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Press Release

Edison's Board of Directors Reviews the Semiannual Report at June 30, 2007

EDISON: PROFIT BEFORE TAXES RISES TO 466 MILLION EUROS, +64%

EBITDA up 17% to 904 million euros

Net borrowings shrink further by a significant amount

Milan, July 27, 2007 – Edison's Board of Directors met today at the Company's Foro Buonaparte headquarters to review the Semiannual Report at June 30, 2007.

HIGHLIGHTS OF THE EDISON GROUP

(in millions of euros)

	First half 2007	First half 2006	Δ %
Sales revenues	**4,052**	4,266	*(5.0)*
EBITDA	**904**	774	*16.8*
EBIT	**572**	415	*37.8*
Profit before taxes	**466**	284	*64.1*
Net profit	**256**	398	*(35.7)*

HIGHLIGHTS OF THE GROUP'S ELECTRIC POWER AND HYDROCARBONS OPERATIONS

(in millions of euros)

	First half 2007	First half 2006	Δ %
Electric Power Operations			
Sales revenues	**3,244**	3,360	*(3.5)*
EBITDA	**621**	563	*10.3*
Hydrocarbons Operations			
Sales revenues	**1,986**	2,084	*(4.7)*
EBITDA	**315**	240	*31.3*

Operating Performance of the Group in the First Half of 2007
In the first half of 2007, **Edison achieved a further improvement in profitability, despite a significant decline in the price of energy commodities** (brent price in euros decreased by approximately 13% year over year) both in Italy and the international markets and **a contraction in unit sales of natural gas caused by exceptionally mild winter weather** (gas demand in Italy decreased by 8% with respect to first half of 2006)**.**

The Group increased by 6.3% its sales to customers in the deregulated markets, thereby reducing the negative impact of lower revenues, due also to changes in perimeter of activities: sales revenues totaled 4,052 million euros (-5%).

A positive contribution by both areas of business **drove EBITDA significantly higher (+16.8% to 904 million euros).** Specifically, the electric power operations capitalized, among others factors, on the availability of new high-efficiency power plants and benefited from an effective strategy implemented to optimize the mix of energy sources and uses in the deregulated markets. The performance of the hydrocarbons sector reported a significant improvement in profitability, which reflected both a strengthening of operations and positive non recurring effects for an overall amount of approximately 60 million euros.

EBIT were also **up significantly (+37.8% to 572 million euros). Profit before taxes rose by 64.1% to 466 million euros,** while net profit totaled 256 million euros compared with 398 million euros in the first half of 2006. However, it is worth noting that in 2006 the Group recorded a net tax benefit of 202 million euros from the realignment of the taxable base of a significant portion of Edison Spa's power plants to the higher amount at which they are carried in the statutory financial statements (Law No. 266 of December 23, 2005). **Restated net of this non-recurring event, earnings show a gain of about 30%.**

Sales Volume and Revenues
Sale of Serene and Edison Rete companies, as well as lower demand for natural gas in Italy and a significant drop in raw material prices on the international markets, caused sales revenues for the first half of 2007 to decline to 4,052 million euros (-5% compared with the first six months of 2006).
Unit sales in the deregulated electric power market increased by 6.3% to 19,778 GWh (18,598 GWh in the first half of 2006) thanks to the success of the Group's sales strategies. On the other hand, CIP6 sales were down 10.9%, reflecting the impact of the divestiture of Serene. Overall, unit sales of electric power amounted to 31,085 GWh, compared with 31,376 GWh in the first six months of 2006 (-0.9%). On a like-for-like basis, unit sales grew by more than 2%.

In the natural gas area, consolidated unit sales totaled 6,810 million cubic meters (-5.4%, while natural gas demand in Italy fell by 8% due to the exceptionally mild winter). Residential and industrial customers purchased 1,973 million cubic meters

(-30%, due to lower gas availability and to growth of thermoeletric uses), with consumption by the Group’s thermoelectric power plants accounting for the balance (+12.1%, due to increased production by the thermoelectric facilities).

EBITDA

In the first half of 2007, EBITDA grew by 16.8% to 904 million euros (774 million euros in the first six months of 2006).

During this period, the electric power operations increased EBITDA by 10.3% to 621 million euros (563 million euros in the same period in 2006). This improvement is the result of an effective strategy of optimizing the mix of energy sources and uses in the deregulated markets, which more than offset the impact of lower margins earned on CIP6 sales and the absence of the contribution provided by Edison Rete and Serene before they were sold.

The increased sales profitability achieved in the deregulated markets despite a sharp decline in wholesale prices is the product of a rise in the volumes available for sale in these markets. The commissioning of the Torviscosa power plant in October 2006 and the full availability of the Altomonte and Marghera facilities (their production capacity was curtailed for various reasons in the first six months of 2006) helped boost profitability compared with the first half of 2006, when margins had been reduced by the higher costs incurred to operate Edipower’s power plants that use fuel oil (put into service in response to the natural gas emergency) and higher purchases from third-party suppliers.

The EBITDA generated by the hydrocarbons operations grew by 31.3% to 315 million euros (240 million euros in the first six months of 2006) due to a significant increase in the margins generated by operating activities and to the positive impact of non recurring items for approximately 60 million euros: the reversal of about 56 million euros from a provision set aside to cover the potential impact of Resolution 248/04, while in the first half of 2006, the Company recognized a charge of about 50 million euros in connection with this issue, partially offset by the absence of the “una tantum” contribution related to the renegotiation of some gas supply contracts (present in first six months of 2006).

EBIT, Profit Before Taxes and Net Profit

At June 30, 2007, EBIT totaled 572 million euros, compared with 415 million euros in the first half of 2006 (+37.8%).

At 466 million euros, profit before taxes for the first six months of 2007 was 64.1% higher than the 284 million euros reported at June 30, 2006. A reduction in financial expense, made possible by the Group’s improved financial structure, is the main reason for this gain.

The Group’s net profit totaled 256 million euros at June 30, 2007 (-35.7% compared with 398 million euros in the first half of 2006). This decrease reflects the fact that, in 2006, the Group recorded a net tax benefit of 202 million euros from the realignment of the taxable base of a significant portion of Edison Spa’s power plants to the higher amount at which they are carried in the statutory financial statements (Law No. 266

of December 23, 2005). If the data are restated to eliminate the impact of this non-recurring transaction, earnings actually show an improvement of about 30%.

Indebtedness

At June 30 2007, the Group's net borrowings amounted to 3,057 million euros, down sharply compared with the 4,256 million euros owed at December 31, 2006 (4,705 million euros in the first quarter of 2006). The positive cash flow from operations generated during the period (1,320 million euros), the exercise of warrants (520 million euros) and the sale of the investment in Serene Spa (117 million euros) account for this improvement.

Capital expenditures and investments in exploration totaled 229 million euros in the first six months of 2007.

The debt/equity ratio improved significantly, standing at 0.41 at June 30, 2007, compared with 0.62 at December 31, 2006.

Bonds Due Within 18 Months

A variable-rate 830-million-euro bond issue floated in 2002 will mature on August 26, 2007.

This bond issue will be repaid using ample funds provided by bank credit lines secured on more favorable terms.

Status of Investment Projects

Edison's hydrocarbons operations continued to develop new infrastructural projects for transnational transportation of natural gas that will enable Italy to diversify its supply sources, while making them more reliable and competitive for the benefit of the entire market.

During the first half of 2007, work continued on the Rovigo regasification terminal. This project, which has already reached an advanced stage of construction (70% completed), will be used to import 8 billion cubic meters of natural gas a year from Qatar, starting at the end of 2008.

Progress is also being made on the development of the IGI project for the construction of a natural gas pipeline linking Italy and Greece. Just yesterday, the governments of Italy, Greece and Turkey officially endorsed this project, signing an intergovernmental agreement that underscores the strategic significance of this infrastructural project. Edison and Depa will have the right to use 8 billion cubic meters a year in transmission capacity for 25 years (80% Edison and 20% Depa).

Work is also continuing on the Galsi pipeline, which will link Italy and Algeria, by way of Sardinia. Edison, the largest Italian shareholder in this project, has already signed a contract with Sonatrach for two billion cubic meters of natural gas a year.

The electric power operations made further progress in their strategy of expanding outside Italy, focusing on the Balkans in particular. In Greece, Edison has established a joint venture with Hellenic Petroleum that will become the second largest player in the Greek electric power market. The objective of this new company is to install more than 1,400 MW in generating capacity, which would be equal to about 12% of the Greek market.

Outlook for the Balance of 2007

In 2007, the planned commissioning of new facilities in Simeri Crichi (800 MW) and Turbigo (800 MW owned by Edipower) and the full availability of the Torviscosa power plant, coupled with the implementation of policies carefully designed to optimize its energy portfolio, should enable the Group to offset the impact of potentially unfavorable changes in the regulatory environment, which could happen in the second half of the year.

For the rest of 2007, industrial results should however be in line with those reported in 2006. The Group's financial position is expected to show further improvement, due to the exercise of the 2007 Edison Spa common share warrants, which expire on December 31, 2007.

Result of the Group's Parent Company

The net profit earned in the first half of 2007 by Edison Spa, the Group's Parent Company, amounted to 391 million euros, compared with a net profit of 442 million euros in the same period last year, when the bottom line reflected the positive impact of the nonrecurring tax benefit discussed above.

Conference Call

The Group's operating results for the first half of 2007 will be discussed today at 6:00 PM (5:00 PM GMT) during a conference call. Journalists may follow the presentation by telephone in listen-only mode by dialing +39 02 802 09 28.

The presentation will also be available at the Group's website: www.edisongroup.eu.

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The Semiannual Report is the subject of a limited audit, currently in the process of being completed.

The Semiannual Report at June 30, 2007, together with the report of the independent auditors and any remarks by the Statutory Auditors, will be on file and available upon request at the Company's headquarters (31 Foro Buonaparte, Milan) and at the offices of Borsa Italiana Spa by July 31, 2007. It may also be consulted at the Group's website: www.edison.it.

The Group's balance sheet, statement of income, 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)

6/30/06		6/30/07	12/31/06
	ASSETS		
8,256	Property, plant and equipment	7,955	8,057
47	Investment property	35	40
3,505	Goodwill	3,518	3,518
326	Hydrocarbon concessions	311	323
57	Other intangible assets	37	44
59	Investments in associates	45	44
88	Available-for-sale investments	155	122
125	Other financial assets	140	130
103	Deferred-tax assets	100	102
291	Other assets	55	85
12,857	**Total non-current assets**	**12,351**	**12,465**
332	Inventories	250	387
1,347	Trade receivables	1,251	1,943
8	Current-tax assets	18	15
379	Other receivables	304	276
73	Current financial assets	35	42
160	Cash and cash equivalents	929	298
2,299	**Total current assets**	**2,787**	**2,961**
211	**Assets held for sale**	**-**	**231**
15,367	**Total assets**	**15,138**	**15,657**
	LIABILITIES AND SHAREHOLDERS' EQUITY		
4,273	Share capital	4,793	4,273
612	Equity reserves	639	606
1,112	Other reserves	1,124	1,116
(1)	Reserve for currency translations	(4)	(3)
97	Retained earnings (Loss carryforward)	465	97
398	Profit (Loss) for the period	256	654
6,491	**Total Group interest in shareholders' equity**	**7,273**	**6,743**
150	Minority interest in shareholders' equity	133	147
6,641	**Total shareholders' equity**	**7,406**	**6,890**
72	Provision for employee severance indemnities and provision for pensions	73	72
782	Provision for deferred taxes	762	752
925	Provisions for risks and charges	859	881
2,694	Bonds	1,202	1,207
1,547	Long-term borrowings and other financial liabilities	1,277	502
8	Other liabilities	9	2
6,028	**Total non-current liabilities**	**4,182**	**3,416**
-	Bonds	1,508	1,457
757	Short-term borrowings	114	1,461
1,158	Trade payables	1,234	1,576
38	Current taxes payable	21	26
702	Other liabilities	673	694
2,655	**Total current liabilities**	**3,550**	**5,214**
43	**Liabilities held for sale**	**-**	**137**
15,367	**Total liabilities and shareholders' equity**	**15,138**	**15,657**

Income Statement

	First half 2007	First half 2006
Sales revenues	4.052	4.266
Other revenues and income	257	373
Total net revenues	**4.309**	**4.639**
Raw materials and services used (-)	(3.296)	(3.762)
Labor costs (-)	(109)	(103)
EBITDA	**904**	**774**
Depreciation, amortization and writedowns (-)	(332)	(359)
EBIT	**572**	**415**
Net financial income (expense)	(112)	(136)
Income from (Expense on) equity investments	(9)	4
Other income (expense), net	15	1
Profit before taxes	**466**	**284**
Income taxes	(204)	117
Profit (Loss) from continuing operations	**262**	**401**
Profit (Loss) from discontinued operations	-	-
Profit (Loss)	**262**	**401**
Broken down as follows:		
Minority interest in profit (loss)	6	3
Group interest in profit (loss)	**256**	**398**
Profit (loss) per share (in euros)		
base	0,0537	0,0924
diluted	0,0503	0,0844

Cash Flow Statement

2006 full yeart		*(in millions of euros)*	**6/30/07**	6/30/06
542		Group interest in profit (loss) from continuing operations	256	398
112		Group interest in profit (loss) from discontinued operations	-	-
654		**Total Group interest in profit (loss)**	**256**	**398**
8		Minority interest in profit (loss)	6	3
700		Amortization and depreciation	339	339
(2)		Interest in the result of companies valued by the equity method (-)	(1)	(2)
-		Dividends received from companies valued by the equity method	2	2
1		(Gains) Losses on the sale of non-current assets	(9)	3
84		(Revaluations) Writedowns of intangibles and property, plant and equipment	(7)	20
2		Change in the provision for employee severance indemnities	1	1
(413)		Change in other operating assets and liabilities	638	(203)
1,034	**A.**	**Cash flow from operating activities of continuing operations**	**1,225**	**561**
(548)		Additions to intangibles and property, plant and equipment (-)	(230)	(239)
(85)		Additions to non-current financial assets (-)	(173)	(29)
28		Proceeds from the sale of intangibles and property, plant and equipment	22	11
345		Proceeds from the sale of non-current financial assets	98	-
-		Capital grants received during the year	-	-
29		Change in the scope of consolidation	-	-
34		Other current assets	7	3
(197)	**B.**	**Cash used in investing activities**	**(276)**	**(254)**
1,203		Receipt of new medium-term and long-term loans	933	978
(1,712)		Redemption of new medium-term and long-term loans (-)	(1,317)	(1,398)
-		Capital contributions provided by controlling companies or other shareholders	520	-
(196)		Dividends paid to controlling companies or minority shareholders (-)	(248)	(189)
(181)		Change in short-term debt	(206)	101
(886)	**C.**	**Cash used in financing activities**	**(318)**	**(508)**
4	**D.**	**Cash and cash equivalents of discontinued operations**	**-**	**-**
-	**E.**	**Net currency translation differences**	-	-
(45)	**F.**	**Net increase (decrease) in cash and cash equivalents (A+B+C+D+E)**	**631**	**(201)**
361	**G.**	**Cash and cash equivalents at beginning of period**	**298**	**361**
316	**H.**	**Cash and cash equivalents at end of period (F + G)**	**929**	**160**
316	**I.**	**Total cash and cash equivalents at end of period (H)**	**929**	**160**
(18)	**L.**	**(-) Cash and cash equivalents of discontinued operations**	**-**	**-**
298	**M.**	**Cash and cash equivalents of continuing operations (I-L)**	**929**	**160**

Changes in Consolidated Shareholders' Equity

(in millions of euros)	Share capital (a)	Reserves and ret. earnings (loss carryforward) (b)	Reserve for currency translations (c)	Profit for the period (d)	Group inter. in sharehold. equity (a+b+c+d)=(e)	Minority inter. in sharehold. equity (f)	Total shareholders' equity (e)+(f)
Balance at 12/31/05 restated as per IFRIC 4	***4.273***	***1.492***	***3***	***504***	***6.272***	**159**	***6.431***
Appropriation of the 2005 profit	-	504	-	(504)	*-*	-	*-*
Dividend distribution	-	(183)	-	-	*(183)*	(6)	*(189)*
Restatements for adoption of IAS 32 and IAS 39	-	10	-	-	*10*	-	*10*
Change in the scope of consolidation	-	-	-	-	*-*	(6)	*(6)*
Difference from translation of financial statements in foreign currencies and sundry items	-	(2)	(4)	-	*(6)*	-	*(6)*
Profit for the first half of 2006	-	-	-	398	*398*	3	*401*
Balance at June 30, 2006	***4.273***	***1.821***	***(1)***	***398***	***6.491***	***150***	***6.641***
Share capital increase from exercise of warrants	-	-	-	-	*-*	-	*-*
Restatements for adoption of IAS 32 and IAS 39	-	(20)	-	-	*(20)*	-	*(20)*
Dividend distribution	-	-	-	-	*-*	(7)	*(7)*
Difference from translation of financial statements in foreign currencies and sundry items	-	18	(2)	-	*16*	(1)	*15*
Profit for the second half of 2006	-	-	-	256	*256*	5	*261*
Balance at December 31, 2006	***4.273***	***1.819***	***(3)***	***654***	***6.743***	***147***	***6.890***
Share capital increase from exercise of warrants	520	-	-	-	*520*	-	*520*
Reclassification of prior period earnings	-	654	-	(654)	*-*	-	*-*
Restatements for adoption of IAS 32 and IAS 39	-	4	-	-	*4*	-	*4*
Change in the scope of consolidation	-	(3)	-	-	*(3)*	3	*-*
Dividend distribution	-	(233)	-	-	*(233)*	(15)	*(248)*
Difference from translation of financial statements in foreign currencies and sundry items	-	(13)	(1)	-	*(14)*	(8)	*(22)*
Profit at June 30, 2007	-	-	-	256	*256*	6	*262*
Balance at June 30,2007	***4.793***	***2.228***	***(4)***	***256***	***7.273***	***133***	***7.406***