



FIRST QUARTER 2016 RESULTS

Milan – May, 2016

AGENDA

- **Business Environment**
- **First quarter 2016 results:**
 - Electric power and hydrocarbons sources and uses
 - Consolidated financial highlights and capital expenditures
 - Operating performance
 - Net financial position and cash flow

MARKET REFERENCE SCENARIO

FY2015		1Q2016	1Q2015	Δ
53,7	ICE Brent swap (\$/bbl)	35,1	55,2	(36%)
1,11	Exchange rate (€/€)	1,10	1,13	(2%)
48,4	ICE Brent swap (€/bbl)	31,9	49,1	(35%)
32,2	Gas Release 2 (c€/ scm) a)	23,2	39,7	(42%)
23,3	PSV (c€/ scm)	15,3	25,5	(40%)
20,9	TTF (c€/ scm)	13,6	22,5	(40%)
52,3	PUN TWA (€/MWh)	39,6	51,9	(24%)
58,7	PUN Peak (€/MWh)	45,4	59,1	(23%)
48,7	PUN Off Peak (€/MWh)	36,4	47,9	(24%)
3,9	Spark Spread TWA (€/MWh)	5,0	0,0	n.a.
10,3	Spark Spread Peak (€/MWh)	10,9	7,3	50%
0,4	Spark Spread Off Peak (€/MWh)	1,8	-4,0	n.a.
7,7	CO2 (€/ton)	5,6	7,0	(20%)

a) At PSV of Snam Rete Gas

Source: Edison

ELECTRIC POWER AVAILABILITY MIX AND GAS DEMAND IN ITALY

Electricity supply mix_a (TWh)

FY2015	(TWh)	IQ2016	IQ2015	Δ
180,9	Thermoelectric production	46,2	45,1	2,5%
44,7	Hydroelectric production	7,9	9,6	(17,6%)
45,1	Other renewable production	11,2	11,1	1,1%
270,7	Net production	65,3	65,8	(0,7%)
46,4	Net import	12,9	13,4	(4,2%)
(1,9)	Pumping	(0,6)	(0,5)	34,7%
315,2	Total sources	77,6	78,8	(1,5%)

Gross of losses

Source: Terna data and Edison estimates

Gas demand (bcm)

FY2015	(bcm)	IQ2016	IQ2015	Δ
28,4	Services & residential uses	13,0	13,7	(5,2%)
16,0	Industrial uses	4,5	4,4	0,2%
20,7	Thermoelectric uses	5,7	5,1	12,1%
1,8	Auto consumption and losses	0,4	0,4	0,2%
66,9	Total demand	23,6	23,6	(0,4%)

Source: Ministry of Economic Development, SRG and Edison estimates

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ELECTRIC POWER SOURCES AND USES IN ITALY (TWh)

FY2015	SOURCES	IQ2016	IQ2015	Δ%
18,5	Edison production:	4,6	4,6	(0,8%)
14,1	- thermoelectric	3,9	3,7	5,7%
3,4	- hydroelectric	0,3	0,6	(48,5%)
1,0	- wind and other renewables	0,4	0,3	11,8%
70,9	Other purchases (a)(wholesalers, IPEX, etc.)	18,5	17,5	5,9%
89,4	Total sources	23,1	22,1	4,5%

FY2015	USES	IQ2016	IQ2015	Δ%
17,1	End customers (b)	3,0	4,8	(36,1%)
72,3	Other sales (c) (wholesalers, IPEX, etc.)	20,1	17,3	15,6%
89,4	Total uses	23,1	22,1	4,5%

a) Gross of losses, excluding trading portfolio.

b) Gross of losses.

c) Excluding trading portfolio

HYDROCARBONS VOLUMES

Gas portfolio in Italy (bcm)

FY2015	SOURCES	IQ2016	IQ2015	Δ%
0,5	Productions (a)	0,1	0,1	(13,3%)
12,7	Imports (pipeline + LNG)	3,6	3,1	17,5%
4,2	Other purchases	1,6	0,8	98,6%
0,2	Change in stored gas inventory	0,3	0,6	(53,9%)
17,6	Total sources in Italy	5,6	4,6	21,6%

FY2015	USES	IQ2016	IQ2015	Δ%
2,6	Residential uses	1,3	1,3	(3,8%)
3,4	Industrial uses	1,0	0,9	18,4%
5,7	Thermoelectric fuel uses	1,8	1,4	27,6%
5,9	Other sales	1,5	1,0	48,5%
17,6	Total uses in Italy	5,6	4,6	21,6%

E&P operations

FY2015	GAS PRODUCTION (mcm)	IQ2016	IQ2015	Δ%
485	Domestic production (a)	111	128	(13,3%)
1.508	International production (b)	375	398	(5,8%)
1.993	Total gas production	486	526	(7,6%)

FY2015	OIL PRODUCTION (Kbbl)	IQ2016	IQ2015	Δ%
2.546	Domestic production	561	665	(15,6%)
1.808	International production (b)	587	363	61,7%
4.354	Total oil production	1.148	1.028	11,7%

a) Including production from Izabela concession in Croatia imported in Italy

b) International production includes volumes withheld as production tax

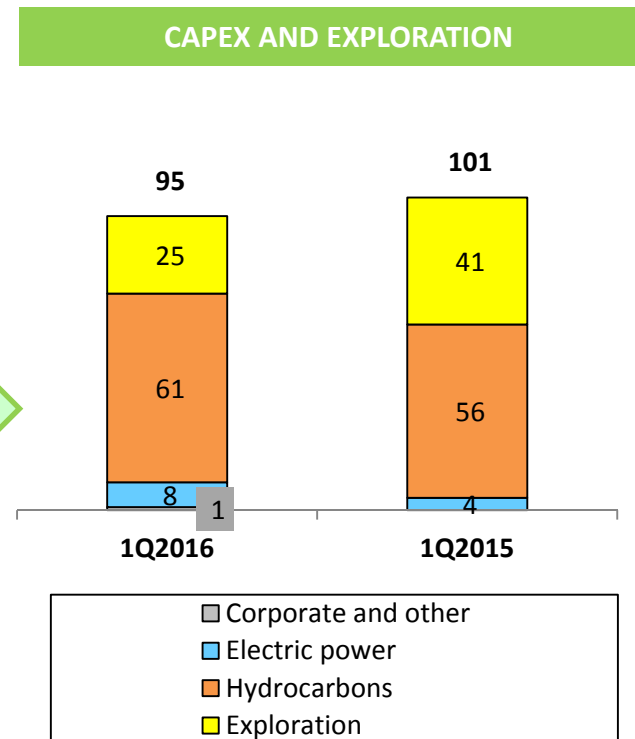
EDISON GROUP – CONSOLIDATED HIGHLIGHTS

(€ mln)

FY2015		1Q2016	1Q2015	Δ
11.313	Sales revenues	3.026	3.147	(3,8%)
1.261	EBITDA	172	51	<i>nm</i>
(795)	EBIT	(34)	(119)	(71,4%)
(862)	Profit (loss) before taxes	(67)	(90)	25,6%
(980)	Group net income (loss)	(76)	(153)	50,3%

541	Total gross capex	95	101
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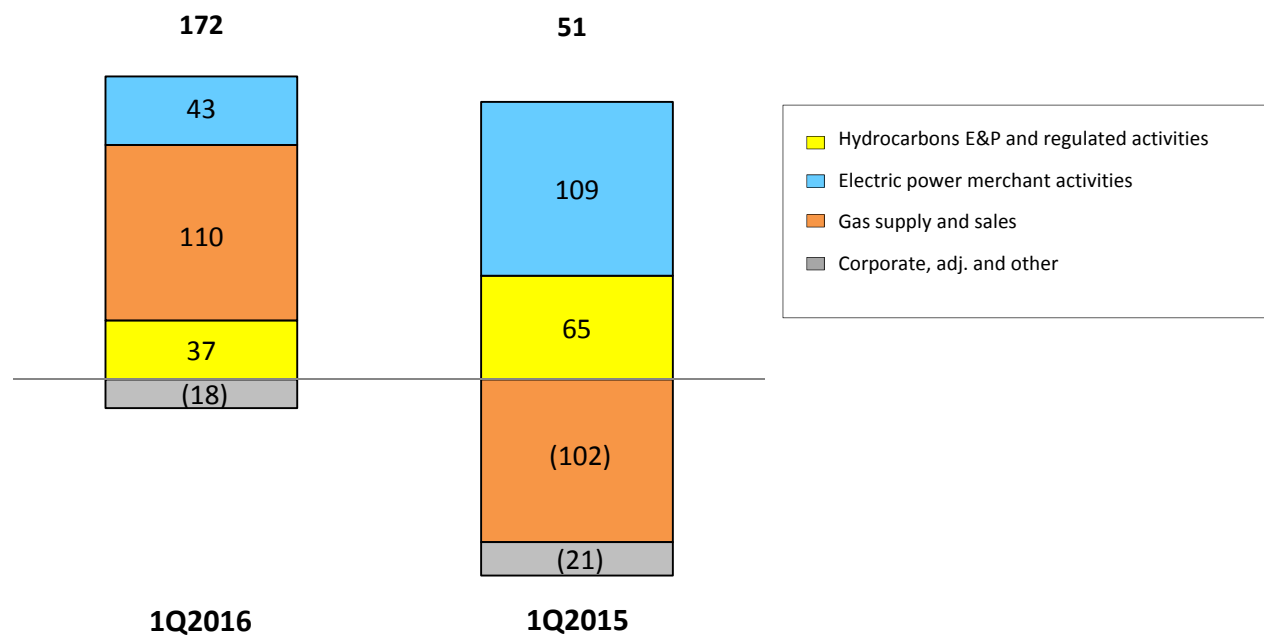
FY2015		Mar 31, 2016	Mar 31, 2015
7.023	Net invested capital	6.985	8.720
1.147	Net financial debt	1.141	1.603
5.876	Total shareholders' equity	5.844	7.117
5.439	<i>of which Group's net interest</i>	5.475	6.603
0,20	Debt/Equity ratio	0,20	0,23
3.066	Employees (nr.)	2.948	3.103



OPERATING PERFORMANCE BREAKDOWN

	Electric Power			Hydrocarbons			Corporate, adj. and other			Total Edison Group		
	IQ2016	IQ2015	Δ	IQ2016	IQ2015	Δ	IQ2016	IQ2015	Δ	IQ2016	IQ2015	Δ
(€ mln)												
Sales revenues	1.361	1.703	(20,1%)	1.836	1.676	9,5%	(171)	(232)	26,3%	3.026	3.147	(3,8%)
EBITDA adjusted (*)	43	109	(60,6%)	147	(37)	nm	(18)	(21)	14,3%	172	51	nm

ADJUSTED EBITDA* BREAKDOWN (€ mln)



(*) Adjusted EBITDA reflect the effect of the reclassification from the Hydrocarbons Operations to the Electric Power Operations of the portion of the results of commodity and foreign exchange hedges executed in connection with contracts to import natural gas attributable to the Electric Power Operations. This reclassification is being made to provide a consistent operational presentation of industrial results. Adjusted EBITDA include central staff and technical services.

EDISON GROUP – FROM EBITDA TO NET RESULT

FY2015	(€ mln)	IQ2016	IQ2015	Δ
1.261	EBITDA	172	51	121
(2.194)	Depreciation, amortization and writedowns	(114)	(150)	36 a)
161	Net change in fair value of commodity derivatives	(92)	(13)	(79)
(23)	Other income (expense), net	0	(7)	7
(795)	EBIT	(34)	(119)	85
(29)	Net financial income (expense)	(30)	31	(61) b)
(38)	Income from (Expense on) equity investments	(3)	(2)	(1)
(862)	Profit (loss) before taxes	(67)	(90)	23
(97)	Income taxes	(4)	(52) c)	48
(959)	Profit (loss) from continuing operations	(71)	(142)	71
0	Profit (loss) from discontinued operations	0	0	0
(959)	Profit (loss)	(71)	(142)	71
	<i>of which:</i>			
21	Minority interest in profit (loss)	5	11	(6)
(980)	Group interest in profit (loss)	(76)	(153)	77

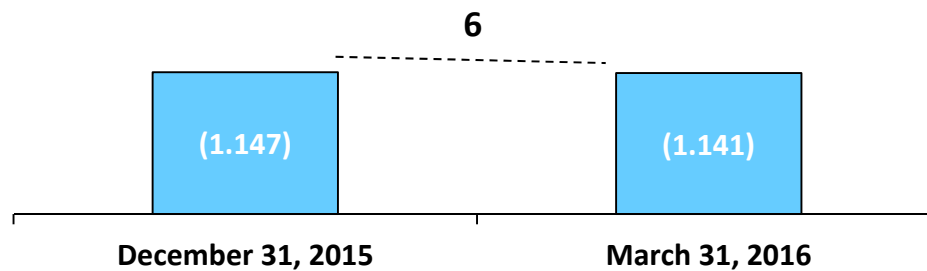
a) Lower D&A as a result of the impairment writedown recorded in 2015 and lower exploration costs (€25mln in IQ2016 versus €41mln in IQ2015).

b) In IQ2015 net financial income included exceptionally positive gains on foreign exchanges, as a result of U\$D/€ exchange rate, against losses on exchange rates in IQ2016. Cost of debt lower in IQ2016 thanks to lower debt and a different mix of financial resources.

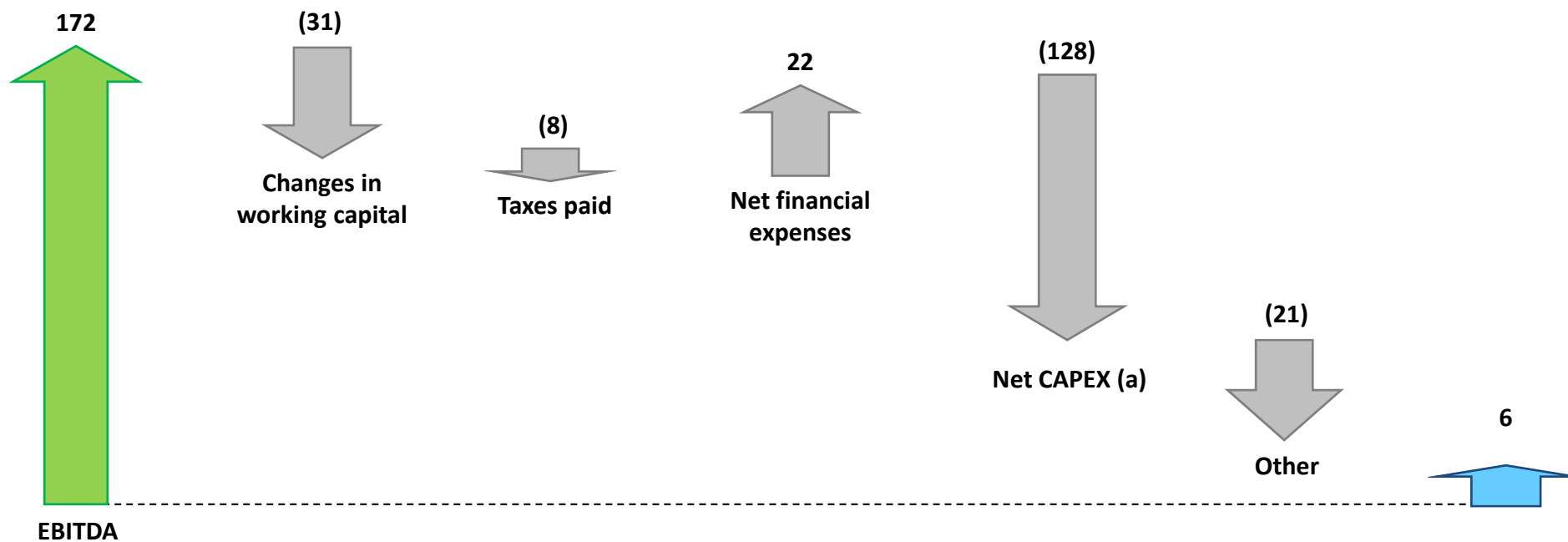
c) Taxes in IQ2015 included a negative nonrecurring impact of 68 million euro due to the effect of the unconstitutionality of the Robin Hood tax .

NET FINANCIAL POSITION AND CASH FLOW

NET FINANCIAL POSITION (€ mln)



1Q2016 CASH FLOW (€ mln)



a) Including the deconsolidation effect of Hydros' cash (€34mln)



STATEMENT:

As required by Article 154-bis, Section 2, of the Uniform Finance Law (Legislative Decree No 58/1998), Didier Calvez and Roberto Buccelli, in their capacity as “Dirigenti preposti alla redazione dei documenti contabili societari” of Edison S.p.A., attest that the accounting information contained in this presentation is consistent with the data in the Company’s documents, books of accounts and other accounting records.