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Press Release

Edison's Board of Directors Reviewed the Semiannual Financial Report at June 30, 2009

EDISON RESPONDS TO THE DROP IN DEMAND FOR ELECTRIC POWER AND NATURAL GAS

EBITDA STEADY AT 732 MILLION EUROS, NET OF NONRECURRING ITEMS AND CHANGES IN THE SCOPE OF CONSOLIDATION. NET PROFIT UP 19.6% TO 122 MILLION EUROS

Milan, July 24 2009 – Edison's Board of Directors met today to review the Semiannual Financial Report at June 30, 2009.

HIGHLIGHTS OF THE EDISON GROUP

(in millions of euros)

	H1 2009	H1 2008	Δ %
Sales revenues[a]	**4,589**	4,913	*(6.6)*
EBITDA	**732**	809	*(9.5)*
EBIT	**354**	442	*(19.9)*
Profit before taxes	**277**	337	*(17.8)*
Net profit	**122**	102	*19.6*

HIGHLIGHTS OF THE ELECTRIC POWER AND HYDROCARBONS OPERATIONS

(in millions of euros)

	H1 2009	H1 2008	Δ %
Electric Power Operations			
Sales revenues[a]	**3,232**	3,772	*(14.3)*
EBITDA	**556**	636	*(12.6)*
Hydrocarbons Operations			
Sales revenues	**2,342**	2,444	*(4.2)*
EBITDA	**223**	209	*6.7*

[a] The 2009 and 2008 revenue amounts reflect a new presentation for the trading activity, showing only the trading margin instead of the corresponding revenues and expenses (net presentation), consistent with the practice followed by companies with significant trading activity.

Operating Performance of the Group in the First Half of 2009

The market scenario was highly negative in the first six months of 2009, with a significant **drop in consumption of electric power** (-8.2% compared with the same period last year) **and natural gas** (-11.8% compared with the first half of 2008), a **plummeting price of Brent crude** (-52%) and a **significant reduction in the price of electric power sold on the Power Exchange,** with a resulting margin contraction.

Against this market backdrop, Edison **ended the first half of 2009 with sales revenues of 4,589 million euros,** down slightly (-6.6%) compared with the same period last year.

Despite this revenue shortfall, **Edison ended the first half of 2009 on a positive note,** thanks to the implementation of **programs that in recent months have fully displayed their effectiveness:**

- **In the electric power area, increased sales to end customers and wholesalers and a significantly lower volumes sold on the Power Exchange,** thereby optimizing profitability at a time when Power Exchange margins were under extreme pressure;

- **Increased imports of natural gas, as the contract signed with Algeria** this past October **became fully operational,** while concurrently cutting back on domestic purchases, with an attendant reduction in the average cost of the gas supply. The resulting increase in sales of natural gas to industrial and residential customers offset in part the shortfall in natural gas consumption by thermoelectric power plants caused by lower demand for electric power;

- **Higher hydroelectric production, thanks to an abundant supply of water,** which mitigated the negative impact on the bottom line of the sharp drop in thermoelectric production caused by slumping demand;

- Significant benefits from the **Operating Excellence Plan** announced to the market earlier this year, which included cost reductions and improved performance by all industrial activities. **By June 30, 70% of the original full-year target had already been achieved.**

EBITDA decreased to 732 million euros, or 9.5% less than the 809 million euros earned in the first six months of 2008. However, EBITDA **show a slight increase when viewed net of nonrecurring items and changes in the scope of consolidation.** Specifically, EBITDA for the first half of 2008, net of the abovementioned effects, amount to 727 million euros, due to the divestment of seven CIP 6/92 thermoelectric power plants in April 2008 and items attributable to prior years related to refunds for green certificate and CO_2 charges incurred by CIP 6/92 power plants and renegotiations of natural gas contracts.

In addition, EBITDA for the first six months of 2009 were penalized by the costs incurred to hedge fixed-price sales made during the 2008 sales campaign, which totaled 102 million euros in the first half of the year, due to the widely publicized fluctuations in the price of Brent crude. During the same period, these charges were offset only in part by the higher margins earned on the sales contracts (about 30 million euros). The entire amount of these hedging costs should be recovered by the end of 2009.

EBIT totaled 354 million euros, down 19.9% compared with the 442 million euros reported at June 30, 2008. In addition to the factors discussed above, this reduction reflects the impact of **an increase of about 15 million euros in amortization of investments in exploration that resulted from the expansion of these operations.** The EBIT decrease had a commensurate effect on the **profit before taxes,** which amounted to **277 million euros,** or 17.8% less than in the first six months of 2008.

The considerations about year-over-year comparison made above with regard to EBITDA also apply to EBIT and profit before taxes, with results at June 30, 2009 **substantially in line with the same period in 2008,** when the data are restated with a comparable scope of consolidation and net of nonrecurring items.

The net profit grew to 122 million euros, for a 19.6% gain compared with the 102 million euros earned in 2008. The main reason for this improvement is the different tax impact of the so-called Robin Hood Tax. Specifically, the increase of the corporate income tax surcharge from 5.5% to 6.5% produced a negative impact of 16 million euros (12 million euros in deferred taxes and 4 million euros in current taxes) in the first half of 2009, while in 2008 the introduction of the Robin Hood Tax increased deferred-tax liabilities by 72 million euros.

At June 30, 2009, **net financial debt totaled 4,355 million euros (2,839 at June 30, 2008),** up from 2,920 million euros at December 31, 2008. The acquisition of the Abu Qir concession in Egypt, at a cost of 1,011 million euros, and other transactions, such as the ElpEdison and AMG Gas Palermo acquisitions, at a cost of about 120 million euros, account for most of the increase. The Group's **debt/equity ratio of 0.54 is still one of the best in its industry.**

The Company continues to enjoy excellent liquidity, owing in part to an agreement providing a **medium-term (three years) financing facility of 600 million euros** signed on May 27, 2009 and the placement of a **five-year bond issue amounting to 700 million euros that Edison completed successfully on July 16, with bids in excess of 7.2 billion euros received in less than 30 minutes.** This issue of debt securities is part of a new Euro Medium-Term Note Program of 2 billion euros approved by the Board of Directors on June 25, 2009.

Insofar as indebtedness due within 18 months is concerned, the 700-million-euro bond issue with a fixed coupon floated in 2003 will mature on December 10, 2010.

Outlook for the Balance of 2009

The results achieved in the first half of the year, Edison's structural strength and its proven ability to respond to a changing external scenario **justify expectations of 2009 results in line with those reported in 2008, assuming the same scope of consolidation and excluding nonrecurring items.**

Areas of Business

Sales Volumes and Revenues at June 30, 2009

The electric power operations reported sales revenues of 3,232 million euros in the first half of 2009 (14.3% less than in the same period in 2008), corresponding to unit sales totaling 28,601 GWh. Sales volumes reflected the combined impact of gains in sales to end customers and wholesalers and a decrease in volumes traded on the Power Exchange. Sales were down sharply in the CIP 6/92 segment (-25.1%), due mainly to the expiration of some contracts and the divestment of seven CIP 6/92 thermoelectric power plants in April 2008.

Despite a slight reduction in sales volumes, unit revenues held relatively steady, due to the positive response by customers to the fixed-price offer featured in last fall's sales campaign.

In the first half of 2009, the hydrocarbons operations reported sales revenues of 2,342 million euros, down 4.2% compared with the 2,444 million euros booked in the first six months of 2008. Unit sales of natural gas to buyers in Italy and abroad totaled 6,851 million cubic meters, for a decrease of 8.5% compared with the first half of 2008. Specifically, sales to residential users increased by 22.3%, as the weather was colder this winter than the previous year and sales volumes expanded, but deliveries to thermoelectric users were down by 22.1% to 3,586 million cubic meters, due to a drop in demand for electric power. **Since January 15, 2009, the Abu Qir fields contributed 338 million cubic meters of natural gas and 404,000 barrels of oil to the Groups' output.**

EBITDA at June 30, 2009

The **electric power operations** reported EBITDA of 556 million euros, or 12.6% less than in the first six months of 2008 (636 million euros). **The performance of the electric power operations benefited from a higher hydroelectric output (3,046 GWh vs 2,219 GWh in the same period last year)**, but **was penalized by a reduction in thermoelectric production (17,036 GWh vs 23,812 GWh**) caused by lower demand. The decrease reported by the CIP6 operations reflects the absence of abovementioned 51-million-euro refund for green certificates and CO_2 charges received in 2008 and the sale of the CIP 6/92 power plants. When the data are restated based on a **comparable scope of consolidation and excluding nonrecurring items** and the effect of the expiration of contracts and incentives, the year-over-year decrease is only 2%.

At 223 million euros, the EBITDA of the **hydrocarbons operations** were 6.7% higher than the amount earned in the first six months of 2008. This improvement reflects the positive effect of the change in scope of consolidation and the resulting contribution from the Abu Qir acquisition (about 20 million euros), which more than offset **the charge of 102 million euros incurred in connection with Group-level hedging transactions** discussed above. **When the data are restated based on a comparable scope of consolidation and excluding nonrecurring items,** the year-over-year increase is 15%.

Key Events of the First half of 2009

An overview of the main events that characterized the first six months of 2009 for the Edison Group is provided below:

- **January 15, 2009: Edison, the Egyptian Government and the Egyptian General Petroleum Corporation (EGPC) sign an agreement** awarding Edison the exploration, production and development rights for the Abu Qir concession, in Egypt. The concession has a duration of 20 years and may be extended for 10 additional years. The objective of the Group's E&P activities, to which the Abu Qir investment will provide a major contribution, is to achieve by 2014 a production of equity gas equal to 15% of Edison's supply needs.

- **January 2009: A joint venture of Edison (18.5%), Sonatrach (25%), Repsol (33.7%) and RWE Dea (22.5%) discover two new gas fields in Algeria.** Production tests of two new wells (KLS-1 and OTHL-2) registered a combined flow of about 1 million cubic meters of gas a day.

- **March 10, 2009: Edison buys 80% of AMG Gas Palermo.** AMG Gas Palermo is a natural gas distributor that serves more than 133,000 customers in the Palermo area and sells 80 million cubic meters of natural gas a year. Through AMG Gas, Edison doubled the number of its natural gas customers, passing the milestone of **300,000 residential customers nationwide.**

- **March 12 2009: ElpEdison, the second largest operator in the Greek electric power market is born.** The joint venture established by Edison and Hellenic Petroleum, through the controlled companies in Greece, created a new entity with a generating capacity of 400 MW and plans to grow to 2,000 MW. The new company will also expand in such areas as trading, electric power sales and renewable sources.

- **March 2009: Edison makes a new hydrocarbon discovery in the Abu Qir concession.** The well (NAQ PII-2) tested at 1.85 million cubic meters of natural gas and 850 barrels of condensate a day. The new discovery will increase current production levels by 30%. Production is scheduled to start in 2010.

- **May 27, 2009: Edison executes a three-year loan agreement for a 600-million euro facility provided by a pool of international banks** that includes Banco Bilbao Vizcaya Argentaria Sa, Bnp Paribas Sa - BNL, Calyon Sa, Intesa Sanpaolo Spa (Agent Bank), Société Générale Sa and Unicredit Group. This transaction, which was structured as a Club Deal, will not require syndication. The full amount of this facility, a Term Loan Senior Unsecured, was drawn down within a few days and is repayable in a lump sum in May 2012. It accrues interest at an interest rate equal to the Euribor plus a spread consistent with the best market terms currently available. This credit line, which enabled Edison to refinance a portion of its short-term debt to a medium-term maturity, increases the Company cash management flexibility and strengthens its sourcing of funds by lengthening the corresponding maturities.

- **June 25, 2009: Edison's Board of Directors approves the launch of a new Euro Medium-Term Note Program, setting forth the general terms and conditions of future Edison Eurobond issues for an amount of up to 2 billion euros. On July 16, 2009** Edison successfully completed the placement of a five-year bond issue for a total amount of 700 million euros, sold exclusively to qualified investors. The bonds, which have a minimum denomination of 50,000 euros, mature on July 22, 2014 and pay interest at a fixed gross annual rate of 4.250%, were offered at a

99.841 issue price. The effective gross yield to maturity is 4.286%, equal to a yield 145 basis points higher than the reference rate (5-year mid-swaps).

Results of the Group's Parent Company

Edison Spa, the Group's Parent Company, ended the first half of 2009 with revenues of 2,699 million euros (-4.4%), EBITDA of 317 million euros (-11.7%) and EBIT of 134 million euros, in line with the same period in 2008. The **net profit at June 30, 2009 amounted to 362 million euros (+37.6%), compared with 263 million euros in the first six months of 2008.**

Conference Call

The Group's operating results for the first half of 2009 will be presented today at 3:30 PM (2:30 PM GMT) during a conference call. Journalists may follow the presentation by telephone, in listen-only mode, by dialing +39 02.80.58.827. The presentation will also be available on the Group's website: www.edison.it.

Pertinent Documents

The Semiannual Financial Report at June 30, 2009 of the Edison Group, approved today by the Board of Directors of Edison Spa together with the Report of the Independent Auditors PricewaterhouseCoopers, will be available to the public **from July 29, 2009** at the Company's head office and on Borsa Italiana (www.borsaitaliana.it) and Edison (www.edison.it) websites.

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As required by Article 154-bis, Section 2, of the Uniform Finance Code (Legislative Decree No. 58/1998), Marco Andreasi, in his capacity as Corporate Accounting Documents Officer of Edison S.p.A., attests that the accounting information contained in this press release is consistent with the data in the Company's documents, accounting records and other records.

This press release and, specifically, the section entitled "Outlook for the Balance of 2009" contain forward looking statements. These statements are based on the Group's current projections and expectations with regard to future events, which, by their very nature, are subject to an intrinsic component of risk and uncertainty. Actual results could be materially different from those contained in the abovementioned statements due to a number of factors, including continued volatility and a further deterioration of the capital and financial markets, fluctuations in raw material prices, changes in macroeconomic conditions and economic growth rates and other changes in business conditions, changes in the statutory and regulatory framework and institutional scenario (both in Italy and abroad), and many other factors, most of which are beyond the Group's control.

The Group's balance sheet, income statement, comprehensive income statement, cash flow statement and statement of changes in consolidated shareholders' equity are annexed to this press release.

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

CONSOLIDATED BALANCE SHEET

(in millions of euros)

6/30/08		6/30/09	12/31/08
	ASSETS		
7.489	Property, plant and equipment	7.521	7.416
11	Investment property	14	14
3.518	Goodwill	3.536	3.521
287	Hydrocarbon concessions	1.259	273
34	Other intangible assets	43	47
45	Investments in associates	52	51
216	Available-for-sale investments	279	248
143	Other financial assets	97	92
85	Deferred-tax assets	87	84
63	Other assets	34	63
11.891	**Total non-current assets**	**12.922**	**11.809**
281	Inventories	248	304
1.789	Trade receivables	2.098	2.330
8	Current-tax assets	10	14
651	Other receivables	512	422
35	Current financial assets	38	26
123	Cash and cash equivalents	117	188
2.887	**Total current assets**	**3.023**	**3.284**
-	**Assets held for sale**	**-**	**-**
14.778	**Total assets**	**15.945**	**15.093**
	LIABILITIES AND SHAREHOLDERS' EQUITY		
5.292	Share capital	5.292	5.292
655	Equity reserves	648	480
1.164	Other reserves	1.132	1.171
(6)	Reserve for currency translations	2	(3)
623	Retained earnings (Loss carryforward)	711	623
102	Profit (Loss) for the period	122	346
7.830	**Total Group interest in shareholders' equity**	**7.907**	**7.909**
110	Minority interest in shareholders' equity	158	164
7.940	**Total shareholders' equity**	**8.065**	**8.073**
66	Provision for employee severance indemnities and provision for pensions	65	65
590	Provision for deferred taxes	601	519
981	Provision for risks and charges	761	777
1.200	Bonds	1.201	1.198
1.068	Long-term financial debt and other financial liabilities	2.278	1.101
30	Other liabilities	33	30
3.935	**Total non-current liabilities**	**4.939**	**3.690**
26	Bonds	20	9
787	Short-term financial debt	1.088	899
1.392	Trade payables	1.283	1.659
44	Current taxes payable	22	54
654	Other liabilities	528	709
2.903	**Total current liabilities**	**2.941**	**3.330**
-	**Liabilities held for sale**	**-**	**-**
14.778	**Total liabilities and shareholders' equity**	**15.945**	**15.093**

CONSOLIDATED INCOME STATEMENT

(in millions of euros)

2008 full year (*)		1st half 2009 (*)	1st half 2008 (*)
10.064	Sales revenues	4.589	4.913
665	Other revenues and income	226	318
10.729	**Total net revenues**	**4.815**	**5.231**
(8.863)	Raw materials and services used (-)	(3.967)	(4.312)
(223)	Labor costs (-)	(116)	(110)
1.643	**EBITDA**	**732**	**809**
(782)	Depreciation, amortization and writedowns (-)	(378)	(367)
861	**EBIT**	**354**	**442**
(100)	Net financial income (expense)	(80)	(63)
-	Income from (Expense on) equity investments	1	-
(31)	Other income (expense), net	2	(42)
730	**Profit before taxes**	**277**	**337**
(379)	Income taxes	(150)	(234)
351	**Profit (Loss) from continuing operations**	**127**	**103**
(4)	Profit (Loss) from discontinued operations	-	(3)
347	**Profit (Loss)**	**127**	**100**
	Broken down as follows:		
1	Minority interest in profit (loss)	5	(2)
346	**Group interest in profit (loss)**	**122**	**102**
	Earnings per share (in euros)		
0,0647	Basic earnings per common share	0,0224	0,0186
0,0947	Basic earnings per savings share	0,0524	0,0486
0,0647	Diluted earnings per common share	0,0224	0,0186
0,0947	Diluted earnings per savings share	0,0524	0,0486

(*) Net revenues and raw materials and services used reflect the new presentation of trading activities that shows only the "negotiation margin" (net presentation).

Other Components of the Comprehensive Income Statement

(in millions of euros)

2008 full year		1st half 2009	1st half 2008
347	**Profit (Loss) (Minority and Group interest)**	**127**	**100**
	Other components of comprehensive income		
(268)	- Change in the cash flow hedge reserve	219	(4)
(16)	- Profit (loss) from available-for-sale financial assets	(1)	(12)
-	- Differences on the translation of assets in foreign currencies	5	(1)
2	- Pro rata interest in other components of comprehensive income of investee companies	-	-
99	Income taxes attributable to other components of comprehensive income (-)	(81)	3
(183)	**Total other components of comprehensive income net of taxes**	**142**	**(14)**
164	**Total comprehensive profit (loss)**	**269**	**86**
	Broken down as follows:		
1	Minority interest in comprehensive profit (loss)	5	(2)
163	**Group interest in comprehensive profit (loss)**	**264**	**88**

CASH FLOW STATEMENT

2008 full year		*(in millions of euros)*	**1st half 2009**	1st half 2008
350		Profit (Loss) from continuing operations	122	105
(4)		Profit (Loss) from discontinued operations	-	(3)
1		Minority interest in profit (loss) from continuing operations	5	(2)
347		**Profit (loss) before minority interest**	**127**	**100**
782		Amortization, depreciation and writedowns	378	367
(1)		Interest in the result of companies valued by the equity method (-)	1	-
2		Dividends received from companies valued by the equity method	1	-
(5)		(Gains) Losses on the sale of non-current assets	4	(4)
(3)		Change in the provision for employee severance indemnities	-	(2)
(584)		Change in other operating assets and liabilities	(180)	(132)
538	**A.**	**Cash flow from continuing operations**	**331**	**329**
(644)		Additions to intangibles and property, plant and equipment (-)	(1.387)	(242)
(232)		Additions to non-current financial assets (-)	(114)	(190)
48		Proceeds from the sale of intangibles and property, plant and equipment	13	20
373		Proceeds from the sale of non-current financial assets	-	236
-		Capital grants received during the period	-	-
(1)		Other current assets	(12)	(10)
(456)	**B.**	**Cash used in investing activities**	**(1.500)**	**(186)**
386		Receipt of new medium-term and long-term loans	1.375	100
(161)		Redemption of new medium-term and long-term loans (-)	(126)	(21)
3		Capital contributions provided by controlling companies or other shareholders	-	3
(281)		Dividends paid to controlling companies or minority shareholders (-)	(278)	(281)
71		Change in short-term debt	131	91
18	**C.**	**Cash used in financing activities**	**1.102**	**(108)**
-	**D.**	**Liquid assets from changes in the scope of consolidation**	**(4)**	**(15)**
-	**E.**	**Net currency translation differences**	-	-
(15)	**F.**	**Net cash flow from operating assets of discontinued operations**	**-**	**-**
85	**G.**	**Net cash flow for the period (A+B+C+D+E+F)**	**(71)**	**20**
103	**H.**	**Cash and cash equivalents at the beginning of the period**	**188**	**103**
188	**I.**	**Cash and cash equivalents at the end of the period (G + H)**	**117**	**123**
188	**L.**	**Total cash and cash equivalents at end of period (I)**	**117**	**123**
-	**M.**	**(-) Cash and cash equivalents of discontinued operations**	**-**	**-**
188	**N.**	**Cash and cash equivalents of continuing operations (L-M)**	**117**	**123**

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in millions of euros)	Share capital	Statutory reserve	Other reserves and ret. earnings (loss carry-forward)	Differences on the translation of assets in foreign currencies	Cash flow hedge reserve	Reserve for available-for-sale investments	Profit (Loss)	Group interest in sharehold. equity	Minority interest in sharehold. equity	Total sharehold. equity
Balance at December 31, 2007	**5.292**	**49**	**2.161**	**(5)**	**(1)**	**11**	**497**	**8.004**	**147**	**8.151**
Share capital increase	-	-	-	-	-	-	-	*-*	3	*3*
Appropriation of the previous year's profit	-	23	474	-	-	-	(497)	*-*	-	*-*
Dividends distributed	-	-	(268)	-	-	-	-	*(268)*	(13)	*(281)*
Change in the scope of consolidation	-	-	-	-	-	-	-	*-*	(25)	*(25)*
Adjustment required by IAS 32 and IAS 39	-	-	-	-	(2)	(11)	-	*(13)*	-	*(13)*
Difference from translation of financial statements in foreign currencies and sundry items	-	-	7	(2)	-	-	-	*5*	-	*5*
Profit for the first half of 2008	-	-	-	-	-	-	102	*102*	(2)	*100*
Balance at June 30, 2008	**5.292**	**72**	**2.374**	**(7)**	**(3)**	**-**	**102**	**7.830**	**110**	**7.940**
Change in the scope of consolidation	-	-	-	-	-	-	-	*-*	51	*51*
Adjustment required by IAS 32 and IAS 39	-	-	-	-	(168)	(4)	-	*(172)*	-	*(172)*
Difference from translation of financial statements in foreign currencies and sundry items	-	-	3	4	-	-	-	*7*	-	*7*
Profit for the second half of 2008	-	-	-	-	-	-	244	*244*	3	*247*
Balance at December 31, 2008	**5.292**	**72**	**2.377**	**(3)**	**(171)**	**(4)**	**346**	**7.909**	**164**	**8.073**
Change in the scope of consolidation	-	-	-	-	-	-	-	*-*	1	*1*
Appropriation of the previous year's profit	-	19	327	-	-	-	(346)	*-*	-	*-*
Dividends declared	-	-	(268)	-	-	-	-	*(268)*	(12)	*(280)*
Adjustment required by IAS 32 and IAS 39	-	-	-	-	138	(1)	-	*137*	-	*137*
Difference from translation of financial statements in foreign currencies and sundry items	-	-	2	5	-	-	-	*7*		*7*
Profit at June 30, 2009	-	-	-	-	-	-	122	*122*	5	*127*
Balance at June 30, 2009	**5.292**	**91**	**2.438**	**2**	**(33)**	**(5)**	**122**	**7.907**	**158**	**8.065**