher demand from residential users and thermoelectric power plants is the main reasons for this improvement. In the electric power area, volumes increased by 4% to 38.6 TWh. A 17% increase in power sold in the deregulated market (demand from eligible customers rose 37%, outstripping the trend in the overall market), was offset in part by a decrease in CIP6 sales, which were affected by nonrecurring factors, such as shutdowns of power plants for scheduled and extraordinary maintenance.

Sales Revenues

In the first nine months of 2005, sales revenues were up 10% compared with the same period last year (+16% for the electric power operations and +48% for the hydrocarbons operations), rising to 4,805 million euros (4,364 million euros in the first nine months of 2004). This improvement reflects the combined impact



of higher unit sales of natural gas and a rise in the average prices charged for natural gas and electric power.

In the third quarter of 2005, sales revenues increased by 16% to 1,502 million euros.

EBITDA

At September 30, 2005, EBITDA totaled 949 million euros, or 8% less than the 1,037 million euros earned in the first nine months of 2004. This decline, which was in line with expectations, is due entirely to the same external factors that existed earlier in the year, such as the expiration of CIP 6 incentives for some of the Group's power plants (impact of 103 million euros). In the Electric Power operations, a reduction of production by own and contractualized plants was recorded; this was due to technical outages and to a decrease in hydroelectric output caused by a reduction in the availability of water resources. A negative factor that affected the natural gas operations was the cost of using strategic reserves during the periods of unusually intense cold that occurred during the first three months of 2005.

These negatives were offset in part by gains in unit sales and the steady margin on sales that the Company was able to earn in the deregulated market, even though increases in the cost of raw materials were not fully reflected in the prices charged to customers. These positive developments helped boost third-quarter EBITDA by 3%, to 343 million euros, despite the expiration of CIP6 incentives totaling 34 million euros.

EBIT

The developments discussed above caused EBIT for the first nine months of 2005 to decrease to 528 million euros, or 15% less than the 625 million euros earned in the same period last year. In the third quarter of 2005, however, EBIT increased by 6% to 203 million euros.

Profit

At September 30, 2005, the Group interest in profit amounted to 340 million euros, up a remarkable 83% compared with the 186 million euros earned in the same period last year. This improvement reflects the progress made in strengthening the Company's operations and balance sheet through corporate reorganization transactions, which produced a decline in financial expense, a lower tax liability and a decrease the minority interest percentage. Nonrecurring income generated by the settlement of legal disputes and the gain earned in July on the sale of the AEM shares were also a factor. In the third quarter of 2005, reported profit jumped to 142 million euros, compared with 33 million euros in the same period last year.



Indebtedness

The Group's net borrowings totaled 4,838 million euros at September 30, 2005, down from 4,906 million euros at December 31, 2004, thanks to the positive cash flow from Edison's core businesses and the proceeds generated by the abovementioned sale of the AEM shares. The Group also continued to fund its ambitious capital investment program (369 million euros).

Outlook for 2005 (Projections Based on IAS Reporting Standards)

The beginning of production at a new power plant in Candela and the expected startup of the Altomonte facility in the fourth quarter of this year, coupled with the end of the maintenance programs for some power plants, should enable the Group to report improved results for all of 2005.

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Lastly, the date of the next Extraordinary Shareholders' Meeting was set. In the Meeting's there will be amendments to the Company Bylaws, which are required to reflect changes made to the Company's governance structure pursuant to the shareholder agreement executed by EdF and Delmi, which is described in the Tender Offer Prospectus. The Extraordinary Shareholders' Meeting is being convened for December 13, 2005 on the first calling, December 14, 2005 on the second calling or December 15, 2005 on the third calling.

The Quarterly Report at September 30, 2005 will be available upon request at the Company's headquarters (31 Foro Buonaparte, Milan) and at the offices of Borsa Italiana Spa, starting on November 14, 2005. As of that date, it may also be consulted at the Group's website: www.edison.it

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



Consolidated Balance Sheet

(in millions of euros)

9/30/04	9/30/05	12/31/04
ASSETS		
8,615	8,621	8,677
87	57	62
3,506	3,505	3,507
387	332	361
17	37	25
177	65	112
154	79	154
89	71	76
94	105	96
348	359	379
13,474	13,231	13,449
Total non-current assets		
349	444	302
854	1,197	1,139
201	-	168
102	41	103
317	318	346
98	107	87
404	342	458
2,325	2,449	2,603
Total current assets		
-	436	-
Discontinuing operations		
15,799	16,116	16,052
Total assets		
LIABILITIES AND SHAREHOLDERS' EQUITY		
4,237	4,266	4,259
-	-	-
1,440	1,548	1,465
-	3	-
(371)	(58)	(371)
186	340	354
5,492	6,099	5,707
Total Group interest in shareholders' equity		
486	469	469
5,978	6,568	6,176
Total shareholders' equity		
78	74	88
1,205	1,166	1,208
1,180	952	1,114
2,825	2,845	2,825
1,885	1,960	1,821
40	12	42
7,213	7,009	7,098
Total non-current liabilities		
978	664	805
649	923	857
198	-	311
131	69	114
652	516	691
2,608	2,172	2,778
Total current liabilities		
-	367	-
Liabilities attributable to discontinuing operations		
15,799	16,116	16,052
Total liabilities and shareholders' equity		



Consolidated Income Statement

(in millions of euros)

2004 full year	1/1/05 9/30/0505	1/1/04 9/30/04	Third quarter 2005	Third quarter 2004
5,627 Sales revenues	4,805	4,364	1,502	1,296
855 Other revenues and income	394	201	(18)	45
6,482 Total net revenues	5,199	4,565	1,484	1,341
(4,716) Raw materials and outside services used (-)	(4,058)	(3,312)	(1,093)	(938)
(291) Labor costs (-)	(192)	(216)	(48)	(70)
1,475 EBITDA	949	1,037	343	333
(660) Depreciation, amortization and writedowns (-)	(421)	(412)	(140)	(141)
815 EBIT	528	625	203	192
(310) Net financial income (expense)	(181)	(232)	(61)	(80)
(15) Income from (Expense on) equity investments	30	14	19	7
20 Other income (expense), net	33	(54)	7	(39)
510 Profit before taxes	410	353	168	80
(88) Income taxes	(54)	(105)	(18)	(35)
422 Profit before taxes and minority int.	356	248	149	45
- Profit (Loss) from discontinuing operations	-	-	-	-
422 Profit for the period	356	248	149	45
(68) Minority interest in (profit) loss	(16)	(62)	(7)	(12)
354 Group interest in profit (loss)	340	186	142	33
Profit (Loss) per share				
0.0828 basic	0.0789	0.0432		
0.0767 diluted	0.0719	0.0401		

