QUARTERLY REPORT
AT MARCH 31, 2014

EDISON

Contents

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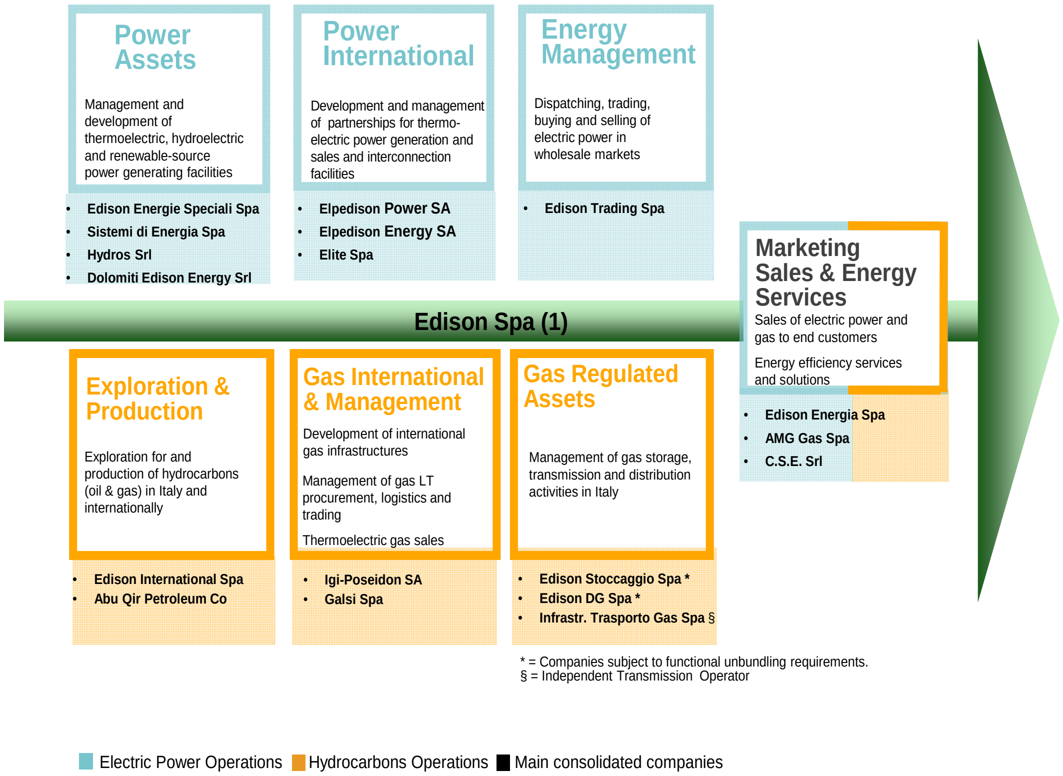
This document has been translated into English for the convenience of readers outside Italy. The original Italian document should be considered the authoritative version.

REPORT ON OPERATIONS

at March 31, 2014

Simplified Structure of the Group at March 31, 2014

Organization and Activities of the Divisions, Business Units and Main Consolidated Companies



(1) Edison Spa, working through its Business Units and Corporate Activities, is directly engaged in the production of electric power from hydroelectric and thermoelectric power plants, and produces, imports and distributes hydrocarbon products.

Key Events

Growing Our Business

Edison is awarded three new hydrocarbon exploration licenses in Norway

In January 2014, Edison, through its Edison International Spa subsidiary, was awarded three new hydrocarbon exploration and production licenses put out for bids by the Norwegian Oil and Energy Ministry. The first license, in the Norway Sea, is for Bock PL759, with Edison as operator at 40% in a joint venture with Concedo at 30% and Skagen 44 at 30%; the second license, in the Southern North Sea, is for Block PL727, with Edison as operator at 40% in a joint venture with Concedo at 30% and Skagen 44 at 30%; lastly, the third license, in the Barents Sea, is for Block PL770, with Edison as operator at 60% in a joint venture with North Energy at 20% and Lime at 20%.

All three license allow a two-year period for 3D seismic mapping, at the end of which the partners will have to decide whether to proceed with drilling or relinquish the licenses, under the "drill or drop" provision.

Edison is awarded two new hydrocarbon exploration licenses in Egypt

On February 12, 2014, Edison, through its Edison International Spa subsidiary, was awarded two new hydrocarbon exploration and production licenses in Egypt: North Thekah Offshore and South Idku Onshore. The first block, with Edison as operator at 50% in a joint venture with Petroceltic at 50%, is located in a section of the Eastern Egyptian Offshore bordering Israel's territorial waters; pursuant to contractual obligations, 3D seismic mapping of about 1,500 km^2 will be performed during the first three years. The second block, with Edison at 25% and Petroceltic as operator at 75%, is located in the Western Nile Onshore Delta; commitments for the first three years include 3D seismic mapping and the drilling of two exploratory wells.

Significant Events Occurring After March 31, 2014

Information about events occurring after the end of the three-month period covered by this Report is provided in the section of the Review of the Group's Operating Performance, Financial Results and Financial Position entitled "Significant Events Occurring After March 31, 2014."

Financial Highlights – Focus on Results

In order to help the reader obtain a better understanding of the Group's operating and financial performance, the tables that follow contain alternative performance indicators that are not included among those provided in the IFRS accounting principles. The methods used to compute these indicators, consistent with the guidelines of the Committee of European Securities Regulators (CESR), are described in the footnotes to the tables.
Starting on January 1, 2014, further to the adoption of the IFRS 11 accounting principle, joint ventures previously consolidated by the proportional method are valued by the equity method; consequently, the data for 2013 were also restated. See the section of the Notes to the Quarterly Report entitled "Methods applied to the Preparation of the Financial Statements" and "Comparability" for a detailed analysis.

Edison Group

2013 full year (*)	(in millions of euros)	1st quarter 2014	1st quarter 2013 (*)	% change
12,150	Sales revenues	3,537	3,325	*6.4%*
970	EBITDA	216	(6)	*n.m.*
8.0%	*as a % of sales revenues*	*6.1%*	*n.m.*	
325	EBIT	220	(144)	*n.m.*
2.7%	*as a % of sales revenues*	*6.2%*	*n.m.*	
98	Net profit (loss) from continuing operations	102	(143)	*n.m.*
-	Net profit (loss) from discontinued operations	-	-	-
96	Group interest in net profit (loss)	101	(142)	*n.m.*
171	Capital expenditures for continuing operations	53	34	*55.9%*
92	Investments in exploration	20	15	*33.3%*
9,690	Net invested capital (A + B)(1)	9,534	9,542	*(1.6%)*
2,451	Net financial debt (A)(1)(2)	2,229	2,458	*(9.1%)*
7,239	Shareholders' equity before minority interest (B)(1)	7,305	7,084	*0.9%*
7,126	Shareholders' equity attributable to Parent Company shareholders(1)	7,197	6,972	*1.0%*
3.48%	ROI (3)	9.48%	n.m.	
1.35%	ROE (4)	5.64%	n.m.	
0.34	Debt / Equity ratio (A/B)	0.31	0.35	
25%	Gearing (A / A+B)	23%	26%	
3,183	Number of employees (1)(5)	3,161	3,181	*(0.7%)*
	Stock prices (in euros) (6)			
-	• common shares(7)	-	-	
0.9592	• savings shares	1.0260	1.2716	
	Profit (Loss) per share (in euros)			
0.0175	• basic earnings per common share	0.0185	(0.0276)	
0.0475	• basic earnings per savings share	0.0485	0.0125	
0.0175	• diluted earnings per common share	0.0185	(0.0276)	
0.0475	• diluted earnings per savings share	0.0485	0.0125	

(1) End-of-period data. The changes are computed against the data at December 31, 2013.
(2) A breakdown of this item is provided in the "Net Financial Debt" section of the Review of the Group's Operating Performance and Financial Results.
(3) Annualized EBIT/Average net invested capital from continuing operations.
Net invested capital from continuing operations does not include the value of equity investments held as non-current assets and is computed as the arithmetic average of the net invested capital at the end of the period and at the end of the previous year.
(4) Annualized Group interest in net result/Average shareholders' equity attributable to Parent Company shareholders.
Average Group interest in shareholders' equity is the arithmetic average of the Group interest in shareholders' equity at the end of the period and at the end of the previous year.
(5) Companies consolidated line by line.
(6) Simple arithmetic average of the prices for the last calendar month of the period.
(7) Delisted on September 10, 2012

(*) The data for 2013 have been restated following the adoption of IFRS 11 "Joint Arrangements."

Sales Revenues and EBITDA by Business Segment

2013 full year (*)	(in millions of euros)	1st quarter 2014	1st quarter 2013 (*)	% change
	Electric Power Operations (1)			
7,136	Sales revenues	2,245	1,756	*27.8%*
656	Reported EBITDA	185	144	*28.5%*
666	Adjusted EBITDA (**)	188	149	*26.2%*
	Hydrocarbons Operations (1)			
5,870	Sales revenues	1,495	1,845	*(19.0%)*
425	Reported EBITDA	52	(127)	*n.m.*
415	Adjusted EBITDA (**)	49	(132)	*n.m.*
	Corporate Activities and Other Segments			
52	Sales revenues	12	12	-
(111)	EBITDA	(21)	(23)	*8.7%*
	Eliminations			
(908)	Sales revenues	(215)	(288)	*25.3%*
	EBITDA	-	-	
	Edison Group			
12,150	**Sales revenues**	**3,537**	**3,325**	***6.4%***
970	**EBITDA**	**216**	**(6)**	***n.m.***
8.0%	***as a % of sales revenues***	***6.1%***	***n.m.***	

(1) See the Simplified Structure of the Group on page 2.
(2) Includes those operations of Edison Spa, the Group's Parent Company, that engage in activities that are not industrial in nature and certain holding companies and real estate companies.

(*) The data for 2013 have been restated following the adoption of IFRS 11 "Joint Arrangements."

(**) 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 better operational presentation of industrial results.

Performance and Results of the Group

Operating Performance

In the first quarter of 2014, sales revenues grew to 3,537 million euros, or 6.4% more than in the same period last year.
At the individual sector level, revenues were up 27.8% for the Electric Power Operations, due to an increase in sales volumes, but down 19% for the Hydrocarbons Operations, due mainly to a lower sales volume and reduction in the average sale prices driven by trends in the benchmark scenario.

EBITDA totaled 216 million euros, up 222 million euros compared with the first quarter of 2013, when it was negative by 6 million euros. This result is the product of the following items:

- for the Hydrocarbon Operations (adjusted EBITDA(1) of 49 million euros, for an improvement of 181 million euros), the positive EBITDA generated by the Exploration and Production operations and the Regulated Gas Infrastructures, net of the loss in the gas buying and selling business, which continues to be characterized by negative sales margins;
- for the Electric Power Operations (adjusted EBITDA(1) of 188 million euros, up 39 million euros) the programs implemented to optimize the management of the thermoelectric production facilities portfolio and the substantial production of the hydroelectric power plants thanks to the great availability of water resources of the period.

For a more detailed analysis of the performance in the first quarter of 2014, please see the comments in the section of this Report entitled "Performance of the Group's Businesses."

EBIT totaled 220 million euros, for a major improvement compared with the loss of 144 million euros reported in the first quarter of 2013. In addition to the factors mentioned above, EBIT are after depreciation and amortization of 130 million euros and a net positive change in the fair value of derivatives amounting to 134 million euros which substantially reflects the significant reduction of the forward prices in the first quarter 2014 on the European gas markets. The increase of 12 million euros in depreciation, amortization and writedowns reflects primarily the change in scope of consolidation resulting from the consolidation of Edf UK, acquired in October 2013.
The net result from continuing operations totaled 102 million euros (loss of 143 million euros in the first quarter of 2013). This amount is after net financial expense of 32 million euros and income taxes of 88 million euros.

At March 31, 2014, net financial debt amounted to 2,229 million euros (2,458 million euros at March 31, 2013), down compared with 2,451 million euros at the end of December 2013. More detailed information

(1) See note on page 5.

about the individual components of this item is provided in the "Net Financial Debt" chapter found within the section of this Report entitled "Review of the Group's Operating Performance and Financial Results."

1The table below provides a breakdown of the changes that occurred in net financial debt:

2013 full year (*)	(in millions of euros)	1st quarter 2014	1st quarter 2013 (*)
(2,508)	**A. NET FINANCIAL (DEBT) AT BEGINNING OF PERIOD**	**(2,451)**	**(2,508)**
970	EBITDA	216	(6)
(82)	Change in operating working capital	73	256
(220)	Income taxes paid (-)	(25)	(27)
(176)	Change in other assets (liabilities)	31	(120)
492	**B. CASH FLOW FROM OPERATING ACTIVITIES**	**295**	**103**
(263)	Investments in property, plant and equipment and intangibles (-)	(73)	(49)
(4)	Investments in non-current financial assets (-)	-	-
(56)	Acquisition price of business combinations (-)	-	-
8	Proceeds from the sale of property, plant and equipment, intangibles and non-current financial assets	31	-
7	Capital distributions from equity investments	2	2
5	Dividends received	-	-
189	**C. FREE CASH FLOW**	**255**	**56**
(112)	Financial income (expense), net	(32)	(4)
-	Distributions of share capital and reserves	-	-
(20)	Dividends paid (-)	(1)	(2)
57	**D. CASH FLOW AFTER FINANCING ACTIVITIES**	**222**	**50**
-	Change in scope of consolidation	-	-
57	**E. NET CASH FLOW FOR THE PERIOD**	**222**	**50**
(2,451)	**F. NET FINANCIAL (DEBT) AT END OF PERIOD**	**(2,229)**	**(2,458)**

(*) The data for 2013 have been restated following the adoption of IFRS 11 "Joint Arrangements."

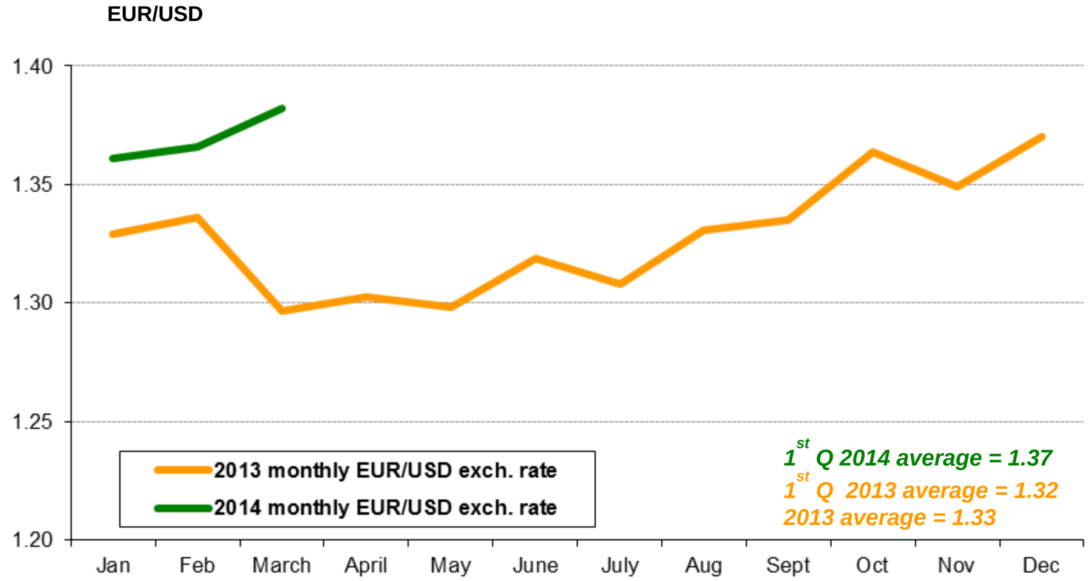
Outlook and Expected Year-end Results

Edison reaffirms its ability to generate EBITDA of 1 billion euros on a regular basis, the exact amount of which may vary depending on the timing of the price reviews of the natural gas supply long-term contracts. The Company is currently engaged in the second phase of the price review processes, which it expects to complete in 2014/2015. In 2014, net of any effect of the abovementioned renegotiations, EBITDA are expected to amount to at least 600 million euros.

Economic Framework

The first quarter of the year reflected uncertainty about the strength of the cyclical global recovery, regarding both the advanced economies and the emerging markets.
The recovery in the United States remained basically healthy despite an unusually harsh winter, but the pace of expansion slowed.
In Japan, domestic demand became more solid, but foreign demand, despite a weaker yen, continued to struggle providing only a marginal contribution to total demand.
The emerging economies, even though they have become sufficiently large to act as an independent growth engine, are expanding at a slower pace than in the past.
In the Eurozone, the recession has ended, with improvements even in the countries facing major difficulties (Portugal Spain and Italy), and the spreads for the "peripheral" countries and for Spain and Italy have narrowed considerably; this trend could become even more pronounced given the recent announcement by the ECB that it will pursue non-conventional securities buying policies, with the additional aim of minimizing the risk of excessively low inflation. In this scenario, an unexpected backdrop came from the Ukrainian crisis, which, in all likelihood, will affect more severely the European countries due to the existing close business relationships and the exposure of some European banks to those markets.
As for Italy, the pace at which it is emerging from a recession in the first quarter of the year is proving to be slower than expected and its economy continues to face some obstacles: the unemployment rate reached 13%, a level not seen since 1977; credit remains expensive and scarce; and internal demand is still quite weak, with only export capable of boosting Italian GDP, despite the further appreciation of the European single currency.

Overall, the euros appreciated versus the U.S. dollar in the first quarter of 2014, with the exchange rate averaging 1.37 USD for one euro, up 3.7% compared with the same period last year (1.32 USD for one euro), with rates ranging from a low of 1.35 USD for one euro at the beginning of February and a high of 1.394 USD for one euro on March 13; the exchange rate had not risen above 1.39 since October 2011. The fluctuations in exchange rates reflect changes in expectations about the monetary policies of the U.S. Fed and the ECB and market projections for the Eurozone's slowly improving economic outlook. As for monetary policy decisions, the ECB's Governing Council, at its latest meeting of March 6, decided to leave the benchmark interest rate unchanged at 0.25%, maintaining an accommodating stance that should support the gradual recovery of the Eurozone's economy, and confirmed expectations of an extended period of low inflation. Across the pond, insofar as economic policy is concerned, Janet Yellen, the new Fed Chair, stated that she intends cut back repurchases by 10 billion a month, bring the monetary stimulus down to zero by the end of 2014, always provided that the U.S. economy shows sufficient strength.



The low level of inflation mentioned earlier reflects to a significant extent the decrease in the price of energy commodities: crude oil prices averaged 107.90 USD/barrel in the first quarter of 2014, or 4.2% less than in the same period last year (112.60 USD/barrel); when the foreign exchange effect is factored in, the decrease is even more pronounced (-7.6%).

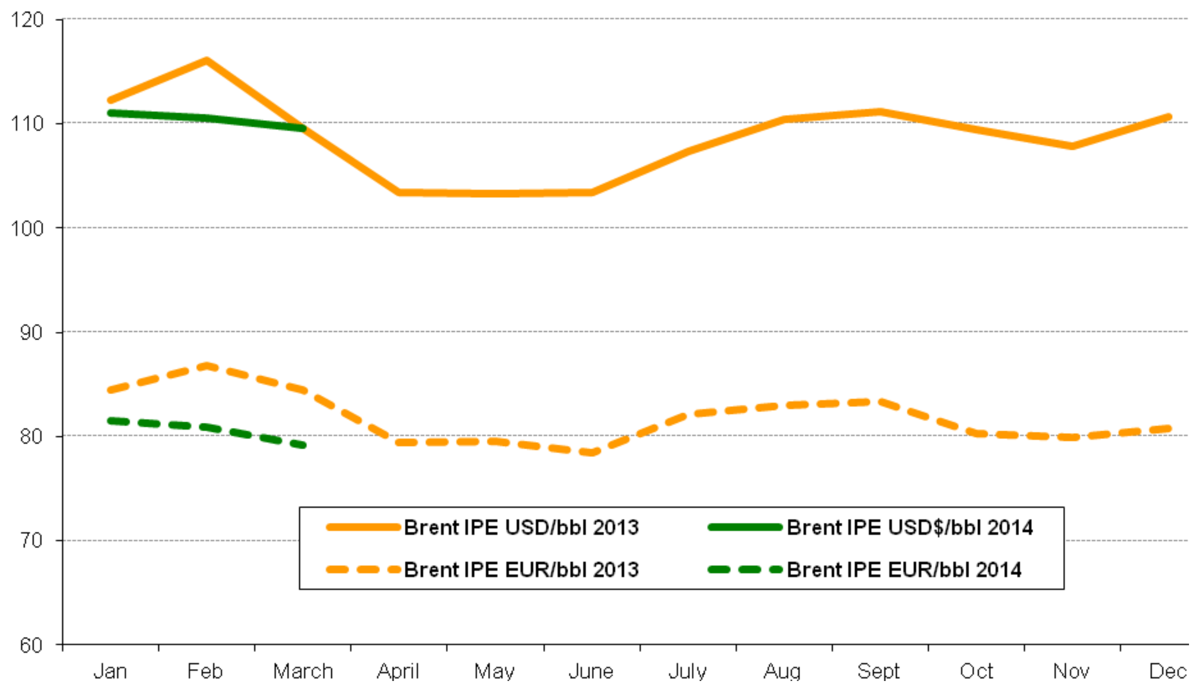
The unrest that occurred in Ukraine, culminating on March 18 with a referendum that produced the separation of Crimea from Kiev and the resulting request to become part of Russia, does not appear to have affected the oil market. Unrest in Libya also did not have a significant impact on prices: increased production from Iraq and other OPEC countries more than compensated a shortfall in Libyan crude; no additional shocks are expected in the near future, as the Libyan government reached an agreements with the rebels in Cyrenaica to reopen the oil terminals, shut down since July 2013.

Consequently, looking at fundamentals, supply conditions seem to point to an oil market with relatively abundant supply. On the demand side, according to the International Energy Agency, there should be a modest increase in demand (+1.2 million barrels) in 2014, compared with the previous year, all of which should produce a period of relatively stable prices.

The table and chart that follow show the average quarterly data and the monthly trends for 2014 and 2013:

2013 full year		1st quarter 2014	1st quarter 2013	*% change*
108.7	Oil price in USD/bbl(1)	107.9	112.6	*(4.2%)*
1.33	USD/EUR exchange rate	1.37	1.32	*3.7%*
81.9	Oil price in EUR/bbl	78.8	85.3	*(7.6%)*

(1) Brent IPE



On the Atlantic market, coal prices were also down sharply, due in part to an exceptionally mild winter, which reduced demand for electric power in Germany, a major coal user, and caused coal prices to fall to about 75 USD/ton in Europe.

The price of natural gas was down across the board on the main European hubs, decreasing by 12% on the Title Transfer Facility (TTF) and falling by the same percentage on the NCG hub in Germany; gas denominated in British pounds suffered an even steeper price decline, due to the appreciation of the euro versus the pound (Zeebrugge -15%, NCG -16%).

In the market for CO_2 emissions rights, a comparison of the average value of ETS credits for the quarter just ended with the value for the same period last year shown an increase of 27%, with the price rising from 4.6 EUR/ton to 5.90 EUR/ton, with a high of 7.3 EUR/ton reached on February 21, 2014. The main reason for this increase was the final approval of the long-awaited emission allowance backloading plan, which, after an endless series of steps in the authorization procedure, finally reached the end of its approval process: on February 24, 2014, the European Council approved a resolution by the EU Commission that quantifies the timing of the backloading mechanism, specifying that during the three-year period from 2014 to 2016, a total of 900 million allowances will be set aside, broken down as follows: 400 million in 2014, 300 million in 2015 and 200 million in 2016. This development provided an immediate lift for market prices, which, however, later retrenched to about 5 EUR/ton.

The Italian Energy Market

Demand for Electric Power in Italy and Market Environment

2013 full year	TWh	1st quarter 2014	1st quarter 2013	*% change*
277.4	Net production:	65.5	69.6	*(5.9%)*
182.5	*- Thermoelectric*	*42.4*	*50.0*	*(15.3%)*
52.5	*- Hydroelectric*	*13.0*	*9.7*	*33.7%*
42.3	*- Other renewables(1)*	*10.1*	*9.9*	*2.6%*
42.2	Net imports	13.4	12.1	*10.8%*
(2.4)	Pumping consumption	(0.7)	(0.5)	*44.0%*
317.1	**Total demand**	**78.1**	**81.2**	***(3.7%)***

Source: Analysis of preclosing Terna data for 2013 and 2014, before line losses.

(1) Includes production from geothermal, wind power and photovoltaic facilities.

In the first quarter of 2014, total gross demand for electric power from the Italian grid decreased to 78.1 TWh (TWh = 1 billion kWh), or 3.7% less than in the same period last year. On a seasonally adjusted basis (i.e., eliminating the impact of changes in the number of business days), the reduction in demand is equal to 3.5%.

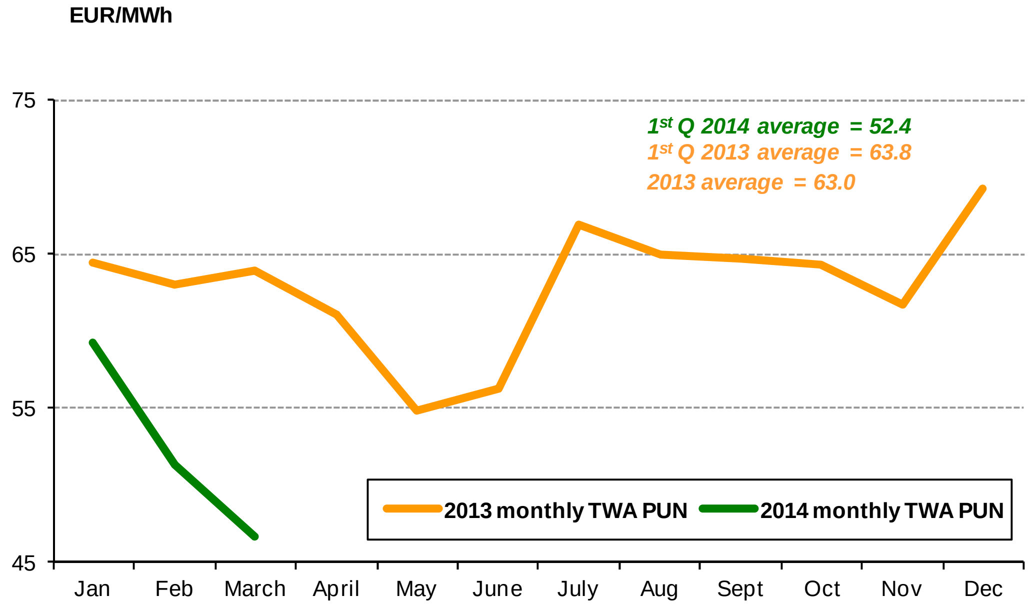
Net national production declined by 4.1 TWh as the combined result of a contraction of 3.0 TWh in demand for electric power, an increase of 1.3 TWh in net electric power imports and a gain of 0.2 TWh in pumping consumption. National production for the quarter, net of pumping consumption, was equal to 83% of demand, down from 85% in the first quarter of 2013, with net imports covering the remaining 17%.

In addition to net national production decreasing by 4.1 TWh, hydroelectric generation grew sharply, rising by 3.3 TWh (+33.7%), and production from other renewable sources increased by 0.3 TWh (+2.6%); consequently, thermoelectric production fell by 7.6 TWh (-15.3%) compare with the first three months of 2013. Specifically with regard to the main renewable energy sources, in addition to the abovementioned increase in hydroelectric production caused by a greater availability of water resources compared with 2013, there was an increase in production from photovoltaic facilities (+0.6 TWh), thanks to particularly sunny conditions in March, but the output of wind farm decreased (-0.4 TWh), due to less windy conditions during the period.

Insofar as the pricing scenario is concerned, the time-weighted average (TWA) for the Single National Price (abbreviated as PUN in Italian) decreased to 52.4 EUR/MWh at March 31, 2014, down 17.8% compared with the first three months of 2013 (63.8 EUR/MWh).
An exceptionally mild winter was clearly one of the key factors in explaining this significant decrease; more specifically, during the first three months of 2014, the weather in Italy was warmer on average by about 2.5 degrees centigrade compared with the thirty-year average, which caused a sharp drop in demand for natural

gas by residential users, with a depressing effect on gas prices at the Virtual Exchange Facility (VEF) and a resulting reduction in electric power prices.

In addition, the increased weight of imports and production from renewable sources, compared with thermoelectric sources, helped further reduce prices on the domestic market.



In Germany and France, the mild winter caused even larger price decreases compared with the situation in Italy: in the first three months of 2014, the average price of electric power contracted by 21% and 30%, respectively. Italy's differential widened with France, increasing from 9.50 EUR/MWh in the first quarter of 2013 to 14.6 EUR/MWh in 2014, but narrowed with Germany, shrinking from 21.5 EUR/MWh to 18.9 EUR/MWh.

Demand for Natural Gas in Italy and Market Environment

2013 full year	in billions of m³	1st quarter 2014	1st quarter 2013	% change
30.4	Services and residential customers	12.0	15.3	*(21.9%)*
16.9	Industrial users	4.6	4.6	*0.9%*
20.7	Thermoelectric power plants	4.5	5.9	*(23.6%)*
1.5	System usage and leaks	0.3	0.4	*(19.1%)*
69.5	**Total demand**	**21.4**	**26.2**	***(18.3%)***

Source: 2013 and 2014 preliminary data from Snam Rete Gas and the Ministry of Economic Development and Edison estimates.

In the first quarter of 2014, Italian demand for natural gas was down sharply, contracting by 18.3% compared with the same period last year to a total of about 21.4 billion cubic meters, for an overall reduction of about 4.8 billion cubic meters.

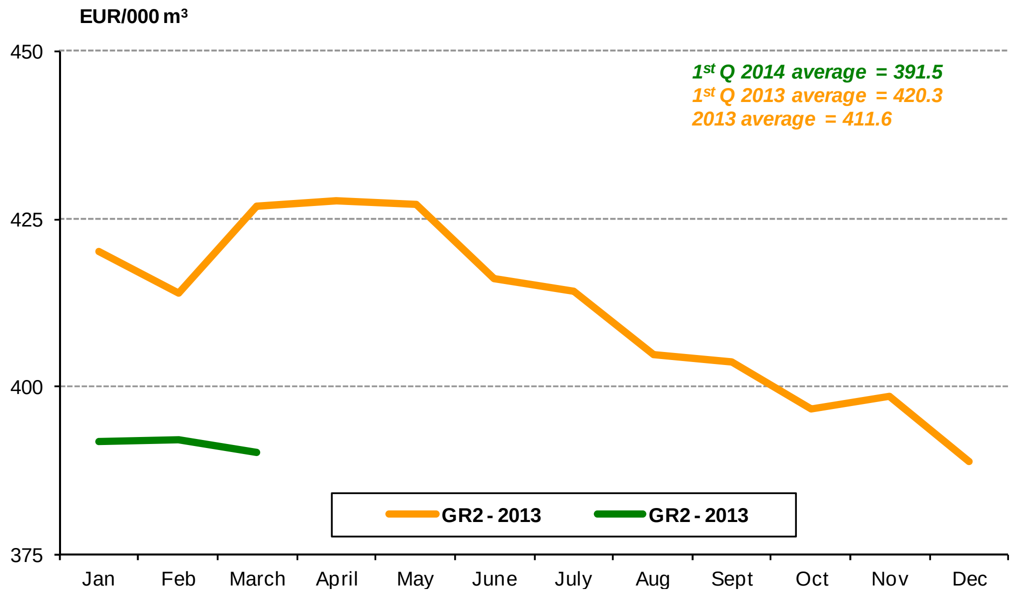
The main reason for this decrease is a contraction in demand from residential customers (decrease of about 3.4 billion cubic meters, or -21.9% compared with the first quarter of 2013), due an unusually mild winter weather and temperatures higher throughout the first quarter of 2014 than in the same period in 2013.

In addition, gas-fired thermoelectric production decreased (with gas consumption down by about 1.4 billion cubic meters, or -23.6%, compared with the first quarter of 2013), reflecting the impact of lower demand for electric power and a higher contribution by renewable-source production and imports. There was a slight improvement in the industrial sector compared with the first three months of 2013 (+0.9%), but demand is still substantially below its pre-crisis levels.

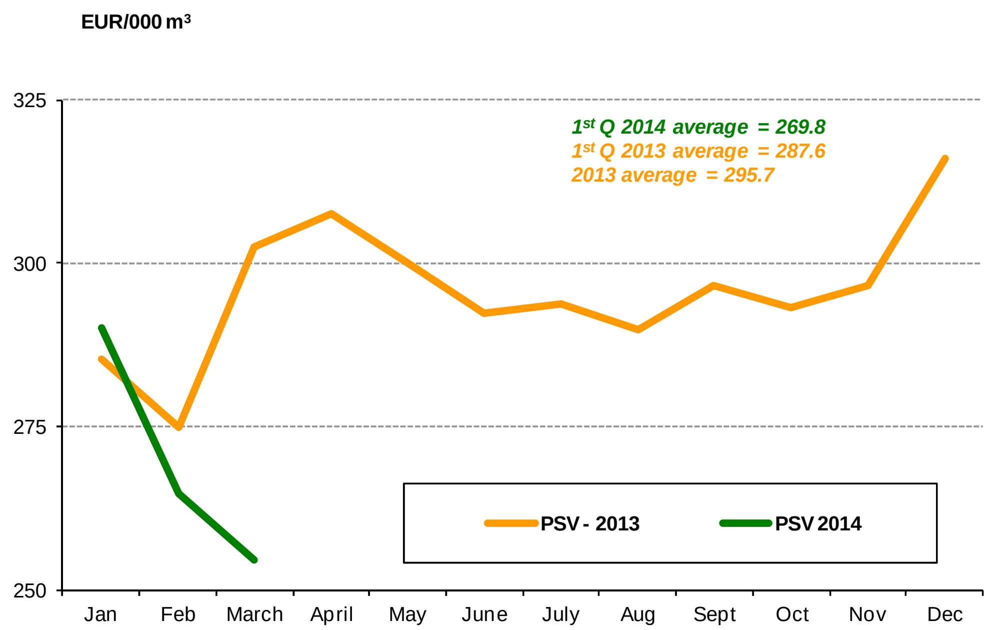
The following developments characterized supply sources in the first quarter of 2014:

- lower domestic production (-0.1 billion cubic meters; -7% compared with the first quarter of 2013);
- sharply lower gas imports (-2.2 billion cubic meters, or -13%, compared with last year's first quarter);
- significant reduction in volumes drawn from inventories of stored gas (-2.4 billion cubic meters, or -32% compared with the first quarter of 2013).

The monthly trend for prices of indexed gas (depicted in the chart below, which uses the Gas Release 2 formula as a benchmark) mirrors the trend of crude oil prices in euros, with the average price of indexed gas falling by 6.9% in the first three months of 2014 compared with the same period last year.



The monthly trend for gas prices on the spot market (shown in the chart below that uses the price on the Virtual Exchange Facility (VEF) as a benchmark) shows a drop of 6.2% compared with the first quarter of 2013. More in detail, the largest decline occurred in March, with prices on the VEF falling to the lowest level since 2010. This decrease was also largely the result of very mild winter weather, which caused gas demand from residential customers to contract by 19% compared with the same period last year. As a result, stored gas levels remained very high, with a dampening effect both on spot prices and forward prices for the summer season.



The table below shows average annual and quarterly prices for the Gas Release 2 and on the VEF:

2013 full year		1st quarter 2014	1st quarter 2013	*% change*
411.6	Gas Release 2 - euros/000 m^3 (1)	391.5	420.3	*(6.9%)*
295.7	VEF – euros/000 m^3	269.8	287.6	*(6.2%)*

(1) Gas Release 2: Gas sold by ENI to competitors pursuant to a 2007 resolution by the Antitrust Authority. It reflects the trend of natural gas prices under long-term supply contracts. The price is the one quoted on the VEF.

The CMEM rate component, which is representative of price levels charged in the residential market, is fully indexed to prices on the Title Transfer Facility (TTF) starting with the 2013-2014 thermal year, as per Resolution No. 196/2013/R/GAS, and, consequently, is related to the trend in European spot gas commented earlier in this report.

Legislative and Regulatory Framework

The main legislative and regulatory measures enacted in the first quarter of 2014 that had an impact on the various businesses of the Group are reviewed below.

Electric Power

Environment

Article 15 of **Law No. 23 of March 11, 2014, "Taxing Authority Delegation Law"** (*Official Gazette of the Italian Republic* No. 59 of March 12, 2014) sets forth provisions concerning "Taxation in the Energy and Environmental Fields." Pursuant to this article, authority has been delegated to the government to introduce new forms of taxation aimed at steering the market towards sustainable consumption and production modalities and revise the rule governing excise taxes on energy products and electric power, taking also into account carbon content and emissions of nitric oxide and sulfur oxide, consistent with the principles that will be adopted with the approval of the proposed amendment to Directive No. 2003/96/EC, as mentioned in Communication No. CIO(2011)196 published by the Commission on April 13, 2011.

Wholesale Market

Remuneration of production capacity: In January 2014, the Authority launched a specific procedure aimed at implementing the provision of the 2013 Stability Law concerning flexibility criteria for the remuneration of production capacity. In 2014, the Electric Power and Gas Authority (AEEG) will revise both the provisional mechanism (capacity payment) and the full-implementation mechanism (capacity market).

Facilities that are essential for the reliability of the electrical system: Facilities classified as essentials for 2014 included San Quirico (included with cost reimbursement status) and Milazzo (included in alternative modalities with a contract with Terna for the forward step-up supply of reserve on the Dispatching Services Market). Up until its sale, the Porcari power plant was also classified as essential (regular status with reimbursement only of variable costs during essential operation hours). The Torviscosa power plant, initially identified by Terna as essential, was removed from the list, having been denied cost reimbursement status: this facility is thus free to offer power on the market without any restriction.

Dispatching for renewable sources: The "Destination Italy" decree law, converted into law in February 2014, in practice eliminated the minimum guaranteed prices for all renewable-source facilities, except for photovoltaic systems of up to 100 kW and hydroelectric power plants of up to 500 kW. All other facilities will be fully exposed to zonal pricing. In March 2014, the Council of Stare heard the appeal filed by the AEEG against a decision by the Regional Administrative Court voiding Resolution No. 281/12/R/efr concerning the introduction of imbalance compensation penalties for non-programmable renewable-source facilities.

Private network, RIU and SEU: In March 2014, Enel Distribuzione challenged a resolution concerning San Quirico, by which the AEEG recognized Edison's right to obtain an agreement for the remuneration and use of its assets by the distributor.

Retail Market

Indemnification System: On October 4, 2012, the Regional Administrative Court held a hearing regarding the challenge filed against AEEG Resolutions No. 99/2012/R/eel and No. 195/2012/R/eel. On March 14, 2013, the Regional Administrative Court of Lombardy handed down a decision fully upholding the challenge filed by Edison Energia Spa, thereby voiding the rules governing the Indemnification System. The AEEG appealed this decision to the Council of State and filed a motion asking for a protective stay of its implementation. On July 22, 2013, all functionalities of the Indemnification System were reactivated. The Council of State was supposed to hand down a definitive ruling on February 4, 2014, but, in the interim, Edison had begun a constructive dialog with the AEEG that ended with the withdrawal of the challenge in January 2014. The dialog with the AEEG about the different mechanisms concerning the retail market (tool to minimize credit risks, distributor/seller relationship, simplification of customer invoices and commercial quality obligations, development of post-metering systems) is continuing, with important progress expected in the coming months, with the publication of consultation documents and resolutions in this area.

Hydrocarbons

Rates and Market

Rate regulations of the transmission system for the 2014-2017 regulatory period (Resolution No. 514/2013/R/GAS): The new regulation substantially confirms the old regulation, continuing to call, during the next regulatory period, for the adoption of a variable charge and a fixed charge for reserved transmission capacity. However, both the rate structure and the transmission capacity allocation criteria may be revised during the regulatory period, partly to ensure compliance with the European network code.
In addition, the regional charge for redelivery point located within 15 km from the national network is being gradually eliminated, as are the reductions of this charge for off-peak usage and the startup of new redelivery points. Lastly, a re-proportioning coefficient of the charge for daily capacity conveyances at the entry points is being introduced.

Gas balancing (Resolutions No. 27/2014/R/GAS and No. 57/2014/R/GAS): Starting on February 1, 2014, new flexibility resources were gradually introduced for the offer side on the G-1 balancing platform: in addition to pipeline imports, active since November 2013, it is also possible to offer:

- resources resulting from unused delivery/injection capacity of the transmission operator Snam Rete Gas;
- additional delivery capacity provided by Stogit to its users;
- available capacity from Edison Stoccaggio;
- guaranteed flexibility in managing the existing gas in the transmission network (line pack space).

Redetermination of gas transmission balancing sessions for 2013 (Resolution No. 534/2013/R/GAS): Snam Rete Gas published a procedure for redetermining the transmission balancing sessions from January to December 2013, in accordance with the provisions of Resolution No. 534/2013, so as to resolve issues that arose in regard to the allocations for this period due to lack of closing data by the commercial operations,

failure to communicate consumption data by distributors, automatic allocations for technology uses without substitute declarations and other errors made in the course of various activities.
This process will take place from February 2014 to July 2014 and any adjustments will also include penalties for exceeding capacity.

Fourth regulatory period for calls for tenders for area gas distribution:
The "Destination Italy" Decree Law No. 145 of December 23, 2013, converted into Law No. 9/2014, made significant changes to the Letta Decree No. 164/2000, amending some of its provisions concerning the criteria for valuing natural gas distribution networks relevant for the purpose of awarding service delivery contracts through calls for tenders. More specifically, the new law introduces a different method for computing the reimbursement value owed to the owners of the expiring awards and concessions, when it cannot be deduced from the contracts between the municipal administration and the operator, and makes reference to guidelines for the computation of the VIR that the Ministry of Economic Development is expected to publish. In any case, private contributions are excluded from the VIR computation, making the methodology consistent with the one used for the RAB computation. The expiration of the first block of areas that will be offered through calls for tenders is scheduled for July 11, 2014 and the calls for tenders for next two blocks have been postponed by four moths past the original dates.
As for the bidding costs, in order to facilitate the start of the calls for tender procedures, the law requires that they be advances by the outgoing operator, who will then recover them, with interest, from the incoming operators (who will recover this cost through the rate charged).
In the meantime, further to the approval of the Uniform Code on the quality of the rates for gas distribution and metering services for the 2014-2019 regulatory period (TUGD), the AEEG is completing the rate regulations for area concession, specifically with regard to the rate component that covers the difference between VIR and RAB, as required by Legislative Decree No. 93/11.

Infrastructures

Modulation storage – allocation modalities: The Ministry Decree that redefines the volumes and allocation modalities of the modulation storage for the 2014-2015 thermal year was published on February 19, 2014. The portion of storage earmarked for modulation needs was redetermined at 6.95 billion cubic meters (including 6.1 Stogit and 0.54 Edison Stoccaggio) and awarded through successive auctions, structured on the basis of a predefined calendar for the entire injection period and with a reserve price not known to operators. Out of this capacity, 50% is reserved for the modulation needs of the residential market, which will also have allocation priority in the in the order in which the auctions are held. With a subsequent resolution (No. 85/2014/R/gas), the AEEG regulated the methods for the organization of auction procedures for the award of storage capacity for the entire 2014-2015 thermal year, calling for a price formation system of the type based on the system's marginal price only for the first auction and of the pay-as-bid price for subsequent auctions. In addition, the consideration applied to uniform and peak storage capacity awarded will be, instead of the fs fee, the award fee, determined based on the outcome of the corresponding auction, and the fIP and the fPE fees will be set to zero. The gas handling fees will also be set at zero for all storage services. Lastly, in order to guarantee the revenues of storage operators, the CVos fee has been applied to gas injected into the network during the winter months: for the period from October 1, 2014 to March 31, 2015, this fee was set at 0.009 EUR/Scm, while the fee set in Resolution No. 641/13 (0.0095 EUR/Scm) will continue to apply until September 30, 2014.

European Regulations

MiFID: In January 2014, a political agreement was reached on the language of the Markets in Financial Instruments Directive (MiFID), which replaces and abrogates the existing Directive No. 39/2001. The new MiFID introduces important changes regarding the requirements for trading in commodities (i.e., to eventually become MiFID licensed and, consequently, qualify as a financial counterparty also pursuant to the European Market Infrastructure Regulation – EMIR) and makes significant changes in three areas: the exemptions framework, the definition of financial instruments and the introduction of a system of limits on commodity derivative positions. The current exemption system for commodity traders has been abrogated and, consequently, companies, in order to benefit from new exemption system, will have to prove that their financial instrument trading is ancillary to their main business and is a marginal endeavor compared with the group's main activity. ESMA and the Commission will take into account several criteria, including capital employed, in implementation measures that will be adopted in the near future, to assess the profile of trading activities (risk coverage, intercompany activities or speculative trading) and enable companies to define their status within the new reference framework. Another important new development, relevant also for the EMIR, is the new definition of financial instruments, relevant for energy commodity derivatives. Power and gas contracts with physical deliveries traded off regulated-market platform (i.e., on the new Organized Trading Facilities – "OTF") will not be treated as financial derivatives, as they are already governed by the REMIT Regulation. Oil and coal and other energy commodity derivatives, while qualifying as financial instruments, will be exempted for 42 months, counting from the effective date of the new Directive, from the requirements of the EMIR, specifically with regard to clearing and threshold computation. Other risk mitigation measures (compression, reconciliation, timely confirmation) will remain in effect. The system of limits on position willed defined at the national level by the various competent authorities, but based on common criteria that ESMA is expected to define in the future. Hedging derivatives will not be relevant for computation purposes, as is the case for thresholds in EMIR.
Publication in the *Official Gazette of the Italian Republic* of the Directive and the accompanying new Regulation (MiFIR) is expected in June/July 2014 and its enactment in the various national legal system is planned for the second quarter of 2016. Nevertheless, starting this year, ESMA and the European Commission will begin to establish the detailed conditions applicable to exemptions (i.e., ancillary nature of the activities, definition of intercompany activities) and the definition of financial instruments (i.e., physical delivery, characteristics of the new "OTF" platforms) and a system of position limits.

Performance of the Group's Businesses

Electric Power Operations

Quantitative Data

Sources

2013 full year (**)	GWh (*)	1st quarter 2014	1st quarter 2013 (**)	% change
18,408	**Edison's production**	**4,312**	**4,796**	***(10.1%)***
13,503	*- Thermoelectric power plants*	*3,187*	*4,007*	*(20.5%)*
4,029	*- Hydroelectric power plants*	*835*	*500*	*67.0%*
876	*- Wind farms and other renewables*	*290*	*289*	*0.3%*
37,934	**Other purchases (1)**	**10,717**	**8,968**	***19.5%***
56,342	**Total sources in Italy**	**15,029**	**13,764**	***9.2%***

(*) One GWh is equal to one million kWh, referred to physical volumes.
(**) The data for 2013 have been restated following the adoption of IFRS 11 "Joint Arrangements."
(1) Before line losses and excluding the trading portfolio.

Uses

2013 full year	GWh (*)	1st quarter 2014	1st quarter 2013	% change
215	**CIP 6/92 dedicated**	**52**	**115**	***(54.8%)***
921	**Captive and other customers**	**238**	**236**	***0.7%***
55,206	**Deregulated market:**	**14,739**	**13,413**	***9.9%***
19,149	- End customers (1)	5,210	4,608	*13.1%*
3,099	- IPEX and mandates	531	875	*(39.3%)*
22,267	- Wholesalers and industrial portfolio	6,274	5,328	*17.7%*
10,691	- Other sales (2)	2,724	2,602	*4.7%*
56,342	**Total uses in Italy**	**15,029**	**13,764**	***9.2%***

(*) One GWh is equal to one million kWh.
(1) Before line losses.
(2) Excluding the trading portfolio.

Financial Highlights

2013 full year (**)	in millions of euros	1st quarter 2014	1st quarter 2013 (**)	% change
7,136	**Sales revenues**	**2,245**	**1,756**	***27.8%***
656	Reported EBITDA	185	144	*28.5%*
666	Adjusted EBITDA(1)	188	149	*26.2%*
31	Capital expenditures	5	5	-
1,138	Number of employees (2)	1,116	1,181	*(2.0%)*

(1) See note on page 5.
(2) End-of-period data. The changes are computed against the data at December 31, 2013.
(**)The data for 2013 have been restated following the adoption of IFRS 11 "Joint Arrangements."

Production and Procurement

Edison's net production totaled 4,312 GWh, down 10.1% compared with the first three months of 2013; more in detail, thermoelectric output decreased by 20.5%, due mainly to a contraction in national demand for electric power, while hydroelectric production was up sharply (+67%), thanks an abundance of water resources during the period. The output of wind farms and other renewable-source facilities held relatively steady.
Other purchases carried out to round out the sources portfolio increased by 19.5% compared with the first quarter of 2013. However, it is important to keep in mind that this category includes purchases that occur when facilities operate in bidding mode and other transactions with relatively low unit margins.

Sales and Marketing

In the first three months of 2014, domestic sales of electric power totaled 15,029 GWh, or 9.2% more than in the same period last year.
Sales in the CIP 6/92 segments contracted by 54.8%, reflecting the impact of the expiration of the CIP 6/92 contract for the Cologno thermoelectric power plant.
In the deregulated market, sales dynamics differed depending of the type of portfolio; specifically, volumes were lower on the IPEX, but sales to end customers and wholesalers and in the forward markets increased.
As mentioned above in the section on procurement, other sales in the deregulated market include volumes generated with the production facilities operating in bidding mode.

Operating Performance

In the first quarter of 2014, sales revenues improved to 2,245 million euros, for a gain of 27.8% compared with the same period in 2013, thanks to the effect of higher sales volumes.
Adjusted EBITDA totaled 188 million euros at March 31, 2014 (149 million euros in the first three months of 2013). The increase of 39 million euros reflects the positive effects of an integrated management of the portfolio of thermoelectric power plants in the various target markets (Day Ahead Market, Dispatching Services Market and forward markets), an outstanding performance by the portfolio of hydroelectric power plants, which significantly increased productions thanks to plentiful water resources during the period, and, lastly, an increase in the margin on sales to end customers.

Capital Investments

Capital expenditures by the electric power operations, which totaled 5 million euros in the first three months of 2014, referred mainly to minor projects and maintenance upgrades at hydroelectric and thermoelectric power plants.

Hydrocarbons Operations

Quantitative Data

Sources of Natural Gas

2013 full year	in millions of m^3 of natural gas	1st quarter 2014	1st quarter 2013	*% change*
410	Production in Italy (1)	81	122	*(33.4%)*
12,512	Imports (Pipelines + LNG)	2,718	3,518	*(22.7%)*
3,078	Domestic purchases	718	595	*20.6%*
(341)	Change in stored gas inventory (2)	430	628	*(31.6%)*
15,659	**Total sources (Italy)**	**3,947**	**4,863**	***(18.8%)***
1,799	**Production outside Italy (3)**	**454**	**443**	***2.3%***

(1) Net of self-consumption and stated at Standard Calorific Power.
(2) Includes pipeline leaks. A negative change reflects additions to the stored gas inventory.
(3) Counting volumes withheld as production tax.

Uses of Natural Gas

2013 full year	in millions of m^3 of natural gas	1st quarter 2014	1st quarter 2013	*% change*
2,737	Residential use	1,070	1,335	*(19.8%)*
2,707	Industrial use	893	705	*26.6%*
6,578	Thermoelectric fuel use	1,260	1,749	*(28.0%)*
3,637	Other sales	724	1,074	*(32.6%)*
15,659	**Total uses in Italy**	**3,947**	**4,863**	***(18.8%)***
1,799	**Sales of production outside Italy (1)**	**454**	**443**	***2.3%***

(1) Counting volumes withheld as production tax.

Crude Oil Production

2013 full year	in thousands of barrels	1st quarter 2014	1st quarter 2013	*% change*
1,940	Production in Italy	639	355	*80.0%*
1,640	Production outside Italy (1)	410	433	*(5.3%)*
3,580	**Total production**	**1,049**	**788**	***33.1%***

(1) Counting volumes withheld as production tax.

Financial Highlights

2013 full year (*)	in millions of euros	1st quarter 2014	1st quarter 2013 (*)	*% change*
5,870	**Sales revenues**	**1,495**	**1,845**	***(19.0%)***
425	Reported EBITDA	52	(127)	*n.m.*
415	Adjusted EBITDA (1)	49	(132)	*n.m.*
135	Capital expenditures	48	28	*71.4%*
92	Investments in exploration	20	15	*33.3%*
1,415	Number of employees (2)	1,415	1,380	-

(1) See note on page 5.
(2) End-of-period data. The changes are computed against the data at December 31, 2013.
(*) The data for 2013 have been restated following the adoption of IFRS 11 "Joint Arrangements."

Production and Procurement

Net production of natural gas, counting the combined output of the Italian and international operations, totaled 535 million cubic meters in the first quarter of 2014, for a decrease of 5.4% compared with the same period last year. Production was down 33.4% in Italy, due to the depletion of existing fields, while outside Italy production was up slightly (+2.3%), thanks to the contribution of the concessions operated by Edf UK, acquired in October 2013, which partly offset the natural depletion of the Egyptian concessions.

Production of crude oil totaled 1,049,000 barrels (788,000 barrels in the first three months of 2013), with volumes increasing in Italy compared with the first quarter of 2013, thanks to the output generated from the Treasuro field following development activities carried out last year; outside Italy, production from the Egyptian concessions was down slightly (-5.3%).

Total imports of natural gas decreased by 22.7% reflecting lower demand by residential and thermoelectric users. The significant reduction in the contribution provided by the storage operations, amounting to 430 million cubic meters, reflects the impact of weather dynamics during the period.

Sales and Marketing

Sales of natural gas to customers in Italy totaled 3,947 million cubic meters, for a decrease of 18.8% compared with the first quarter of 2013.

More specifically, sales to residential users contracted by 19.8%, due to the weather dynamics mentioned above, while deliveries to thermoelectric users were down by 28%, due mainly to lower gas consumption by thermoelectric power plants, which, as mentioned above, were adversely affected by a contraction in national demand and an increase in output by renewable-source facilities. On the other hand, sales to industrial users grew by about 188 million cubic meters (+26.6%) thanks to demand from new customers.

Operating Performance

In the first quarter of 2014, sales revenues amounted to 1,495 million euros, or 19% less than in the first three months of 2013, due mainly to a contraction both in sales volumes and in average sales prices that reflects the impact of a significant decline in the benchmark scenario.

Adjusted EBITDA for the first quarter of 2014 were positive by 49 million euros, for a positive change of 181 million euros compared with the first three months of 2013.

This improvement is the net result of adjusted EBITDA of 103 million euros from the exploration and production activities (106 million euros in the first quarter of 2013) and the EBITDA contributed by regulated gas infrastructures, less a loss of about 90 million euros generated by the Group's activities engaged in buying and selling natural gas, which, on average, are still continuing to experience negative unit sales margins. For this reason, Edison is committed to completing the second cycle of renegotiations for all of its supply contracts, in the belief that it is essential to restore a reasonable level of profitability to its portfolio of multi-year contracts.

Capital Investments

Capital investments totaled about 48 million euros in the first quarter of 2014.

The main investments in Italy included 12 million euros to develop the Fauzia field and 15 million euros for sidetrack drilling activities at the Clara East field.

Investment projects outside Italy focused on the Zidane concession in Norway (3 million euros) and preliminary activities for the Polarled pipeline that will link Zidane with the mainland (4 million euros).

Exploration Activities

In the first three months of 2014, the Group invested about 20 million euros in exploration, including 10 million euros in the Handcross concession in Great Britain and 7 million euros in the Falkland Islands, for hydrocarbon exploration activities in the southern area.

Corporate Activities and Other Segments

Financial Highlights

2013 full year (*)	in millions of euros	1st quarter 2014	1st quarter 2013 (*)	*% change*
52	**Sales revenues**	**12**	**12**	-
(111)	EBITDA	(21)	(23)	*8.7%*
n.m.	*as a % of sales revenues*	n.m.	n.m.	
5	Capital expenditures	-	1	*n.m.*
630	Number of employees (1)	630	620	-

(1) End-of-period data. The changes are computed against the data at December 31, 2013.
(*) The data for 2013 have been restated following the adoption of IFRS 11 "Joint Arrangements."

Corporate Activities and Other Segments include those operations of Edison Spa, the Group's Parent Company, that engage in activities that are not industrial in nature and certain holding companies and real estate companies.

Sales revenues and EBITDA were substantially unchanged compared with the first three months of 2013.

Risks and Uncertainties

Please consult the "Group Financial Risk Management" section of the Review of the Group's Operating Performance, Financial Results and Financial Position, which explains the risk management activities of the Edison Group.

Other Information

Related Party Transactions

In the Review of the Group's Operating Performance, Financial Results and Financial Position, please consult the section entitled "Intercompany and Related-Party Transactions," which provides information on material transactions with related parties.

Additional Information

The Company chose to avail itself of the options provided under Article 70, Section 8, and Article 71, Section 1-*bis*, of the Issuers' Regulations. Consequently, it is not complying with the requirement to make available to the public an Information Memorandum in connection with significant transactions involving mergers, demergers, capital increases through conveyances of assets in kind, acquisitions and divestments.

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REVIEW OF THE GROUP'S OPERATING PERFORMANCE AND FINANCIAL RESULTS

at March 31, 2014

Income Statement

2013 full year (*)	of which related parties	(in millions of euros)	See Note	1st quarter 2014	of which related parties	1st quarter 2013 (*)	of which related parties
12,150	495	Sales revenues	1	3,537	87	3,325	127
709	4	Other revenues and income	2	126	1	85	
12,859	**499**	**Total net revenues**		**3,663**	**88**	**3,410**	**127**
(11,666)	(323)	Raw materials and services used (-)	3	(3,392)	(60)	(3,362)	(65)
(223)		Labor costs (-)	4	(55)		(54)	
970		**EBITDA**	5	**216**		**(6)**	
(9)		Net change in fair value of commodity derivatives	6	134		(20)	
(636)		Depreciation, amortization and writedowns (-)	7	(130)		(118)	
325		**EBIT**		**220**		**(144)**	
(112)	(16)	Net financial income (expense)	8	(32)	(11)	(4)	1
8	5	Income from (Expense on) equity investments	9	4	2	2	1
(4)		Other income (expense), net	10	(2)		-	
217		**Profit (Loss) before taxes**		**190**		**(146)**	
(119)		Income taxes	11	(88)		3	
98		**Profit (Loss) from continuing operations**		**102**		**(143)**	
-		Profit (Loss) from discontinued operations		-		-	
98		**Profit (Loss)**		**102**		**(143)**	
		Broken down as follows:					
2		Minority interest in profit (loss)		1		(1)	
96		**Group interest in profit (loss)**		**101**		**(142)**	
		Earnings (Loss) per share (in euros)	12				
0.0175		Basic earnings (loss) per common share		0.0185		(0.0276)	
0.0475		Basic earnings per savings share		0.0485		0.0125	
0.0175		Diluted earnings (loss) per common share		0.0185		(0.0276)	
0.0475		Diluted earnings per savings share		0.0485		0.0125	

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

Other Components of the Comprehensive Income Statement

2013 full year (*)	(in millions of euros)	See Note	1st quarter 2014	1st quarter 2013 (*)
98	**Profit (Loss)**		**102**	**(143)**
	Other components of comprehensive income:			
16	**A) Change in the Cash Flow Hedge reserve**	23	**25**	**78**
31	- Gains (Losses) arising during the period		34	130
(15)	- Income taxes		(9)	(52)
(4)	**B) Change in reserve for available-for-sale investments**	23	**2**	**(2)**
(4)	- Gains (Losses) arising during the period not realized		2	(2)
-	- Income taxes		-	-
(12)	**C) Differences on the translation of assets in foreign currencies**		**3**	**7**
(17)	- Gains (Losses) arising during the period not realized		4	7
5	- Income taxes		(1)	-
-	**D) Pro rata interest in other components of comprehensive income of investee companies**		-	-
(1)	**E) Actuarial Gains (Losses) (**)**		**-**	**(2)**
(1)	- Actuarial Gains (Losses)		-	(2)
-	- Income taxes		-	-
(1)	**Total other components of comprehensive income net of taxes (A+B+C+D+E)**		**30**	**81**
97	**Total comprehensive profit (loss)**		**132**	**(62)**
	Broken down as follows:			
2	Minority interest in comprehensive profit (loss)		1	(1)
95	**Group interest in comprehensive profit (loss)**		**131**	**(61)**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".
(**) Items not reclassifiable in Income Statement.

Balance Sheet

01.01.2013 (*)		(in millions of euros)		**03.31.2014**		12.31.2013 (*)	
	of which related parties		*See Note*		**of which related parties**		of which related parties
		ASSETS					
4,571		Property, plant and equipment	*13*	4,282		4,344	
9		Investment property	*14*	6		6	
3,231		Goodwill	*15*	3,231		3,231	
948		Hydrocarbon concessions	*16*	840		860	
103		Other intangible assets	*17*	117		114	
150	150	Investments in associates	*18*	146	146	144	144
194		Available-for-sale investments	*18*	183		183	
12	7	Other financial assets	*19*	105	89	106	90
136		Deferred-tax assets	*20*	221		236	
108		Other assets	*21*	186		189	
9,462		**Total non-current assets**		**9,317**		**9,413**	
386		Inventories		337		486	
3,293	53	Trade receivables		3,729	120	3,098	120
25		Current-tax assets		17		24	
543	84	Other receivables		853	115	653	96
180	83	Current financial assets		80	6	77	6
735		Cash and cash equivalents		716	502	492	245
5,162		**Total current assets**	*22*	**5,732**		**4,830**	
1		**Assets held for sale**	-	**-**		**-**	
-		**Eliminations of assets from and to discontinued operations**		**-**		**-**	
14,625		**Total assets**		**15,049**		**14,243**	
		LIABILITIES AND SHAREHOLDERS' EQUITY					
5,292		Share capital		5,292		5,292	
1,693		Reserves and retained earnings (loss carryforward)		1,786		1,750	
(11)		Reserve for other components of comprehensive income		18		(12)	
81		Group interest in profit (loss)		101		96	
7,055		**Total shareholders' equity attributable to Parent Company shareholders**		**7,197**		**7,126**	
119		Shareholders' equity attributable to minority shareholders		108		113	
7,174		**Total shareholders' equity**	*23*	**7,305**		**7,239**	
35		Provision for employee severance indemnities and provisions for pensions	*24*	34		35	
53		Provision for deferred taxes	*25*	59		64	
853		Provisions for risks and charges	*26*	904		901	
1,796		Bonds	*27*	598		1,098	
151		Long-term financial debt and other financial liabilities	*28*	1,016	796	972	795
29		Other liabilities	*29*	5		5	
2,917		**Total non-current liabilities**		**2,616**		**3,075**	
104		Bonds		1,274		772	
1,379	16	Short-term financial debt		226	26	268	22
2,354	80	Trade payables		2,732	86	2,177	92
10		Current taxes payable		64		42	
687	124	Other liabilities		832	174	670	111
4,534		**Total current liabilities**	*30*	**5,128**		**3,929**	
-		**Liabilities held for sale**		**-**		**-**	
-		**Eliminations of liabilities from and to discontinued operations**		**-**		**-**	
14,625		**Total liabilities and shareholders' equity**		**15,049**		**14,243**	

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

Cash Flow Statement

The table below analyzes the **cash flow** as it applies to short-term liquid assets (i.e., due within 3 months) in the first quarter of 2014. In order to provide a better understanding of the Group's cash generation and utilization dynamics, the information provided below is supplemented by the data presented in a separate statement, included in the Report on Operations, which shows the changes in the Group's net financial debt.

2013 full year (*)	of which related parties	(in millions of euros)	See Note	1st quarter 2014	of which related parties	1st quarter 2013 (*)	of which related parties
217		**Profit (Loss) before taxes**		**190**		**(146)**	
636		Depreciation, amortization and writedowns	7	130		118	
(44)		Net additions to provisions for risks		(5)		3	
(5)	(5)	Interest in the result of companies valued by the equity method (-)		(2)	(2)	(1)	(1)
5	5	Dividends received from companies valued by the equity method		-		-	
(21)		(Gains) Losses on the sale of non-current assets		(6)		-	
(2)		Change in the provision for employee severance indemnities and provisions for pensions	24	(1)		(1)	
(2)		Change in fair value recorded in EBIT		(193)		2	
(82)	(55)	Change in operating working capital		73	(6)	256	(68)
(119)	(25)	Change in other operating assets and liabilities		105	44	(92)	2
113	13	Financial (income) expense	8	30	4	18	(1)
(95)	(7)	Net financial expense paid		(25)	1	(26)	1
(220)		Income taxes paid		(25)		(27)	
381		**A. Cash flow from continuing operations**		**271**		**104**	
(263)		Additions to intangibles and property, plant and equipment (-)	13-17	(73)		(49)	
(4)		Additions to non-current financial assets (-)		-		-	
(56)	(56)	Net price paid on business combinations (-)		-		-	
8		Proceeds from the sale of intangibles and property, plant and equipment		31		-	
-		Proceeds from the sale of non-current financial assets		-		-	
7		Repayment of capital contribution by non-current financial assets		2		2	
24		Change in other current financial assets		(2)	(1)	2	
(284)		**B. Cash used in investing activities from continuing operations**		**(42)**		**(45)**	
1,796	1,343	Receipt of new medium-term and long-term loans	27, 28, 30	-		353	
(2,079)	(550)	Redemption of medium-term and long-term loans (-)	27, 28, 30	(5)		(4)	
(37)		Change in short-term net financial debt		1		(62)	
-		Distribution of shareholders' equity and reserves (-)		-		-	
(20)		Dividends paid to controlling companies or minority shareholders (-)		(1)		(2)	
(340)		**C. Cash used in financing activities from continuing operations**		**(5)**		**285**	
-		**D. Net currency translation differences**		-		-	
(243)		**E. Net cash flow for the period from continuing operations (A+B+C+D)**		**224**		**344**	
-		**F. Net cash flow for the period from discontinued operations**		-		-	
(243)		**G. Net cash flow for the period (continuing and discontinued operations) (E+F)**		**224**		**344**	
735		**H. Cash and cash equivalents at the beginning of the year from continuing operations**		**492**		**735**	
-		**I. Cash and cash equivalents at the beginning of the year from discontinued operations**		-		-	
492	245	**L. Cash and cash equivalents at the end of the period (continuing and discontinued operations) (G+H+I)**		**716**	502	**1,079**	159
-		**M. Cash and cash equivalents at the end of the period from discontinued operations**		-		-	
492	245	**N. Cash and cash equivalents at the end of the period from continuing operations (L-M)**		**716**	502	**1,079**	159

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

Changes in Consolidated Shareholders' Equity

(in millions of euros)			Reserve for other components of comprehensive income								
	Share capital	Reserves and retained earnings (loss carry-forward)	Cash Flow Hedge reserve	Reserve for available-for-sale investments	Differences on the translation of assets in foreign currencies	Interest in other com-ponents of comprehen-sive income of investee companies	Actuarial gains (losses)	Group interest in profit (loss)	Total shareholders' equity attributable to Parent Company shareholders	Shareholders' equity attributable to minority shareholders (*)	Total shareholders' Equity (*)
Balance at January 1, 2013	**5,292**	**1,693**	**(16)**	**4**	**1**	**-**	**-**	**81**	**7,055**	**119**	**7,174**
Appropriation of the previous year's profit (loss)	-	81	-	-	-	-	-	(81)	-	-	-
Dividends and reserves distributed	-	(17)	-	-	-	-	-	-	*(17)*	(7)	*(24)*
Other changes	-	(5)	-	-	-	-	-	-	*(5)*	1	*(4)*
Total comprehensive profit (loss)	-	-	78	(2)	7	-	(2)	(142)	*(61)*	(1)	*(62)*
of which:											
- Change in comprehensive income for the period	-	-	78	(2)	7	-	(2)	-	*81*	-	*81*
- Profit (Loss) at 03.31.2013	-	-	-	-	-	-	-	(142)	*(142)*	(1)	*(143)*
Balance at March 31, 2013	**5,292**	**1,752**	**62**	**2**	**8**	**-**	**(2)**	**(142)**	**6,972**	**112**	**7,084**
Other changes	-	(2)	-	-	-	-	-	-	*(2)*	(2)	*(4)*
Total comprehensive profit (loss)	-	-	(62)	(2)	(19)	-	1	238	*156*	3	*159*
of which:											
- Change in comprehensive income for the period	-	-	(62)	(2)	(19)	-	1	-	*(82)*	-	*(82)*
- Profit (Loss) from 04.01.2013 to 12.31.2013	-	-	-	-	-	-	-	238	*238*	3	*241*
Balance at December 31, 2013	**5,292**	**1,750**	**-**	**-**	**(11)**	**-**	**(1)**	**96**	**7,126**	**113**	**7,239**
Appropriation of the previous year's profit (loss)	-	96	-	-	-	-	-	(96)	-	-	-
Dividends and reserves distributed	-	(63)	-	-	-	-	-	-	*(63)*	(7)	*(70)*
Other changes	-	3	-	-	-	-	-	-	*3*	1	*4*
Total comprehensive profit (loss)	-	-	25	2	3	-	-	101	*131*	1	*132*
of which:											
- Change in comprehensive income for the period	-	-	25	2	3	-	-	-	*30*	-	*30*
- Profit (Loss) at 03.31.2014	-	-	-	-	-	-	-	101	*101*	1	*102*
Balance at March 31, 2014	**5,292**	**1,786**	**25**	**2**	**(8)**	**-**	**(1)**	**101**	**7,197**	**108**	**7,305**

(*) The amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

NOTES TO THE QUARTERLY REPORT AT MARCH 31, 2014

ACCOUNTING PRINCIPLES AND CONSOLIDATION CRITERIA

Content and Presentation

The Edison Group's Quarterly Report at March 31, 2014 was prepared in accordance with Article 154-ter of Legislative Decree No. 58 of February 24, 1998, as amended, and the interim financial disclosures it provides are consistent with the provisions of IAS 34 - Interim Financial Reporting. The abovementioned report is consistent with the requirements of the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), as published in the Official Journal of the European Union (O.J.E.U.).

Methods applied to the Preparation of the Quarterly Report

Please note that the international accounting principles are consistent with those used for the Consolidated Financial Statements at December 31, 2013, and that the following amendments and interpretations are applicable starting in 2014:

- **IFRS 10 "Consolidated Financial Statements"**: the new standard partially replaces IAS 27 and the interpretation SIC 12, providing a new unified definition of control for the consolidation of entities. An investor company has control over another company when it has concurrently the power to direct the investee company's relevant decisions, it is exposed to its future performance and can use its use its power to influence the performance of the investee company. This standard did not have any impact on the consolidation area;
- **IFRS 11 "Joint Arrangements"**: substitutes the IAS 31 "Interests in Joint Ventures" and it is applicable to all the companies that are parties to agreements through which two or more parties that share control through unanimous consent, have the power to direct the relevant decisions and govern the exposure to future performances. Two types of agreements are identified:
    - **Joint operation**: the participant to this agreement accounts for its share of assets, liabilities and revenues and costs in its separate financial statements;
    - **Joint venture**: the contractual agreement is managed by means of a company and the participant in the agreement has only the right to the net cash flows resulting from the business activity. The interest in the joint venture is valued by the equity method.

  This standard, applied retrospectively, entails the deconsolidation of some joint entities belonging both the Electric Power Operations and the Hydrocarbon Operations. The impact on the previous year's Income Statement, Balance Sheet an Cash Flow Statement data is shown in the Comparability section, later in these Notes. Within these Notes, the amounts for the previous year have been restated as a result of the adoption of this principle and thus are consistent with those for 2014.

- **IFRS 12 "Disclosure of Interests in Other Entities"**: it combines into a single standard the disclosure requirements regarding subsidiaries, joint arrangements and associates, in order to specify the assumptions relevant to the determination of the type of equity interest held. In addition, the information that must be disclosed upon initial adoption of IFRS 10 and IFRS 11 has been reduced, with the presentation of comparative information required only for the previous year.
- **IAS 27** revised **"Separated financial Statements"**: this standard was revised following the introduction of IFRS 10 and provides a comprehensive guide focused only on the preparation of separate financial statements;
- **IAS 28** revised **"Investments in Associates and Joint Ventures"**: it reflects the changes in the classification of joint arrangement introduced by IFRS 11 and extends to joint ventures the implementation of the equity method and all other requirements applicable to accounting for investments in associates;
- **IAS 32** revised **"Financial Instruments: Presentation":** it introduces an application guide on the subject of offsetting agreements that clarifies the requirements for offsetting financial assets and liabilities;
- **IAS 36** revised **"Impairment of Assets"**: this standard includes the requirements of IFRS 13, introducing additional disclosures in cases where a loss is recognized or derecognized and the recoverable amount corresponds to the fair value net of costs to sell;
- **IAS 39** revised **"Financial Instruments: Recognition and Measurement"**: these changes allow a continuation of hedge accounting of derivatives that are designated as such in the event that they are the subject of novation as a result of legislation or regulations (i.e., EMIR). This principle does not apply to Edison at this time.

An amendment to **IFRS 10**, **IFRS 12** and **IAS 27** concerning investment companies that are required to measure subsidiaries at fair value through profit or loss rather than consolidate them is also applicable as of January 1, 2014. Parent companies of investment companies continue to consolidate their subsidiaries.

The publication of the Quarterly Report at March 31, 2014, which has not been audited, was authorized by the Board of Directors on May 13, 2014.

Unless otherwise stated, all amounts in these accompanying notes are in millions of euros.

Significant assumptions in determining control in accordance with IFRS 12

For consolidation purposes, Edison determined that it met the requirements of IFRS 10. More specifically, the Group consolidates two companies, Hydros (owned at 40%) and Dolomiti Edison Energy (owned at 49%). The purpose of these two companies and the manner in which they were established ensure that the voting rights are not the dominant factor in determining control, as they concern only current activities of a residual nature. Significant activities are directed through contractual agreements. These agreements expose Edison to the majority of the variables returns and give it the power to influence the returns through the management of the significant activities (in particular, the management, withdrawal at predetermined prices and dispatching of electric power).

Changes in the Scope of Consolidation Compared with December 31, 2013

The changes in the Group's scope of consolidation that occurred in the first quarter of 2014 mainly concerned the adoption of IFRS 11 "Joint Arrangements". This change affected some entities previously consolidated by the proportional method, for which, starting on January 1, 2014, the equity interest held is valuated by the equity method. The companies affected are listed below, showing the respective business segment:

Electric Power Operations:

- Elpedison Power Sa consolidated at 50% with Group interest at 37.89%;
- Elpedison Energy Sa consolidated at 50%;
- Sel Edison Spa consolidated at 42%;
- Ibiritermo Sa consolidated at 50%;
- Parco Eolico Castelnuovo Srl consolidated at 50%;

Hydrocarbon Operations:

- Ed-Ina D.o.o. consolidated at 50%;
- IGI Poseidon Sa consolidated at 50%;
- ICGB AD consolidated at 25%;
- Abu Qir Petroleum Company consolidated at 50%;
- Fayoum Petroleum Co – Petrofayoum consolidated at 30%.

More specifically, with reference to the operating companies Abu Qir Petroleum Company and Fayoum Petroleum Co - Petrofayoum, acting in the capacity as agents of Edison International Spa, please note that the transactions executed on behalf of Edison International Spa pursuant to the Concession Agreements continue to be consolidated by proportional method through the separated company financial statements.

Corporate:

- Elpedison Bv consolidated at 50%.

Moreover, D.S. Smith Paper Italia Srl, a wholly owned subsidiary of Edison Spa consolidated line by line in Electric Power Operations to which the Porcari thermoelectric power plant was conveyed at the beginning of 2014, was divested in February. This disposal generated a gain of about 6 million euros and proceeds of about 31 million euros.

Comparability

As mentioned above, as of January 1, 2014, further to the adoption of the accounting principle IFRS 11 "Joint Arrangements", certain companies previously consolidated by the proportional method are valued by the equity method. The comparative data for the previous periods were restated in accordance with the new principle, consistent with the data for 2014 according to IAS 1.

For the sake of greater clarity, the tables that follows show the effects of these restatements on the:

- Income Statement for the first quarter of 2013 and 2013 full year;
- Balance Sheet at January 1, 2013 and at December 31, 2013;
- Balance Sheet at March 31, 2013;
- Cash Flow Statement for the first quarter of 2013 and 2013 full year.

Income Statement for the first quarter of 2013 and 2013 full year

2013 Full year Published	IFRS 11	2013 Restated	(in millions of euros)	1st quarter 2013 Published	IFRS 11	1st quarter 2013 Restated
12,335	(185)	12,150	Sales revenues	3,374	(49)	3,325
715	(6)	709	Other revenues and income	85	-	85
13,050	**(191)**	**12,859**	**Total net revenues**	**3,459**	**(49)**	**3,410**
(11,815)	149	(11,666)	Raw materials and services used (-)	(3,402)	40	(3,362)
(226)	3	(223)	Labor costs (-)	(55)	1	(54)
1,009	**(39)**	**970**	**EBITDA**	**2**	**(8)**	**(6)**
(9)	-	(9)	Net change in fair value of commodity derivatives	(20)	-	(20)
(656)	20	(636)	Depreciation, amortization and writedowns (-)	(122)	4	(118)
344	**(19)**	**325**	**EBIT**	**(140)**	**(4)**	**(144)**
(115)	3	(112)	Net financial income (expense)	(5)	1	(4)
3	5	8	Income from (Expense on) equity investments	1	1	2
(4)	-	(4)	Other income (expense), net	-	-	-
228	**(11)**	**217**	**Profit (Loss) before taxes**	**(144)**	**(2)**	**(146)**
(130)	11	(119)	Income taxes	1	2	3
98	**-**	**98**	**Profit (Loss) from continuing operations**	**(143)**	**-**	**(143)**
-	-	-	Profit (Loss) from discontinued operations	-	-	-
98	**-**	**98**	**Profit (Loss)**	**(143)**	**-**	**(143)**
			Broken down as follows:			
2	-	2	Minority interest in profit (loss)	(1)	-	(1)
96	**-**	**96**	**Group interest in profit (loss)**	**(142)**	**-**	**(142)**
			Earnings (Loss) per share (in euros)			
0.0175		0.0175	Basic earnings (loss) per common share	(0.0276)		(0.0276)
0.0475		0.0475	Basic earnings per savings share	0.0125		0.0125
0.0175		0.0175	Diluted earnings (loss) per common share	(0.0276)		(0.0276)
0.0475		0.0475	Diluted earnings per savings share	0.0125		0.0125

Balance Sheet at January 1, 2013 and at December 31, 2013

01.01.2013				12.31.2013		
Published	IFRS 11	Restated	(in millions of euros)	Published	IFRS 11	Restated
			ASSETS			
4,786	(215)	4,571	Property, plant and equipment	4,548	(204)	4,344
9	-	9	Investment property	6	-	6
3,231	-	3,231	Goodwill	3,231	-	3,231
948	-	948	Hydrocarbon concessions	860	-	860
105	(2)	103	Other intangible assets	115	(1)	114
51	99	150	Investments in associates	51	93	144
194	-	194	Available-for-sale investments	183	-	183
75	(63)	12	Other financial assets	74	32	106
145	(9)	136	Deferred-tax assets	245	(9)	236
108	-	108	Other assets	189	-	189
9,652	**(190)**	**9,462**	**Total non-current assets**	**9,502**	**(89)**	**9,413**
390	(4)	386	Inventories	489	(3)	486
3,391	(98)	3,293	Trade receivables	3,176	(78)	3,098
25	-	25	Current-tax assets	26	(2)	24
562	(19)	543	Other receivables	664	(11)	653
99	81	180	Current financial assets	75	2	77
753	(18)	735	Cash and cash equivalents	506	(14)	492
5,220	**(58)**	**5,162**	**Total current assets**	**4,936**	**(106)**	**4,830**
1	**-**	**1**	**Assets held for sale**	**-**	**-**	**-**
14,873	**(248)**	**14,625**	**Total assets**	**14,438**	**(195)**	**14,243**
			LIABILITIES AND SHAREHOLDERS' EQUITY			
5,292	-	5,292	Share capital	5,292	-	5,292
1,693	-	1,693	Reserves and retained earnings (loss carryforward)	1,750	-	1,750
(11)	-	(11)	Reserve for other components of comprehensive income	(12)	-	(12)
81	-	81	Group interest in profit (loss)	96	-	96
7,055	**-**	**7,055**	**Total shareholders' equity attributable to Parent Company shareholders**	**7,126**	**-**	**7,126**
132	(13)	119	Shareholders' equity attributable to minority shareholders	126	(13)	113
7,187	**(13)**	**7,174**	**Total shareholders' equity**	**7,252**	**(13)**	**7,239**
35	-	35	Provision for employee severance indemnities and provisions for pensions	36	(1)	35
79	(26)	53	Provision for deferred taxes	90	(26)	64
863	(10)	853	Provisions for risks and charges	903	(2)	901
1,796	-	1,796	Bonds	1,098	-	1,098
174	(23)	151	Long-term financial debt and other financial liabilities	1,035	(63)	972
31	(2)	29	Other liabilities	7	(2)	5
2,978	**(61)**	**2,917**	**Total non-current liabilities**	**3,169**	**(94)**	**3,075**
104	-	104	Bonds	772	-	772
1,461	(82)	1,379	Short-term financial debt	282	(14)	268
2,440	(86)	2,354	Trade payables	2,240	(63)	2,177
11	(1)	10	Current taxes payable	43	(1)	42
692	(5)	687	Other liabilities	680	(10)	670
4,708	**(174)**	**4,534**	**Total current liabilities**	**4,017**	**(88)**	**3,929**
-	**-**	**-**	**Liabilities held for sale**	**-**	**-**	**-**
14,873	**(248)**	**14,625**	**Total liabilities and shareholders' equity**	**14,438**	**(195)**	**14,243**

Balance Sheet at March 31, 2013

	03.31.2013		
(in millions of euros)	Published	IFRS 11	Restated
ASSETS			
Property, plant and equipment	4,751	(215)	4,536
Investment property	9	-	9
Goodwill	3,231	-	3,231
Hydrocarbon concessions	927	-	927
Other intangible assets	103	(2)	101
Investments in associates	50	98	148
Available-for-sale investments	189	-	189
Other financial assets	76	(64)	12
Deferred-tax assets	138	(10)	128
Other assets	122	(1)	121
Total non-current assets	**9,596**	**(194)**	**9,402**
Inventories	140	(4)	136
Trade receivables	3,407	(90)	3,317
Current-tax assets	16	(1)	15
Other receivables	781	(13)	768
Current financial assets	97	76	173
Cash and cash equivalents	1,097	(18)	1,079
Total current assets	**5,538**	**(50)**	**5,488**
Assets held for sale	**1**	**-**	**1**
Eliminations of assets from and to discontinued operations	**-**	**-**	**-**
Total assets	**15,135**	**(244)**	**14,891**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Share capital	5,292	-	5,292
Reserves and retained earnings (loss carryforward)	1,752	-	1,752
Reserve for other components of comprehensive income	70	-	70
Group interest in profit (loss)	(142)	-	(142)
Total shareholders' equity attributable to Parent Company	**6,972**	**-**	**6,972**
Shareholders' equity attributable to minority shareholders	124	(12)	112
Total shareholders' equity	**7,096**	**(12)**	**7,084**
Provision for employee severance indemnities and provisions for	36	-	36
Provision for deferred taxes	85	(29)	56
Provisions for risks and charges	878	(7)	871
Bonds	1,796	-	1,796
Long-term financial debt and other financial liabilities	171	(17)	154
Other liabilities	31	(1)	30
Total non-current liabilities	**2,997**	**(54)**	**2,943**
Bonds	95	-	95
Short-term financial debt	1,758	(86)	1,672
Trade payables	2,470	(84)	2,386
Current taxes payable	30	-	30
Other liabilities	689	(8)	681
Total current liabilities	**5,042**	**(178)**	**4,864**
Liabilities held for sale	**-**	**-**	**-**
Eliminations of liabilities from and to discontinued operations	**-**	**-**	**-**
Total liabilities and shareholders' equity	**15,135**	**(244)**	**14,891**

Cash Flow Statement for the first quarter 2013 and 2013 full year

2013 full year					1st quarter 2013		
Published	**IFRS 11**	**Restated**		(in millions of euros)	**Published**	**IFRS 11**	**Restated**
228	**(11)**	**217**		**Profit (Loss) before taxes**	**(144)**	**(2)**	**(146)**
656	(20)	636		Depreciation, amortization and writedowns	122	(4)	118
(45)	1	(44)		Net additions to provisions for risks	2	1	3
-	(5)	(5)		Interest in the result of companies valued by the equity method (-)	-	(1)	(1)
1	4	5		Dividends received from companies valued by the equity method	-	-	-
(21)	-	(21)		(Gains) Losses on the sale of non-current assets	-	-	-
(2)	-	(2)		Change in the provision for employee severance indemnities and provisions for pensions	(1)	-	(1)
(2)	-	(2)		Change in fair value recorded in EBIT	2	-	2
(84)	2	(82)		Change in operating working capital	264	(8)	256
(113)	(6)	(119)		Change in other operating assets and liabilities	(100)	8	(92)
116	(3)	113		Financial income (expense)	19	(1)	18
(100)	5	(95)		Net financial expense paid	(27)	1	(26)
(221)	1	(220)		Income taxes paid	(27)	-	(27)
413	**(32)**	**381**	**A.**	**Cash flow from continuing operations**	**110**	**(6)**	**104**
(271)	8	(263)		Additions to intangibles and property, plant and equipment (-)	(53)	4	(49)
(4)	-	(4)		Additions to non-current financial assets (-)	-	-	-
(56)	-	(56)		Net price paid on business combinations	-	-	-
8	-	8		Proceeds from the sale of intangibles and property, plant and equipment	-	-	-
-	-	-		Proceeds from the sale of non-current financial assets	-	-	-
7	-	7		Repayment of capital contribution by non-current financial assets	2	-	2
24	-	24		Change in other current financial assets	2	-	2
(292)	**8**	**(284)**	**B.**	**Cash used in investing activities from continuing operations**	**(49)**	**4**	**(45)**
1,853	(57)	1,796		Receipt of new medium-term and long-term loans	353	-	353
(2,153)	74	(2,079)		Redemption of medium-term and long-term loans (-)	(6)	2	(4)
(48)	11	(37)		Change in short-term net financial debt	(62)	-	(62)
-	-	-		Capital contributions and reserves (-)	-	-	-
(20)	-	(20)		Dividends paid to controlling companies or minority shareholders (-)	(2)	-	(2)
(368)	**28**	**(340)**	**C.**	**Cash used in financing activities from continuing operations**	**283**	**2**	**285**
-	-	-	**D.**	**Net currency translation differences**	-	-	-
(247)	**4**	**(243)**	**E.**	**Net cash flow for the period from continuing operations (A+B+C+D)**	**344**	**-**	**344**
-	-	-	**F.**	**Net cash flow for the period from discontinued operations**	-	-	-
(247)	**4**	**(243)**	**G.**	**Net cash flow for the period (continuing and discontinued operations) (E+F)**	**344**	**-**	**344**
753	**(18)**	**735**	**H.**	**Cash and cash equivalents at the beginning of the year from continuing operations**	**753**	**(18)**	**735**
-	-	-	**I.**	**Cash and cash equivalents at the beginning of the year from discontinued operations**	-	-	-
506	**(14)**	**492**	**L.**	**Cash and cash equivalents at the end of the period from discontinued operations (G+H+I)**	**1,097**	**(18)**	**1,079**
-	-	-	**M.**	**Cash and cash equivalents at the end of the period from discontinued operations**	-	-	-
506	**(14)**	**492**	**N.**	**Cash and cash equivalents at the end of the period from Continuing Operations (L-M)**	**1,097**	**(18)**	**1,079**

SEGMENT INFORMATION

The segments, as identified by the Group in accordance with IFRS 8, correspond to the Electric Power Operations, the Hydrocarbons Operations and Corporate Activities and Other Segments, as a residual sector. This segment information disclosure is based on the same structure used for the reports that are periodically analyzed by the Board of Directors to manage the Group's business activities and for management reporting, planning and control purposes.

INCOME STATEMENT (in millions of euros)	Electric Power Operations		Hydrocarbons Operations		Corporate Activities and Other Segments		Discontinued Operations		Adjustments		EDISON GROUP	
	1st quarter 2014	1st quarter 2013 (*)	1st quarter 2014	1st quarter 2013 (*)	1st quarter 2014	1st quarter 2013 (*)	1st quarter 2014	1st quarter 2013 (*)	1st quarter 2014	1st quarter 2013 (*)	1st quarter 2014	1st quarter 2013 (*)
Sales Revenues	**2.245**	**1.756**	**1.495**	**1.845**	**12**	**12**	-	-	**(215)**	**(288)**	**3.537**	**3.325**
- third parties sales revenues	2.241	1.753	1.295	1.575	1	2			-	(5)	3.537	3.325
- Intra-Group sales revenues	4	3	200	270	11	10			(215)	(283)	-	-
EBITDA	**185**	**144**	**52**	**(127)**	**(21)**	**(23)**	**-**	**-**	**-**	**-**	**216**	**(6)**
as a % of sales revenues	*8,2%*	*8,2%*	*3,5%*	*(6,9%)*	*n.m.*	*n.m.*					*6,1%*	*(0,2%)*
Net change in Fair Value of Commodity derivatives	(2)	(13)	136	(7)	-	-	-	-	-	-	134	(20)
Depreciation, amortization and writedowns	(59)	(60)	(68)	(56)	(3)	(2)	-	-	-	-	(130)	(118)
EBIT	**124**	**71**	**120**	**(190)**	**(24)**	**(25)**	**-**	**-**	**-**	**-**	**220**	**(144)**
as a % of sales revenues	*5,5%*	*4,0%*	*8,0%*	*(10,3%)*	*n.m.*	*n.m.*					*6,2%*	*(4,3%)*
Net financial income (expense)											**(32)**	**(4)**
Interest in result of companies valued by equity method											**2**	**1**
Income taxes											**(88)**	**3**
Profit (Loss) from continuing operations											**102**	**(143)**
Profit (Loss) from discontinued operations							-	-			**-**	**-**
Minority interest in profit (loss)											**1**	**(1)**
Group interest in profit (loss)											**101**	**(142)**

BALANCE SHEET (in millions of euros)	Electric Power Operations		Hydrocarbons Operations		Corporate Activities and Other Segments		Discontinued Operations		Adjustments		EDISON GROUP	
	03.31.2014	12.31.2013 (*)	03.31.2014	12.31.2013 (*)	03.31.2014	12.31.2013 (*)	03.31.2014	12.31.2013 (*)	03.31.2014	12.31.2013 (*)	03.31.2014	12.31.2013 (*)
Total assets	**8.701**	**8.191**	**5.875**	**5.782**	**5.623**	**5.049**	**-**	**-**	**(5.150)**	**(4.779)**	**15.049**	**14.243**
Total liabilities	**3.855**	**3.015**	**3.594**	**3.506**	**4.227**	**4.097**	**-**	**-**	**(3.932)**	**(3.614)**	**7.744**	**7.004**
Net Financial Debt							**-**	**-**			**2.229**	**2.451**

OTHER INFORMATION (in millions of euros)	Electric Power Operations		Hydrocarbons Operations		Corporate Activities and Other Segments		Discontinued Operations		Adjustments		EDISON GROUP	
	1st quarter 2014	1st quarter 2013 (*)	1st quarter 2014	1st quarter 2013 (*)	1st quarter 2014	1st quarter 2013 (*)	1st quarter 2014	1st quarter 2013 (*)	1st quarter 2014	1st quarter 2013 (*)	1st quarter 2014	1st quarter 2013 (*)
Capital expenditures	5	5	43	27	-	1	-	-	-	-	**48**	**33**
Investments in exploration	-	-	20	15	-	-	-	-	-	-	**20**	**15**
Investments in intangibles	-	-	5	1	-	-	-	-	-	-	**5**	**1**
Total capital investments	**5**	**5**	**68**	**43**	**-**	**1**	**-**	**-**	**-**	**-**	**73**	**49**

	Electric Power Operations		Hydrocarbons Operations		Corporate Activities and Other Segments		Discontinued Operations		Adjustments		EDISON GROUP	
	03.31.2014	12.31.2013 (*)	03.31.2014	12.31.2013 (*)	03.31.2014	12.31.2013 (*)	03.31.2014	12.31.2013 (*)	03.31.2014	12.31.2013 (*)	03.31.2014	12.31.2013 (*)
Number of employees	**1.116**	**1.138**	**1.415**	**1.415**	**630**	**630**	**-**	**-**	**-**	**-**	**3.161**	**3.183**

(*) 2013 amounts have been restarted as a result of the adoption of IFRS 11 "Joint arrangments".

Thus far, the Group has not viewed **geographic area** segment information as meaningful. In recent years the foreign operations have gained steadily in importance: net non-current assets held totaled 1,301 million euros for the Hydrocarbons Operations, the largest component of which was located in Egypt. At March 31, 2014, the contribution of foreign operations accounted for about 14% of net invested capital.

The contribution of the Exploration & Production business at March 31, 2014 is shown in the table below. More specifically, EBIT for the first quarter 2014 were affected by higher amortization and depreciation attributable to EDF Production UK, acquired in October 2013, for 15 million euros.

INCOME STATEMENT (in millions of euros)	***1 st quarter 2014***	*1 st quarter 2013 (*)*
Sales revenues	**169**	**158**
EBITDA	**103**	**106**
as % of sales revenues	*60.9%*	*67.1%*
EBIT	**40**	**54**
as % of sales revenues	*23.7%*	*34.2%*

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

As for the disclosure about the so-called "**major customers**", the Group's sales are generally not concentrated, except for the Electric Power Operations, where one major customer, as defined by IFRS 8, generated sales revenues totaling 300 million euros in the period, equal to about 13.4% of the total sales revenues of Electric Power Operations and to about 8.5% of the total sales revenues of the Group.

NOTES TO THE INCOME STATEMENT

The trend of steady decline that has been afflicting the Italian economy since 2008, with negative repercussions on the level of national consumptions of electric power and natural gas, continued in the first quarter of 2014. More specifically, compared with the same period last year, domestic demand for electric power decreased by 3.7% (-3.5% on a seasonally adjusted basis), with a contraction that penalized only thermoelectric generation, due mainly to the availability of abundant water resources during the period. Italian demand for natural gas was also down sharply, decreasing by 18.3% compared with the same period last year, with thermoelectric and residential uses showing the biggest declines, due in part to mild winter temperatures. The continuation of a situation in which the weakness in demand was accompanied by a steady increase in generating capacity and availability of gas, resulted in a further increase in competitive pressure on sales prices of both gas and electric power.

In this scenario, Group **EBITDA** were positive by 216 million euros, compared with negative 6 million euros in the same period last year; more specifically:

- the adjusted EBITDA[1] of the **Electric Power Operations** amounted to 188 million euros, for a gain of 26.2% compared with the same period of the previous year (149 million euros). This result benefited from an increase in hydroelectric generation, thanks to an abundance of water resources, and the optimization of the portfolio of generating facilities.
- the adjusted EBITDA[1] of the **Hydrocarbons Operations** were positive by 49 million euros, as against a negative balance of 132 million euros in the first quarter 2013. This performance, which is directly affected by the activities engaged in buying and selling natural gas, also reflects the beneficial impact of the revisions of long-term contracts to import natural gas from Algeria and Qatar, achieved starting in the second quarter of 2013. The contribution of the Exploration & Production activities was substantially in line with the previous year.

The upshot is that the **Group's interest in the net result** was a gain of 101 million euros, compared with a loss of 142 million euros in first three months of 2013.

In addition to the effects of the industrial margins mentioned above, the gain was mainly affected by:

- the net changes in the fair value on derivatives, positive for 134 million euros;

[1] Adjusted EBITDA reflects the reclassification of the results of commodity and foreign exchange hedges executed in connection with contracts to import natural gas from the Hydrocarbons Operations to the Electric Power Operations for the portion of gains and losses attributable to them (+3 million euros in first quarter 2014, +5 million euros in first quarter 2013). This reclassification is being made to provide an operational presentation of the industrial results.

- a 12-million-euro increase in depreciation and amortization, in particular in the **Hydrocarbons Operations**, mainly due to the inclusion of EDF Production UK Ltd in the scope of consolidation as of October 2013;

- an increase of 28 million euros in financial expense, mainly due to the higher net foreign exchanges losses on fuel procurement transactions.

1. Sales Revenues

Sales revenues totaled 3,537 million euros, or 6.4% more than the 3,325 million euros reported in the same period last year.

The table below provides a breakdown of sales revenues, which were booked for the most part in Italy:

(in millions of euros)	**1st quarter 2014**	1st quarter 2013 (*)	Change	% change
Revenues from the sales of:				
- Electric power	1,642	1,343	299	22.3%
- Natural gas	1,165	1,482	(317)	(21.4%)
- Steam	29	34	(5)	(14.7%)
- Oil	58	45	13	28.9%
- Green certificates	22	29	(7)	(24.1%)
- Other sales revenues	13	13	-	-
Total sales revenues	**2,929**	**2,946**	**(17)**	**(0.6%)**
Revenues from services provided	1	2	(1)	(50.0%)
Storage services	25	21	4	19.0%
Margin on physical trading activities	168	44	124	n.m.
Transmission revenues	403	310	93	30.0%
Other revenues from sundry services	11	2	9	n.m.
Total for the Group	**3,537**	**3,325**	**212**	**6.4%**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

Breakdown by Business Segment

(in millions of euros)	**1st quarter 2014**	1st quarter 2013 (*)	Change	% change
Electric Power Operations	2,245	1,756	489	27.8%
Hydrocarbons Operations	1,495	1,845	(350)	(19.0%)
Corporate Activities and Other Segments	12	12	-	-
Eliminations	(215)	(288)	73	(25.3%)
Total for the Group	**3,537**	**3,325**	**212**	**6.4%**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

In particular:

- The **Electric Power Operations** reported a significant gain in sales revenues (+27.8%) compared with the first quarter of 2013, thanks to higher sales volumes to wholesalers and end customers.

- The reduction in the sales revenues of the **Hydrocarbons Operations**, down 19.0% compared with the first quarter of 2013, reflects the negative impact of the price scenario and lower sales to thermoelectric and residential customers, partially offset by higher sales to industrial customers.

2. Other Revenues and Income

Other revenues and income totaled 126 million euros (85 million euros in 2013). A breakdown is as follows:

(in millions of euros)	**1st quarter 2014**	1st quarter 2013 (*)	Change	% change
Realized commodity derivatives	83	53	30	56.6%
Recovery of costs from partners in hydrocarbon exploration projects	7	9	(2)	(22.2%)
Net reversals in earnings of provisions for risks on receivables and other risks	1	2	(1)	(50.0%)
Out of period and sundry items	35	21	14	66.7%
Total for the Group	**126**	**85**	**41**	**48.2%**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

The income from **realized commodity derivatives**, which should be analyzed together with the corresponding cost item included in "**Raw materials and services used**" (which increased by 27 million euros) reflects primarily the results of commodities and foreign exchange hedges executed to mitigate the risk of fluctuation in the cost of natural gas used in the Edison Group portfolios and gas earmarked for direct sales. This result is attributable to a positive performance by commodity derivatives, offset by a negative performance by foreign exchange derivatives. Both developments are directly related to fluctuations in the commodity and foreign exchange markets during the reporting period: more specifically, prices increased in the crude oil market while, in the exchange markets, the U.S. dollar lost value versus the euro.

The "**Net change in fair value of commodity derivatives**" (which increased from -20 million euros to +134 million euros) is disclosed in the following Note 6.

A comprehensive review of the economic effects of derivatives is provided in a special disclosure, reported in the Section entitled "Group Financial Risk Management".

3. Raw Materials and Services Used

Raw materials and services used totaled 3,392 million euros, or 0.9% more than in the same period of 2013 (3,362 million euros), affected by the price and volume trends already mentioned in the note on "Sales revenues".

The table that follows provides a breakdown of raw materials and services used:

(in millions of euros)	1st quarter 2014	1st quarter 2013 (*)	Change	% change
Purchases of:				
- Natural gas	1,065	1,490	(425)	(28.5%)
- Electric power	1,158	837	321	38.4%
- Blast-furnace, recycled and coke-oven gas	6	4	2	50.0%
- Oil and fuel	-	-	-	n.a.
- Demineralized industrial water	1	1	-	-
- Green certificates	2	-	2	n.a.
- CO_2 emissions rights	7	1	6	n.m.
- Coal, utilities and other materials	22	19	3	15.8%
Total	**2,261**	**2,352**	**(91)**	**(3.9%)**
- Facilities maintenance	30	24	6	25.0%
- Transmission of electric power and natural gas	578	517	61	11.8%
- Regasification fee	22	28	(6)	(21.4%)
- Professional services	31	30	1	3.3%
- Writedowns of trade and other receivables	29	14	15	n.m.
- Realized commodity derivatives	56	29	27	93.1%
- Margin on financial trading activities	142	16	126	n.m.
- Additions to provisions for miscellaneous risks	1	11	(10)	(90.9%)
- Change in inventories	160	252	(92)	n.m.
- Use of property not owned	29	29	-	-
- Sundry items	53	60	(7)	(11.7%)
Total for the Group	**3,392**	**3,362**	**30**	**0.9%**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

Breakdown by Business Segment

(in millions of euros)	1st quarter 2014	1st quarter 2013 (*)	Change	% change
Electric Power Operations	2,072	1,582	490	31.0%
Hydrocarbons Operations	1,516	2,009	(493)	(24.5%)
Corporate Activities and Other Segments	20	24	(4)	(16.7%)
Eliminations	(216)	(253)	37	(14.6%)
Total for the Group	**3,392**	**3,362**	**30**	**0.9%**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

The decrease compared with the first three month of previous year in the amount paid for **natural gas** (425 million euros), which should be analyzed together with the item included in **Changes in inventories**, reflects, inter alia, the effects of the of renegotiation, achieved starting in the second quarter of 2013, of contracts to import gas from Algeria and Qatar. The amount also reflects the negative impact of the effective portion of derivatives that hedge foreign exchange risks on commodities (26 million euros), which, however, is offset by a benefit shown in commodity prices.

The rise in costs for **electric power** (321 million euros compared with the first three month of 2013) is due mainly to the increased volumes purchased in electric market.

The higher costs paid for **transmission of electric power and natural gas** (61 million euros) reflects increases both in volumes and rates paid.

The **regasification fee** (22 million euros) reflects the charges paid to Terminale GNL Adriatico Srl for regasification services.

Writedowns of trade and other receivables (29 million euros) includes additions to allowances for doubtful accounts and losses on uncollectible accounts, net of specific utilizations.

Margin on Trading Activities

The table below shows the results, as a whole in line with the same period previous year, from trading in physical and financial energy commodity contracts held in Trading Portfolios included in revenues and in raw materials and services used.

(in millions of euros)	*See Note*	**1st quarter 2014**	1st quarter 2013	Change	% change
Margin on physical contracts included in trading portfolios					
Sales revenues		2,263	1,081	1,182	n.m.
Raw materials and services used		(2,095)	(1,037)	(1,058)	n.m.
Total included in sales revenues	*1*	**168**	**44**	**124**	**n.m.**
Margin on financial contracts included in trading portfolios					
Other revenues and income		13	22	(9)	(40.9%)
Raw materials and services used		(155)	(38)	(117)	n.m.
Total included in Raw Materials and Services Used	*3*	**(142)**	**(16)**	**(126)**	**n.m.**
Total margin on trading activities		**26**	**28**	**(2)**	**(7.1%)**

A comprehensive review of the economic effects of derivatives is provided in a special disclosure, reported in the Section entitled “Group Financial Risk Management”.

4. Labor Costs

Labor costs totaled 55 million euros, or about 2% more than in the same period in 2013, when they amounted to 54 million euros.
This increase is the net result of wage dynamic and a slight increase of average staff.

5. EBITDA

EBITDA totaled 216 million euros, against the negative 6 million euros of the same period previous year.
The table below provides a breakdown by business segment of the Group’s reported and adjusted EBITDA, which includes the reclassification of a portion of the result from transactions executed to hedge natural gas importation contracts, since, from an operational standpoint, the margins earned on

sales of electric power also benefit from these hedges. In order to provide an adequate basis of comparison, it seems appropriate to show the adjusted EBITDA amount, restated to reflect the applicable portion of the result from hedging transactions attributable to the Electric Power Operations.

(in millions of euros)	1st quarter 2014	as a % of sales revenues	1st quarter 2013 (*)	as a % of sales revenues
Reported EBITDA				
Electric Power Operations	185	8.2%	144	8.2%
Hydrocarbons Operations	52	3.5%	(127)	(6.9%)
Corporate Activities and Other Segments	(21)	n.m.	(23)	n.m.
Total for the Group	**216**	**6.1%**	**(6)**	**(0.2%)**
Adjusted EBITDA				
Electric Power Operations	188	8.4%	149	8.4%
Hydrocarbons Operations	49	3.3%	(132)	(7.2%)
Corporate Activities and Other Segments	(21)	n.m.	(23)	n.m.
Total for the Group	**216**	**6.1%**	**(6)**	**(0.2%)**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

Regarding the performance:

- the adjusted EBITDA of the **Electric Power Operations** amounted to 188 million euros, for a gain of 26.2% compared with the same period previous year (149 million euros). This positive performance is due to an abundance of water resources and to portfolio optimization.
- The adjusted EBITDA of the **Hydrocarbons Operations** were positive by 49 million euros (negative by 132 million euros in the first quarter of 2013). The result was affected, inter alia, by the beneficial impact of the revisions of long-term contracts to import natural gas from Algeria and Qatar, achieved starting in the second quarter of 2013.

6. Net Change in Fair Value of Commodity Derivatives

A breakdown of this account, which had a positive balance of 134 million (negative balance of 20 million euros in the first quarter 2013), is provided below:

(in millions of euros)	1st quarter 2014	1st quarter 2013 (*)	Change	% change
Change in fair value in hedging the price risk on energy products:	**130**	**(19)**	**149**	**n.m.**
- definable as hedges pursuant to IAS 39 (CFH) (**)	(3)	2	(5)	n.m.
- not definable as hedges pursuant to IAS 39	133	(21)	154	n.m.
Change in fair value in hedging the foreign exchange risk on commodities:	**4**	**(1)**	**5**	**n.m.**
- definable as hedges pursuant to IAS 39 (CFH) (**)	-	(1)	1	n.m.
- not definable as hedges pursuant to IAS 39	4	-	4	n.m.
Total for the Group	**134**	**(20)**	**154**	**n.m.**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

(**) Referred to the ineffective portion.

This line item reflects the change in fair value for the period of commodity and foreign exchange derivatives, excluding those that are part of the Trading Activities, executed as economic hedges of the Industrial Portfolio. The result for the period essentially reflects the considerable reduction in forward prices recorded in the first three month of the year in the European gas markets.

7. Depreciation, Amortization and Writedowns

The items totaled 130 million euros, for an increase of 12 million euros compared to the same period previous year. A breakdown of this item is provided below:

(in millions of euros)	1st quarter 2014	1st quarter 2013 (*)	Change	% change
Depreciation and amortization of:	**129**	**116**	**13**	**11.2%**
- property, plant and equipment	86	78	8	10.3%
- hydrocarbon concessions	20	21	(1)	(4.8%)
- other intangible assets (**)	23	17	6	35.3%
Writedowns of:	**1**	**2**	**(1)**	**(50.0%)**
- property, plant and equipment	1	-	1	n.a.
- other intangible assets	-	2	(2)	n.m.
Total for the Group	**130**	**118**	**12**	**10.2%**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

(**) Included the exploration costs (20 million euros in first quarter of 2014, 15 million euros in first quarter of 2013).

Breakdown by Business Segment

(in millions of euros)	1st quarter 2014	1st quarter 2013 (*)	Change	% change
Electric Power Operations:	**59**	**60**	**(1)**	**(1.7%)**
- depreciation and amortization	59	58	1	1.7%
- writedowns of other intangible assets	-	2	(2)	n.m.
Hydrocarbons Operations:	**68**	**56**	**12**	**21.4%**
- depreciation and amortization	68	56	12	21.4%
Corporate Activities and Other Segments:	**3**	**2**	**1**	**50.0%**
- depreciation and amortization	2	2	-	-
- writedowns of property, plant and equipment	1	-	1	n.a.
Total for the Group	**130**	**118**	**12**	**10.2%**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

In the **Electric Power Operations**, "depreciation, amortization and writedowns" were in line with the amounts in the same period previous year.

In the **Hydrocarbons Operations**, the increase of 12 million euros includes 15 million euros (of which 10 million euros for Exploration Costs) attributable to EDF Production UK Ltd, acquired in October 2013.

8. Net Financial Income (Expense)

Net financial expense totaled 32 million euros, or 28 million euros more than the same period in 2013 (4 million euros).

A breakdown of net financial expense is as follows:

(in millions of euros)	**1st quarter 2014**	1st quarter 2013 (*)	Change
Financial income			
Financial income from financial derivatives	25	23	2
Interest earned on bank and postal accounts	-	2	(2)
Interest earned on trade receivables	3	4	(1)
Other financial income	3	1	2
Total financial income	**31**	**30**	**1**
Financial expense			
Interest accrued on bond issues	(18)	(18)	-
Fair Value Hedge adjustment on bonds	-	10	(10)
Financial expense from financial derivatives	(18)	(21)	3
Interest accrued to banks	(1)	(2)	1
Bank fees	(4)	(4)	-
Financial expense on decommissioning projects and provisions for risks	(7)	(6)	(1)
Interest accrued to other lenders	(11)	(4)	(7)
Other financial expense	(2)	(3)	1
Total financial expense	**(61)**	**(48)**	**(13)**
Foreign exchange translation gains (losses)			
Foreign exchange translation gains	14	55	(41)
Foreign exchange translation losses	(16)	(41)	25
Net foreign exchange translation gains (losses)	**(2)**	**14**	**(16)**
Net financial income (expense) for the Group	**(32)**	**(4)**	**(28)**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

9. Income from (Expense on) from Equity Investments

A breakdown of the positive balance positive of 4 million euros, is shown below.

(in millions of euros)	**1st quarter 2014**	1st quarter 2013 (*)	Change
Income from Equity Investments			
Revaluations of trading securities	2	1	1
Valuations of investments by equity method	2	1	1
Total income from equity investments	**4**	**2**	**2**
Expenses on equity investments	**-**	-	-
Total expenses on equity investments	**-**	-	-
Total Group income from (expenses) equity investments	**4**	**2**	**2**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

10. Other Income (Expense), Net

Net other expense of 2 million euros (zero balance in the same period previous year) is the result of nonrecurring items that are not directly related to the Group's industrial operations.

11. Income Taxes

The income-tax balance totaled 88 million euros (positive by 3 million euros in the first three months of 2013). A breakdown of income taxes is provided below:

(in millions of euros)	**1st quarter 2014**	1st quarter 2013 (*)	Change
Current taxes	90	54	36
Net deferred-tax liabilities (assets)	(2)	(57)	55
Total for the Group	**88**	**(3)**	**91**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

Current taxes include 84 million euros for corporate income taxes (IRES), 10 million euros for regional taxes (IRAP) and 17 million euros for foreign taxes, offset by a tax benefit of 21 million euros generated by the filing of a consolidated income tax return.

12. Earnings (Loss) per Share

A breakdown of earnings (loss) per share is as follows:

2013 full year			1st quarter 2014		1st quarter 2013	
Common shares	Savings shares (1)	(in millions of euros)	**Common shares**	**Savings shares (1)**	Common shares	Savings shares (1)
96	96	Group interest in profit (loss)	101	101	(142)	(142)
91	5	Profit (Loss) attributable to the different classes of shares (A)	96	5	(143)	1
		Weighted average number of shares outstanding (common and savings) determined for the purpose of computing earnings (loss) per share:				
5,181,545,824	110,154,847	- basic (B)	5,181,545,824	110,154,847	5,181,545,824	110,154,847
5,181,545,824	110,154,847	- diluted (C) (2)	5,181,545,824	110,154,847	5,181,545,824	110,154,847
		Earnings (Loss) per share (in euros)				
0.0175	0.0475	- basic (A/B)	0.0185	0.0485	(0.0276)	0.0125
0.0175	0.0475	- diluted (A/C) (2)	0.0185	0.0485	(0.0276)	0.0125

(1) 3% of par value for the higher dividend paid to the savings shares compared with the common shares. Savings shares are treated as common shares, since the portion of net income attributable to the savings shares has been deducted from Group interest in profit (loss).

(2) When the Group reports a loss, potential shares are deemed to have no dilutive effect.

NOTES TO THE BALANCE SHEET

Assets

13. Property, Plant and Equipment

The table that follows shows a breakdown of the changes that occurred in the period:

(in millions of euros)	Land and buildings	Plant and machinery	Assets transferable at no cost	Assets acquired under finance leases	Manufact. and distrib. equipment	Other assets	Constr. in progress and advances	Total
Balance at 12.31.2013 Published	**456**	**3,663**	**124**	**34**	**3**	**6**	**262**	**4,548**
IFRS 11 application	(14)	(153)	(27)	-	-	-	(10)	(204)
Balance at 12.31.2013 Restated (A)	**442**	**3,510**	**97**	**34**	**3**	**6**	**252**	**4,344**
Changes in the first quarter of 2014:								
- Additions	-	5	-	-	-	-	43	48
- Disposals (-)	(2)	(24)	-	-	-	-	-	(26)
- Depreciation (-)	(4)	(77)	(5)	-	-	-	-	(86)
- Writedowns (-)	(1)	-	-	-	-	-	-	(1)
- Other changes	-	6	-	-	-	-	(3)	3
Total changes (B)	**(7)**	**(90)**	**(5)**	**-**	**-**	**-**	**40**	**(62)**
Balance at 03.31.2014 (A+B)	**435**	**3,420**	**92**	**34**	**3**	**6**	**292**	**4,282**

A breakdown by business segment of **additions** totaling 48 million euros is as follows:

(in millions of euros)	**1st quarter 2014**	1st quarter 2013 (*)
Electric Power Operations	**5**	**5**
broken down as follows:		
- Thermoelectric area	*3*	*2*
- Hydroelectric area	*1*	*2*
- Renewable sources area (wind power, photovoltaic, etc.)	*1*	*1*
Hydrocarbons Operations	**43**	**27**
broken down as follows:		
- Hydrocarbon fields in Italy	*29*	*14*
- Hydrocarbon fields outside Italy	*10*	*7*
- Transmission and storage infrastructures	*4*	*6*
Corporate Activities and Other Segments	**-**	**1**
Total for the Group	**48**	**33**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

In the period please note that:

- for the **Hydrocarbons Operations**, projects concerned mainly Italy, where in the Exploration & Production area investments in Fauzia project and Clara field are continuing;
- for the **Electric Power Operations**, the main investments involved the replacement of components at some thermoelectric and hydroelectric power plants.

No capitalized borrowing costs were recognized during the period as part of property, plant and equipment, consistent with the requirements of IAS 23 Revised.

A more detailed analysis of **depreciation**, which amounted to 86 million euros (78 million euros in the first three months of 2013), is provided in the "Depreciation, amortization and writedowns" note to the Income Statement.

Asset transferable at no cost refer to 38 hydroelectric concessions held by the Edison Group.

For the **assets acquired under finance leases**, recognized in accordance with the IAS 17 Revised method, the balance of the remaining financial liability, which amounts to 25 million euros, is shown part under "Long-term financial debt and other financial liabilities" (22 million euros) and part under "Short-term financial debt" (3 million euros).

Please note that assets valued at 107 million euros are encumbered as collateral for loans provided by financial institutions.

14. Investment Property

The Group's investment property, which consists of land and buildings that are not used for production purposes and has a total carrying amount of 6 million euros, unchanged compared with December 31, 2013.

15. Goodwill

Goodwill totaled 3,231 million euros, unchanged compared with December 31, 2013.

The table below provides a breakdown of goodwill by business segment:

(in millions of euros)	**03.31.2014**	12.31.2013
Electric Power Operations	2.528	2.528
Hydrocarbons Operations	703	703
Total for the Group	**3.231**	**3.231**

The balance in this account is an intangible asset with an indefinite useful life. As such, it cannot be amortized in regular installments, but must be tested for impairment at least once a year.

16. Hydrocarbons Concessions

Concessions for the production of hydrocarbons were valued at 840 million euros. The decrease of 20 million euros, compared with December 31, 2013, mainly reflects the amortization for the period. The Group holds 106 mineral leases in Italy and abroad (including 3 storage concessions). In the first quarter of 2014 the Group reported an increase of five new hydrocarbon exploration concessions, three in Norway and two in Egypt.

17. Other Intangible Assets

The table below shows the main changes that occurred in the first quarter of 2014:

(in millions of euros)	Concessions, licenses, patents and similar rights	CO_2 emissions rights	Exploration costs	Other intangible assets	Work in progress and advances	Total
Balance at 12.31.2013 Published	**87**	**-**	**-**	**15**	**13**	**115**
IFRS 11 Application	-	-	-	(1)	-	**(1)**
Balance at 12.31.2013 Restated (A)	**87**	**-**	**-**	**14**	**13**	**114**
Changes in the first quarter of 2014:						
- Additions	1	-	20	3	1	25
- Amortization (-)	(2)	-	(20)	(1)	-	(23)
- Other changes	-	1	-	1	(1)	1
Total changes (B)	**(1)**	**1**	**-**	**3**	**-**	**3**
Balance at 03.31.2014 (A+B)	**86**	**1**	**-**	**17**	**13**	**117**

Exploration costs for the period, which were amortized in full when occurred, totaled 20 million euros compared with 15 million euros in first three month of 2013.

Please note that the item **Concessions, licenses, patents and similar rights** includes the infrastructures used by the Group to distribute natural gas, under the 62 concessions it holds in this area of business, as required by IFRIC 12.

18. Investments in Associates and Available-for-sale Investments

The total includes 146 million euros in investments in associates and unconsolidated subsidiaries, joint ventures and affiliated companies and 183 million euros in available-for-sale investments. The latter amount includes investments in Terminale GNL Adriatico Srl (170 million euros) and in RCS Mediagroup Spa (8 million euros).

The table below shows the main changes that occurred in the period:

(in millions of euros)	Investments in associates	Available-for-sale investments	Total
Balance at 12.31.2013 Published	**51**	**183**	**234**
IFRS 11 Application	93	-	**93**
Balance at 12.31.2013 Restated (A)	**144**	**183**	**327**
Changes in the first quarter of 2014:			
- Changes in shareholders' equity reserves	-	(2)	(2)
- Valuations at equity	2	-	2
- Valuations at fair value	-	2	2
- Dividend distributed (-)	(2)	-	(2)
- Other changes (+/-)	2	-	2
Total changes (B)	**2**	**-**	**2**
Balance at 03.31.2014 (A+B)	**146**	**183**	**329**

The **Changes in shareholders' equity reserves,** negative by 2 million euros, refer to the distribution of the reserves for advances on capital contributions by Terminale GNL Adriatico Srl. The **Valuations at fair value**, positive by 2 million euros, which refer to RCS Mediagroup Spa, are recognized in the **Reserve for available-for-sale investments**.

19. Other Financial Assets

Other financial assets consist of financial receivable due in more than one year. Other financial assets include the following:

(in millions of euros)	03.31.2014	12.31.2013 (*)	Change
Bank deposits that secure project financing facilities	4	4	-
Sundry items	101	102	(1)
Total other financial assets	**105**	**106**	**(1)**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

Sundry items mainly includes the portion maturing in September 2015 of the financial receivable owed by Elpedison Power Sa.

20. Deferred-tax Assets

Deferred-tax assets, which were valued, based on assumptions that they would be probably realized and the tax benefits recovered within the limited time horizon covered by the industrial plans of the various companies, amounted to 221 million euros (236 million euros at December 31, 2013).

They reflect differences in the valuation of:

- taxed provisions for risks of 86 million euros;
- property, plant and equipment and intangibles of 65 million euros;
- a tax-loss carryforward of 60 million euros;

with differences stemming from the adoption of IAS 39 on financial instruments and sundry reversals accounting for the balance.

21. Other Assets

Other assets totaled 186 million euros or 3 million euros less than December 31, 2013. This account includes:

- 165 million euros in advances paid under long-term natural gas supply contracts for gas volumes that the Edison Spa was unable to take delivery of but was required to pay for, due to take-or-pay contract clauses.
- 9 million euros (net of an allowance for doubtful accounts of 1 million euros) in tax refunds receivable, including accrued interest through March 31, 2014.
- 12 million euros in sundry receivables, consisting mainly of security deposits.

22. Current Assets

A breakdown of the components of current assets is provided below:

(in millions of euros)	03.31.2014	12.31.2013 (*)	Change
Inventories	337	486	(149)
Trade receivables	3,729	3,098	631
Current-tax assets	17	24	(7)
Other receivables	853	653	200
Current financial assets	80	77	3
Cash and cash equivalents	716	492	224
Total current assets	**5,732**	**4,830**	**902**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

A review of the individual components is provided below:

- The table that follows shows a breakdown of **inventories** by business segment:

(in millions of euros)	Engineering consumables	Stored natural gas	Fuels	Green certificates	CO_2 emission rights	Other	**Total at 03.31.2014**	Total at 12.31.2013 (*)	Change
Electric Power Operations	11	-	-	45	11	27	94	85	9
Hydrocarbons Operations	31	199	13	-	-	-	243	401	(158)
Total for the Group	**42**	**199**	**13**	**45**	**11**	**27**	**337**	**486**	**(149)**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

The net decrease for the period refers mainly to stored natural gas (161 million euros). Inventories of Green certificates and CO_2 emission right are mainly related to the trading activity. Inventories also include 137 million euros of natural gas, the use of which is restricted either as a strategic reserve or to secure performance under the balancing system.

- A breakdown of **trade receivables** by business segment is provided in the table below:

(in millions of euros)	**03.31.2014**	12.31.2013 (*)	Change
Electric Power Operations	2,418	1,875	543
Hydrocarbons Operations	1,353	1,235	118
Corporate Activities and Other Segments and Eliminations	(42)	(12)	(30)
Total trade receivables	**3,729**	**3,098**	**631**
Of which Allowance for doubtful Accounts	**(318)**	**(300)**	**(18)**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

In particular, trade receivables stem from contracts to supply electric power and steam, contracts to supply natural gas and Power Exchange transactions. Moreover, this item includes, for 704 million euros, the fair value of physical contracts for energy commodities that are part of the Group's Trading Portfolios (222 million euros at December 31, 2013); this amount should be analyzed together with the corresponding debt item included in **Trade payables** (543 million euros at March 31, 2014, 180 million euros at December 31, 2013).

It is worth mentioning that the Group executes on a regular basis transactions involving the irrevocable assignment of receivables without recourse both on a monthly revolving basis and on a spot basis, consistent with a policy aimed at controlling and minimizing credit risks. These transactions totaled 1,691 million euros in the period (1,436 million euros at March 31, 2013). The residual risk of recourse associated with these receivables is less than 1 million euros.

- **Current-tax assets** of 17 million euros include amounts owed by the tax authorities for overpayments of regional taxes (IRAP) and corporate income taxes (IRES) by companies that are not included in the consolidated income tax return filed by Transalpina di Energia Spa, the Group's controlling company.

- A breakdown of **other receivables**, which totaled 853 million euros, is provided in the table below:

(in millions of euros)	**03.31.2014**	12.31.2013 (*)	Change
Receivables arising from the valuation of derivatives	351	246	105
Amounts owed by partners and associates in hydrocarbon exploration projects	90	70	20
Advances to suppliers	67	45	22
Amounts owed by the controlling company in connection with the filing of the consolidated income tax return	104	93	11
VAT credit	3	20	(17)
Sundry items	238	179	59
Total other receivables	**853**	**653**	**200**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

The increase shown for **receivables arising from the valuation of derivatives**, which should be analyzed in conjunction with the corresponding liability included in **Current liabilities** (decreased from 275 million euros to 269 million euros), primarily reflects changes in the market forward price scenario, in particular in the European gas markets, compared with December 31, 2013.

A comprehensive review of the economic effects of derivatives is provided in a special disclosure, reported in the Section entitled "Group Financial Risk Management".

- A breakdown of **current financial assets**, which are included in the computation of the Group's net financial debt, is as follows:

(in millions of euros)	**03.31.2014**	12.31.2013 (*)	Change
Loans receivable	10	11	(1)
Derivatives	62	60	2
Equity investments held for trading	8	6	2
Total current financial assets	**80**	**77**	**3**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

- **Cash and cash equivalents** of 716 million euros (492 million euros at December 31, 2013) consist of short-term deposits in bank and postal accounts and other short-term investments and they include the current account established with EDF Sa with a positive balance for 502 million euros.

Liabilities and Shareholders' Equity

23. Shareholders' Equity Attributable to Parent Company Shareholders and Shareholders' Equity Attributable to Minority Shareholders

The shareholders' equity attributable to Parent Company shareholders amounted to 7,197 million euros, or 71 million euros more than at December 31, 2013 (7,126 million euros). This increase is mainly due to the net profit for the period (101 million euros) and to the positive change in the Cash Flow Hedge reserve (25 million euros), partially offset by the effect of a resolution to distribute dividends to the shareholder Transalpina di Energia Spa (57 million euros) and the savings shareholders (6 million euros).

The shareholders' equity attributable to minority shareholders decreased to 108 million euros, or 5 million euros less than at December 31, 2013 (113 million euros), mainly due to the effect of dividend distribution resolutions by companies with minority shareholders (7 million euros) and to the net profit for the period (1 million euros).

A breakdown of the shareholders' equity attributable to Parent Company shareholders and to minority shareholders is provided in the schedule entitled "Changes in Consolidated Shareholders' Equity".

A breakdown of share capital, which consists of shares with a par value of 1 euro each, all with regular ranking for dividends, is as follows:

Share class	**Number of shares**	**Millions of euros**
Common shares	5,181,545,824	5,182
Savings shares	110,154,847	110
Total		**5,292**

The table below provides a breakdown of the changes that occurred in the Cash Flow Hedge reserve, established upon the adoption of IAS 39 for the accounting treatment of derivatives. The change refers to the provisional recognition in equity of changes in the fair value of derivatives executed to hedge price and foreign exchange risks on energy commodities and interest rates.

Cash Flow Hedge reserve (in millions of euros)	Gross reserve	Deferred taxes	Net reserve
Reserve at December 31, 2013	4	(4)	-
Changes in the first quarter of 2014	34	(9)	25
Reserve at March 31, 2014	**38**	**(13)**	**25**

The table below shows the changes that occurred in the reserve for available-for-sale investments:

Reserve for available-for-sale investments (in millions of euros)	Gross reserve	Deferred taxes	Net reserve
Reserve at December 31, 2013	-	-	-
Changes in the first quarter of 2014	2	-	2
Reserve at March 31, 2014	**2**	**-**	**2**

24. Provision for Employee Severance Indemnities and Provisions for Pensions

These provisions, which amounted to 34 million euros, decreasing by 1 million euros compared with December 31, 2013, reflect the accrued severance indemnities and other benefits owed to employees.

The actuarial gains (losses) are recorded in equity. A valuation in accordance with the actuarial criteria of IAS 19 is performed only for the liability corresponding to the provision for Employee Severance Indemnities that is still held at the Company.

The table below shows the changes that occurred in the first quarter of 2014:

(in millions of euros)	Provision for employee severance indemnities	Provisions for pensions	Total
Balance at 12.31.2013 Published	**35**	**-**	**35**
IFRS 11 Application	-	-	-
Balance at 12.31.2013 Restated (A)	**35**	**-**	**35**
Changes in the first quarter of 2014:			
- Financial expense	-	-	-
- Actuarial (gains) losses (+/-)	-	-	-
- Utilizations (-) / Other changes	(1)	-	(1)
Total changes (B)	**(1)**	**-**	**(1)**
Total at 03.31.2014 (A+B)	**34**	**-**	**34**

25. Provision for Deferred Taxes

The balance of 59 million euros (64 million euros at December 31, 2013) reflects mainly the deferred tax liability from the use during the transition to the IFRS of fair value as the deemed cost of property, plant and equipment.

The following table shows a breakdown of this provision by type of underlying temporary difference, keeping in mind that certain Group companies that meet the requirements of IAS 12 offset their deferred-tax liabilities against their deferred-tax assets:

(in millions of euros)	**03.31.2014**	12.31.2013 (*)	Change
Deferred-tax liabilities:			
- Valuation differences of property, plant and equipment and intangibles	149	165	(16)
- Adoption of IAS 39 to value financial instruments with impact:			
- on the income statement	1	-	1
- on shareholders' equity	14	4	10
- Other deferred-tax liabilities	36	31	5
Total deferred-tax liabilities (A)	**200**	**200**	**-**
Deferred-tax assets usable for offset purposes:			
- Taxed provisions for risks	82	95	(13)
- Tax-loss carryforward	22	22	-
- Adoption of IAS 39 to value financial instruments with impact:			
- on the income statement	-	-	-
- on shareholders' equity	1	-	1
- Valuation differences of property, plant and equipment and intangibles	19	19	-
- Other deferred-tax assets	17	-	17
Total deferred-tax assets (B)	**141**	**136**	**5**
Total provision for deferred taxes (A-B)	**59**	**64**	**(5)**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

26. Provisions for Risks and Charges

The provisions for risks and charges, which are established to cover contingent liabilities, totaled 904 million euros, for an increase of 3 million euros compared with December 31, 2013 (901 million euros).

The table below shows the changes that occurred in the first quarter of 2014:

(in millions of euros)	12.31.2013 (*)	Additions	Utilizations	Other changes	03.31.2014
Risks for disputes, litigation and contracts	137	1	-	1	139
Charges for contractual guarantees on sale of equity investments	75	-	-	-	75
Environmental risks	62	-	(1)	1	62
Other risks and charges	13	-	-	-	13
Disputed tax items	53	-	(1)	-	52
Total for legal and tax disputes	**340**	**1**	**(2)**	**2**	**341**
Provision for decommissioning and remediation of industrial sites	487	5	(1)	1	492
Provision for CO_2 emission rights	6	-	-	(1)	5
Other risks and charges	68	2	(3)	(1)	66
Total for the Group	**901**	**8**	**(6)**	**1**	**904**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

More specifically:

- **additions** of 8 million euros include financial expense on decommissioning provisions and statutory and tax interest accrued on existing provisions (for a total of 7 million euros);
- **utilizations** of 6 million euros include 3 million euros for the coverage of costs related to the thermoelectric segment;

More detailed information about the provisions for risks and charges is available in the paragraph entitled "Risk and contingent liabilities associated with legal and tax disputes" provided in the Consolidated Financial Statements at December 31, 2013 and the respective updates shown in the corresponding paragraph of these notes.

27. Bonds

The balance of 598 million euros (1,098 million euros at December 31, 2013), represents the noncurrent portion of the bonds. The decrease, compared with December 31, 2013, is due to the reclassification into **Current Liabilities** of the bond issue maturing on March 17, 2015 (face value 500 million euros).

The table below shows the balance outstanding at March 31, 2014 and indicates the fair value of each bond issue:

(in millions of euros)	Market where traded	Cur-rency	Par value outstand-ing	Coupon	Rate	Maturity	Carrying value			Fair value
							Non-current portion	Current portion	Total	
Edison Spa	Luxembourg Secur. Exc	EUR	700	Annual in arrears	4.250%	07.22.2014	-	726	726	729
Edison Spa	Luxembourg Secur. Exc	EUR	500	Annual in arrears	3.250%	03.17.2015	-	504	504	513
Edison Spa	Luxembourg Secur. Exc	EUR	600	Annual in arrears	3.875%	11.10.2017	598	44	642	666
Total for the Group			**1,800**				**598**	**1,274**	**1,872**	**1,908**

The valuation at amortized cost of the bond issues, a portion of which was hedged with derivatives against the risk of changes in fair value caused by the interest rate fluctuation, was adjusted in accordance with hedge accounting rules to reflect the change in hedged risk.

28. Long-term Financial Debt and Other Financial Liabilities

A breakdown of this liability account is as follows:

(in milions of euros)	03.31.2014	12.31.2013 (*)	Change
Due to banks	199	154	45
Due to other lenders	817	818	(1)
Total for the Group	**1,016**	**972**	**44**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

The amount **due to other lenders** includes a loan provided in April 2013 to Edison Spa by EDF Investissement Groupe Sa (face amount of 800 million euros and a seven-year maturity).

29. Other Liabilities

Other liabilities of 5 million euros were unchanged compared with December 31, 2013.

30. Current Liabilities

A breakdown of current liabilities is provided below:

(in millions of euros)	03.31.2014	12.31.2013 (*)	Change
Bonds	1,274	772	502
Short-term financial debt	226	268	(42)
Trade payables	2,732	2,177	555
Current taxes payable	64	42	22
Other liabilities	832	670	162
Total current liabilities	**5,128**	**3,929**	**1,199**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

The main current liability accounts are reviewed below:

- **Bonds**, amounting to 1,274 million euros, include the total accrued interest at March 31, 2014 and reflect the reclassification from noncurrent liabilities of the issue maturing on March 17, 2015.
- **Short-term financial debt**, which totaled 226 million euros, essentially includes:
  - 90 million euros due to banks, 8 million euros of which represent the effect of measuring interest rate derivatives at fair value.
  - 122 million euros due to other lender, included the accrued interests on liabilities with companies of EDF Group;
  - 11 million euros owed to minority shareholders of consolidated companies;
  - 3 million euros due to leasing companies.
- **Trade payables** totaled 2,732 million euros. A breakdown by business segment is provided below:

(in millions of euros)	**03.31.2014**	12.31.2013 (*)	Change
Electric Power Operations	1,652	1,215	437
Hydrocarbons Operations	1,059	933	126
Corporate Activities and Other Segments and Eliminations	21	29	(8)
Total trade payables	**2,732**	**2,177**	**555**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

Trade payables reflect mainly purchases of electric power, natural gas and other utilities, as well as services related to plant maintenance. This item also includes 543 million euros for the fair value of the physical energy commodity contracts (180 million euros at December 31, 2013) held in the Trading Portfolios.

- **Current taxes payable** of 64 million euros represent the income taxes liability of Group companies that are not included in the consolidated tax return filed by the controlling company (Transalpina di Energia Spa). These taxes are paid directly by the companies upon which they are levied.
- A breakdown of **other liabilities**, which totaled 832 million euros, is as follows:

(in millions of euros)	**03.31.2014**	12.31.2013 (*)	Change
Amounts owed to shareholders	76	7	69
Amount owed to the controlling company in connection with the filing of a consolidated tax return	164	107	57
Amounts owed to joint holders of permits for hydrocarbon exploration	144	119	25
Payables for consulting and other services	45	31	14
Payables owed to Tax Administration (other than current tax payables)	44	33	11
Amount owed to employees	25	30	(5)
Liabilities stemming from the measurement at fair value of derivatives	269	275	(6)
Payables owed to social security institutions	19	24	(5)
Sundry items	46	44	2
Total other liabilities	**832**	**670**	**162**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

NET FINANCIAL DEBT

At March 31, 2014, net financial debt decreased to 2,229 million euros, or 222 million euros less than the 2,451 million euros owed at December 31, 2013.

Consistent with the practice followed at the end of 2013, the table below provides a simplified breakdown of the Group's net financial debt:

(in millions of euros)	*See note*	**03.31.2014**	12.31.2013 (*)	Change
Bonds - non-current portion	*27*	598	1,098	(500)
Non-current bank loans	*28*	199	154	45
Amounts due to other lenders - non-current portion	*28*	817	818	(1)
Other non-current financial assets (**)	*19*	(89)	(90)	1
Medium/long-term net financial debt		**1,525**	**1,980**	**(455)**
Bonds - current portion	*30*	1,274	772	502
Short-term financial debt	*30*	226	268	(42)
Current financial assets	*22*	(80)	(77)	(3)
Cash and cash equivalents	*22*	(716)	(492)	(224)
Short-term net financial debt		**704**	**471**	**233**
Net financial debt		**2,229**	**2,451**	**(222)**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

(**) Mainly related to financial asset owed from Elpedison Power Sa with maturity date in September 2015.

The net decrease for the period (222 million euros) is mainly due to the effect of the operating cash flow and the improvement in operating working capital (73 million euros), which more than offset the outlays for capital expenditures (49 million euros) and financial expense (32 million euros).

Net financial debt includes the financial debt owed to companies of EDF Group, for about 800 million euros, and 502 million euros available in the current account with EDF Sa.

COMMITMENTS, RISKS AND CONTINGENT ASSETS

Commitments

(in millions of euros)	03.31.2014	12.31.2013 (*)	Change
Guarantees provided	1,217	1,305	(88)
Collateral provided	172	171	1
Other commitments and risks	134	160	(26)
Total for the Group	**1,523**	**1,636**	**(113)**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

Guarantees provided totaled 1,217 million euros at March 31, 2014. This figure, which was determined based on the undiscounted amount of contingent commitments on the balance sheet date, includes 79 million euros (unchanged compared with December 31, 2013) in guarantees provided to the Revenue Office on behalf of subsidiaries for offsetting VAT credits and those provided in connection with the intra-Group assignment of tax credits. Guarantees provided by the Group's Parent Company or by banks from the same counter-guaranteed to secure the performance of contractual obligations by its subsidiaries account for most of the balance.

Collateral provided, which amounted to 172 million euros, reflects the carrying amounts of the assets or rights pledged as collateral on the balance sheet date. This account consists for the most part of mortgages and encumbrances granted on facilities of the Electric Power Operations to secure financing provided by financial institutions (107 million euros).

Other commitments and risks, which totaled 134 million euros, reflect primarily commitments undertaken to complete investment projects under construction in Italy and abroad (84 million euros).

Unrecognized Commitments and Risks

In the first quarter of 2014, there were no significant changes with regard to the main risks and commitments not included in the amounts above compared with the disclosures in the Consolidated Financial Statements at December 31, 2013, which should be consulted for more complete and exhaustive information. In particular, the **Hydrocarbons Operations** entered into long term contracts for the importation of natural gas from Russia, Libya, Algeria and Qatar.

The table below provides a breakdown of the timing for the supply of natural gas, based on minimum contractual deliveries:

		within 1 year	from 2 to 5 years	over 5 years	Total
Natural Gas	Billions of m^3	11.1	51.8	136.7	**199.6**

The economic data are based on prospective pricing formulas.

Risk and contingent liabilities associated with legal and tax disputes

A review, based on information currently available, of the developments that occurred in the first quarter of 2014 concerning the main legal and tax disputes outstanding is provided in this paragraph, listing separately actions involving Edison Spa and actions involving other Group companies, subdividing further between those that could give rise to a probable liability, for which it was possible to develop a reliable estimate of the underlying obligation and recognize a corresponding provision for risks in the balance sheet, and those that could give rise to a contingent liability, which is dependent on the occurrence of events that are possible, but not probable, or are probable but their impact cannot be quantified reliably. With regard to contingent liabilities, only a disclosure is provided in the notes to the financial statements.

A comprehensive disclosure is provided in the Consolidated Financial Statements at December 31, 2013.

Probable liabilities associated with legal disputes

Legal disputes that could give rise to a probable liability for which a provision for risks was recognized in the balance sheet, even though is not objectively possible to forecast the timing of any related monetary outlays, are reviewed below:

A) **Liabilities for which a provision for disputes, litigation and contracts risks was recognized in the balance sheet**:

Edison Spa

Actions for Damages and Administrative Proceedings Arising from the Operation of Chemical Facilities Conveyed to Enimont

Brindisi Petrochemical Facility – Administrative Proceedings

On March 25, 2013, the Brindisi Provincial Administration served Edison, Eni, Syndial and Versalis with an order pursuant to Article 244, Section 2, of Legislative Decree No. 152/2006 (the "Environmental Code") concerning an alleged landfill adjacent to the Brindisi Petrochemical Facility. The companies challenged this order before the Apulia Regional Administrative Court, Lecce section, and the four decisions in these proceedings were handed down in February 2014. In its decisions concerning the challenges filed by Eni, Syndial and Versalis the Apulia Regional Administrative Court set aside the order of the Provincial Administration for lack of jurisdiction, voiding its effects on any and all parties. On the other hand, the Regional Administrative Court denied Edison challenge, finding that Edison was allegedly jointly liable for the state of contamination of the site. The company is planning to challenge this decision before the Council of State.

* * * * *

B) **Liabilities for which a provision for risk for contractual guarantees on sale of equity investments was recognized in the balance sheet**:

Edison Spa

Industrial Site in Bussi sul Tirino

With particular reference to the letter of the Ministry of Environment containing a notice to Edison to provide for the removal of all waste deposited in internal and external areas of the plant, restoring the condition of the premises and proceeding, if contaminated, to the remediation of environmental matrices involved, which was received by the company in September 2013 and against which, during the month of December 2013, an appeal was filed before the Regional Administrative Court of Abruzzo, Pescara section, it should be noted that with a ruling dated April 30, 2014 the Court rejected the Company's claim against the said provision of the Ministry of the Environment. The decision, no less than the contested provision, is vitiated by evident profiles of illegitimacy and is substantially unfair. Edison will appeal against the ruling of the Regional Administrative Court of Abruzzo, to protect its rights and interests.

Solvay – Edison Arbitration

With regard to this arbitration, please note that, on July 31, 2013, following the filing of initial briefs by the parties in 2013, the Board of Arbitrators decided to bisect the proceedings to address in advance certain prejudicial and preliminary exceptions put forth by Edison, separately from the action filed by Solvay Sa and Solvay Specialty Polymers Italy Spa. Edison expect a decision on the abovementioned exceptions by the fall of 2014.

* * * * *

C) **Liabilities for which a provision for environmental risks was recognized in the balance sheet**:

Edison Spa

City of Milan, Damage Claim for Montedison's "Former Officine del Gas" Site in Milan – Bovisa

In June 2013, the City of Milan served Edison with a summons to appear before the Court of Milan to provide compensation for damages allegedly related to the remediation costs for the "former Officine del Gas" site in Milan's Bovisa district, quantified at about 20 million euros. At this site, Montedison Spa carried out a gas production and distribution business from 1966 to 1981. The damage claim is also for the damage allegedly suffered by the City of Milan for the loss of value of assets it owns, estimated at about 10 million euros. Edison joined the proceedings filing a brief in December 2013. An initial hearing was held on February 14, 2014 and the briefs required pursuant to Article 183 of the Italian Code of Civil Procedure were filed.

* * * * *

Contingent liabilities associated with legal disputes

There were no new developments requiring disclosure.

* * * * *

Probable liabilities associated with tax disputes

There were no new developments requiring disclosure.

* * * * *

Contingent liabilities associated with tax disputes

With regard to the main tax disputes, in connection with which a liability may be incurred contingent on possible, but not probable, events, please note the following developments occurred in the period:

Edison Spa

Dispute for Registration Fees on Transactions Requalified as Disposal of Business Operations (Taranto plants)

In March 2014, the Revenue Agency appealed the decision, favorable to the Company, handed down by the Milan Provincial Tax Commission with regard to the payment notice for registration, mortgage and cadastral fees, totaling more than 17 million euros, issued based on the presumed requalification of a transaction involving the conveyance of business operations (consisting of the assets and liabilities attributable to the CET2 and CET3 thermoelectric power plants in Taranto) to Taranto Energia Srl and the subsequent sale of Company's equity interest in this company to ILVA Spa.

Disputed Municipal Property Taxes (ICI) on Offshore Hydrocarbon Production Platforms

In April 2014, the Chieti Provincial Tax Commission handed down a decision favorable to the Company, voiding the notice of assessment issued by the municipal administration of Torino di Sangro concerning the Municipal Property taxes (ICI) of some hydrocarbon production platforms located in the Adriatic Sea.

* * * * *

Contingent assets

There were no new developments requiring disclosure.

GROUP FINANCIAL RISK MANAGEMENT

This Section describes the policies and principles adopted by the Edison Group to manage and control the commodity price risk that arises from the volatility of the prices of energy commodities and environmental securities (CO_2 emissions credits, green certificates and white certificates) and other risks related to financial instruments (foreign exchange risk, interest rate risk, credit risk and liquidity risk).

A more detailed description of these issues is provided in Consolidated Financial Statements at December 31, 2013.

In accordance with IFRS 7, the paragraphs that follow provide information about the nature of the risk related to financial instruments, based on accounting and management sensitivity considerations.

1. Commodity Price Risk and Exchange Rate Risk Related to Commodity Transactions

Consistent with its Energy Risk Policies, the Edison Group manages this risk within the limit of an Economic Capital amount — measured in terms of Profit at Risk (PaR[2]) — approved by the Board of Directors for the Industrial Portfolio, including both transactions that hedge contracts to buy or sell commodities and the Group's production and assets. The Economic Capital represents the risk capital, stated in millions of euros, available to hedge market risks.

A simulation is carried out for the derivatives instruments that hedge the Industrial Portfolio, some of which qualify for hedge accounting under IAS 39 (Cash Flow Hedge) while others qualify as Economic Hedge, to assess the potential impact that fluctuations in the market prices of the underlying assets could have on the fair value of outstanding derivatives. Issues concerning the Italian forward market for electric power are discussed in the Consolidated Financial Statements at December 31, 2013.

The table below shows the maximum negative variance in the fair value of outstanding financial derivatives expected over the time horizon of the current year, with a 97.5% probability, compared with the fair value determined at March 31, 2014, which is 280.2 million euros (256.1 million euros at March 31, 2013). In other words, compared with the fair value determined for financial derivatives outstanding at March 31, 2014, the probability of a negative variance greater than 280.2 million euros by the end of 2014 is limited to 2.5% of the scenarios.

Profit at Risk (PaR)	**1st quarter 2014**		1st quarter 2013	
	Level of probability	Expected negative variance in fair value (in millions of euros)	Level of probability	Expected negative variance in fair value (in millions of euros)
Edison Group	**97.50%**	**280.2**	97.50%	256.1

The corresponding value at December 31, 2013 was 328.6 million euros.

[2] Profit at Risk is a statistical measurement of the maximum potential negative variance in the projected margin in response to unfavorable market fluctuations, within a given time horizon and confidence interval.

The increase, compared with the level measured at March 31, 2013, is due primarily to a higher net volume of financial derivative executed to hedge forward sales for 2014, 2015 and 2016.

The hedging strategy deployed during the period enabled the Group to comply with its risk management objectives, lowering the Industrial Portfolio's commodity price risk profile within the approved limit of Economic Capital. Without hedging, the average amount of Economic Capital absorbed in the first quarter of 2014 by the Industrial Portfolio would have been equal to 124% of the approved limit (138% in the first quarter of 2013), with a peak of 138% in January 2014 (160% in January 2013). With hedging, the average Economic Capital absorption in the first quarter of 2014 by the Industrial Portfolio was 81% (88% in the first quarter of 2013), with a peak of 94% in March 2014 (98% in January 2013).

Approved activities that are part of the core businesses of the Edison Group include physical and financial commodity trading, which must be carried out in accordance with special procedures and segregated at inception in special Trading Portfolios, separated from the Group's Industrial Portfolio. Trading Portfolios are monitored based on strict risk ceilings. Compliance with these ceilings is monitored by an organizational unit independent of the trading unit. The daily Value-at-Risk (VaR[3]) limit with a 95% probability on the Trading Portfolios is 3.4 million euros (3.7 million euros at March 31, 2013), with a stop loss limit of 17.7 million euros (19.5 million euros at March 31, 2013). The VaR limit was 45% utilized at March 31, 2014 (40% at March 31, 2013), with an average utilization of 43% for the period (48% in the same period of 2013).

As is the case for the Industrial Portfolio, an Economic Capital that represents the total risk capital available to support the market risks entailed by trading activities is allocated to the entire set of Trading Portfolios. In this case, the Economic Capital ceiling takes into account the risk capital associated with the VaR of the portfolios and the risk capital estimated by means of stress tests for potentially illiquid positions. The Economic Capital ceiling for the entire set of Trading Portfolios is 52.9 million euros (58.6 million euros at March 31, 2013). This limit was 49% utilized at March 31, 2014 (45% at March 31, 2013), with an average utilization of 49% for the period (54% in the same period of 2013).

[3] Value at risk is a statistical measurement of the maximum potential negative variance in the portfolio's fair value in response to unfavorable market moves, within a given time horizon and confidence interval.

2. Foreign Exchange Risk

The foreign exchange risk arises from the fact that part of the activities of the Edison Group are carried out in currencies other than the euro or are influenced by changes in foreign exchange rates through contractual components indexed to a foreign currency. Revenues and expenses denominated in foreign currencies can be affected by fluctuations in foreign exchange rates that have an impact on sales margins (economic risk). Likewise, the amount of trade and financial payables and receivables denominated in foreign currencies can be affected by the translation rates used, with an impact on profit or loss (transactional risk). Lastly, fluctuations in foreign exchange rates have an impact on consolidated results and on the shareholders' equity attributable to Parent Company shareholders because the financial statements of subsidiaries denominated in a currency other than the euro are translated into euros from each subsidiary's functional currency (translational risk).

The foreign exchange risk management objectives are described in specific Policies; the exposure to economic and transaction risk arising from exchange rate is managed in accordance with specific limits and strategies.

3. Interest Rate Risk

The Edison Group is exposed to fluctuations in interest rates specifically with regard to the measurement of debt service costs. Consequently, it values on a regular basis its exposure to the risk of fluctuations in interest rates, which it manages with hedging derivatives, some of which qualify for hedge accounting under IAS 39 (Cash Flow Hedges and Fair Value Hedges), while others qualify as Economic Hedges.

Gross Financial Debt	03.31.2014			12.31.2013 (*)		
Mix fixed and variable rate: (in millions of euros)	without derivatives	with derivatives	% with deriv.	without derivatives	with derivatives	% with deriv.
- fixed rate portion (included structures with CAP)	2,625	2,042	66%	2,626	2,046	66%
- variable rate portion	489	1,072	34%	484	1,064	34%
Total gross financial debt	**3,114**	**3,114**	**100%**	**3,110**	**3,110**	**100%**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

As the table above shows the Edison Group did not execute significant financial transactions in the first quarter of 2014 and did not change its strategy to manage the risk of interest rate fluctuations, the breakdown of the financial structure between fixed rate component and variable rate component did not substantially change.

The table below provides a sensitivity analysis that shows the impact on the income statement and shareholders' equity, respectively, of a hypothetical shift of the forward curve of plus or minus 50 basis points compared with the rates actually applied in the first quarter of 2014 and provides a comparison with the same period in 2013.

Sensitivity analysis (in millions of euros)	1st quarter 2014 Impact on the income statement (P&L)			03.31.2014 Impact on the Cash Flow Hedge reserve (S.E.)		
	+50 bps	base	-50 bps	+50 bps	base	-50 bps
Edison Group	18	17	16	-	-	-

Sensitivity analysis (in millions of euros)	1st quarter 2013 (*) Impact on the income statement (P&L)			12.31.2013 Impact on the Cash Flow Hedge reserve (S.E.)		
	+50 bps	base	-50 bps	+50 bps	base	-50 bps
Edison Group	11	8	7	-	-	-

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

4. Credit Risk

The credit risk represents Edison Group's exposure to potential losses that could be incurred if a commercial or financial counterpart fails to meet its obligations.

To control this risk, the Edison Group implemented procedures and programs designed to evaluate customer credit worthiness (using specially designed scoring grids) and subsequently monitor the expected cash flows and any collection actions.

Edison Group is currently a party to contracts assigning trade receivables without recourse on a monthly revolving basis and by the transfer of the credit risk on a without recourse basis. The receivables assigned with such transactions during the first quarter of 2014 totaled 1,691 million euros (1,436 million euros at March 31, 2013). At March 31, 2014, the amount of receivables that were exposed to the risk of recourse was less than 1 million euros.

When it comes to choosing counterparties for transactions to manage temporary excess liquidity or execute financial hedging contracts (derivatives), the Edison Group deals only with entities with a high credit rating. At March 31, 2014, there were no significant exposures to risks related to a possible further deterioration of the overall financial environment and no significant levels of concentration held by non-institutional individual counterparties.

The table below provides an overview of gross trade receivables, the corresponding allowance for doubtful accounts and the guarantees that the Group holds to secure its receivables. The increase in outstanding receivables at March 31, 2014, compared with December 31, 2013, reflects both a seasonal effect and continuing delays in collection time, beyond contractually stipulated terms, for the Retail and Public Administration segments and abroad. In the case of the Public Administration, a significant increase in activity volumes was also a factor.

(in millions of euros)	**03.31.2014**	12.31.2013 (*)
Gross trade receivables	4,047	3,398
Allowance for doubtful accounts (-)	(318)	(300)
Trade receivables	**3,729**	**3,098**
Guarantees held (**)	561	538
Receivables less than 6 in arrears	490	440
Receivables 6 to 12 months in arrears	198	115
Receivables more than 12 months in arrears	545	542

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".
(**) Including 160 million euros to hedge receivables outstanding at March 31, 2014.

With references to foreign activities, which were adversely affected by the local political and economic situation, it is worth noting that the past-due receivables owed in Egypt at March 31, 2014 by the Egyptian General Petroleum Corporation (EGPC) (279 million euros), increased by 44 million euros compared with December 31, 2013. Please also note that the Group negotiated extended payment terms with EGPC for past-due receivables, which were discounted taking also into account Egypt's country risk.

5. Liquidity Risk

The liquidity risk is the risk that the Group may not have access to sufficient financial resources to meet its financial and commercial obligations in accordance with agreed terms and maturities. The table that follows provides a worst-case scenario. Specifically, the liabilities reflect all future cash outflows, in addition to principal and accrued interest, including all interest payments estimated for the entire length of the underlying debt obligation, and taking into account the effect of interest rate derivatives. As a result, the aggregate liability amount is larger than the gross financial debt amount used to compute the Group's net financial debt. In addition, assets (cash and cash equivalents, trade receivables, etc.) are not taken into account and financing facilities are treated as if repayable on demand, in the case of revocable lines of credit, or on the first due date when repayment can be demanded, in other cases.

Worst-case scenario (in millions of euros)	**03.31.2014**			12.31.2013 (*)		
	1 to 3 months	More than 3 months and up to 1 year	After 1 year	1 to 3 months	More than 3 months and up to 1 year	After 1 year
Bonds	-	1,269	670	16	753	1,186
Financial debt and other financial liabilities	61	6	1,136	65	80	1,099
Trade payables	2,701	31	-	2,148	29	-
Total	**2,762**	**1,306**	**1,806**	**2,229**	**862**	**2,285**
Guarantees provided to third parties (**)	**371**	**409**	**437**	**387**	**301**	**617**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

(**) These guarantees, mainly of a commercial nature and related to the Group's core businesses, are shown based on their remaining contractual maturity. For further details, see the "Commitments, Risks and Contingent Assets" section of this Report.

The financial debt maturing within one year, which totaled 1,336 million euros, consists mainly of a bond issue with a face value of 700 million euros, maturing on July 22, 2014, and a second bond issue with a face value of 500 million euros, maturing on March 17, 2015.

The financial debt maturing after one year, which totaled 1,806 million euros, includes a bond issue with a face value of 600 million euros, maturing on November 10, 2017, a loan from EDF Investissements Groupe Sa for 800 million euros, maturing on April 9, 2020, and the amount drawn down (137 million euros at March 31, 2014) on a medium/long-term direct credit line provided by the European Investment Bank (EIB) to finance gas storage projects.

The Group's projected cash flow dynamics do not indicate the need for a new long-term refinancing plan for the bond issues maturing in the second half of 2014 and the first half of 2015. However, Edison is conservatively assessing the possibility of redefining its financial funding for the short term.

At the moment, thanks to the refinancing plan implemented last year, the short-term cash flow flexibility of the Edison Group is more than adequate. The revolving credit facilities, for a total face value of 1,100 million euros, provided, respectively, by EDF Sa (for two years, in the amount of 600 million euros, expiring on April 9, 2015) and the Club Deal revolving credit facility, executed with a group of banks, on July 10, 2013 (in the amount of 500 million euros, expiring on January 7, 2015) were fully available at March 31, 2014. In addition, the amount up to 199 million euros was potentially available through the centralized cash management account provided by EDF Sa to Edison Spa. Lastly, please note that Edison held liquid assets totaling 716 million euros at March 31, 2014.

6. Default Risk and Debt Covenants

This type of risk arises from the possibility that loan agreements or bond indentures to which Group companies are a party may contain provisions that, if certain events were to occur, would empower the lenders, be they banks or bondholders, to demand that the borrower repay immediately the loaned amounts, which, consequently, would create a liquidity risk (see the "Liquidity Risk" paragraph above).

The following three bond issues floated by the Group (Euro Medium Term Notes) with a total face value of 1,800 million euros were outstanding at March 31, 2014:

Description	Issuer	Market where traded	ISIN Code	Term (years)	Maturity	Face value (in millions of euros)	Coupon	Current rate
EMTN 07/2009	Edison Spa	Luxembourg Stock Exch.	XS0441402681	5	07.22.2014	700	Fixed annual	4.250%
EMTN 03/2010	Edison Spa	Luxembourg Stock Exch.	XS0495756537	5	03.17.2015	500	Fixed annual	3.250%
EMTN 11/2010	Edison Spa	Luxembourg Stock Exch.	XS0557897203	7	11.10.2017	600	Fixed annual	3.875%

Outstanding debt obligations of the Group include non-syndicated facilities totaling 1,620 million euros, the unused portion of which was 605 million euros at March 31, 2014, and syndicated facilities amounting to 504 million euros, the unused portion of which was 501 million euros at March 31, 2014.

With regard to the transactions currently outstanding, including the corresponding loan agreements and bond indentures and the covenants they include, nothing changed compared with December 31, 2013. Additional information can be found in the extensive remarks provided in the notes to the Consolidated Financial Statements at December 31, 2013.

At present, the Group is not aware of the existence of any default situation or non-compliance with covenants.

Analysis of Forward Transactions and Derivatives

Forward Transactions and Derivatives

The Edison Group engages in trading for its own account in physical energy commodities and financial derivatives based on such commodities, in a manner consistent with special Energy Risk Policies. Accordingly, it defined an appropriate risk control structure and the necessary guidelines and specific procedures. The Group views this activity as part of its regular operations and the results derived from it are recognized in the Income Statement and are included in EBIT. Whenever possible, the Group uses hedge accounting, provided the transactions comply with the requirements of IAS 39.

Forward transactions and derivatives can be classified as follows:

1) **Derivatives that qualify as hedges in accordance with IAS 39**. This category includes transactions that hedge the risk of fluctuations in cash flow (Cash Flow Hedges - CFH) and those that hedge the fair value of the hedged item (Fair Value Hedge - FVH).
2) **Forward transactions and derivatives that do not qualify as hedges in accordance with IAS 39**. They can be:
   a. Transactions to manage interest rate and foreign exchange and price risk on energy commodities. For all derivatives that comply with internal risk policies and procedures, realized results and expected values are either included in EBIT, if they refer to activities related to the Industrial Portfolio, or recognized as financial income or expense, in the case of financial transactions.
   b. Trading Portfolios. As explained above, they include physical and financial energy commodity contracts; both realized results and expected values of these transactions are included in EBITDA.

Fair Value Hierarchy According to IFRS 13

The classification of financial instruments at fair value, provided by IFRS 13, based on the reliability of inputs used to measure it, is based on the following hierarchy:

- **Level 1**: Determination of fair value based on quoted prices (unadjusted) for identical assets or liabilities in active markets. Instruments with which Edison Group operates directly in active markets (e.g., futures) are included in this category.
- **Level 2**: Determination of fair value based on inputs other than the quoted prices of Level 1 but which are directly or indirectly observable (e.g., forward contracts or swaps in futures markets).
- **Level 3**: Determination of fair value based on valuation models with inputs not based on observable market data (unobservable inputs). At this time, as at December 31, 2013, the Group hold a category of instruments classified at this level.

The valuation of financial instruments can entail significant subjective judgment. However, Edison uses prices quoted in active markets, when available, as the best estimate of the fair value of all derivatives.

Effects of Hedging Derivative and Trading Transactions on the Income Statement and Balance Sheet in the first quarter of 2014

The disclosure below provides an analysis of the financial results generated by derivative hedging and trading transactions at March 31, 2014, including the effects of physical energy commodity contracts.

(in millions of euros)	Realized during the period	Fair value recognized for contracts outstanding at 12.31.2013	*Portion of (B) contracts realized during the period*	Fair value recognized for contracts outstanding at 03.31.2014	Change in fair value in the period	Amounts recognized in earnings at 03.31.2014	Amounts recognized in earnings at 03.31.2013
	(A)	(B)	*(B1)*	(C)	(D)=(C-B)	(A+D)	
Sales revenues, Other revenues and income and Net change in fair value of commodity derivatives (see Notes 1, 2 and 6 to the Income Statement)							
Price risk hedges for energy products							
- definable as hedges pursuant to IAS 39 (CFH) (**)	46	17	1	14	(3)	43	50
- not definable as hedges pursuant to IAS 39	43	28	7	140	112	155	5
Exchange risk hedges for commodities							
- definable as hedges pursuant to IAS 39 (CFH) (**)	-	-	-	-	-	-	(1)
- not definable as hedges pursuant to IAS 39	(6)	2	1	2	-	(6)	-
Margin on trading activities							
- Sales revenues from physical contracts included in the Trading Portfolios (***)	1,777	222	27	708	486	2,263	1,081
- Raw materials and services used from physical contracts included in the Trading Portfolios (***) (&)	(1,730)	(180)	(31)	(545)	(365)	(2,095)	(1,037)
Total margin on physical trading activities	*47*	*42*	*(4)*	*163*	*121*	*168*	*44*
Total (A)	**130**	**89**	**5**	**319**	**230**	**360**	**98**
Raw materials and services used and Net change in fair value of commodity derivatives (see Note 3 and 6 to the Income Statement)							
Price risk hedges for energy products							
- definable as hedges pursuant to IAS 39 (CFH) (**)	(8)	(1)	-	(1)	-	(8)	(26)
- not definable as hedges pursuant to IAS 39	(47)	(55)	(13)	(34)	21	(26)	(24)
Exchange risk hedges for commodities							
- definable as hedges pursuant to IAS 39 (CFH) (*) (**)	(26)	-	-	-	-	(26)	(32)
- not definable as hedges pursuant to IAS 39	(1)	(8)	(5)	(4)	4	3	-
Margin on financial trading activities							
- Other revenues and income from derivatives included in the Trading Portfolios (****)	8	29	17	34	5	13	22
- Raw materials and services used from derivatives included in the Trading Portfolios (****)	(88)	(45)	(11)	(112)	(67)	(155)	(38)
Total margin on financial trading activities	*(80)*	*(16)*	*6*	*(78)*	*(62)*	*(142)*	*(16)*
Total (B)	**(162)**	**(80)**	**(12)**	**(117)**	**(37)**	**(199)**	**(98)**
TOTAL INCLUDED IN EBIT (A+B)	**(32)**	**9**	**(7)**	**202**	**193**	**161**	**-**
Interest rate hedges, broken down as follows:							
Financial income							
- definable as hedges pursuant to IAS 39 (CFH)	-	-	-	-	-	-	-
- definable as hedges pursuant to IAS 39 (FVH)	12	56	10	62	6	18	11
- not definable as hedges pursuant to IAS 39	11	4	2	-	(4)	7	12
Total financial income (C)	**23**	**60**	**12**	**62**	**2**	**25**	**23**
Financial expense							
- definable as hedges pursuant to IAS 39 (CFH)	-	-	-	-	-	-	-
- definable as hedges pursuant to IAS 39 (FVH)	(10)	-	-	-	-	(10)	(14)
- not definable as hedges pursuant to IAS 39	(14)	(14)	(1)	(8)	6	(8)	(7)
Total financial expense (D)	**(24)**	**(14)**	**(1)**	**(8)**	**6**	**(18)**	**(21)**
Margin on interest rate hedging transactions (C+D)=(E)	**(1)**	**46**	**11**	**54**	**8**	**7**	**2**
Foreign exchange rate hedges broken down as follows:							
Foreign exchange gains							
- definable as hedges pursuant to IAS 39	1	1	1	-	(1)	-	5
- not definable as hedges pursuant to IAS 39	3	1	1	1	-	3	30
Total foreign exchange gains (F)	**4**	**2**	**2**	**1**	**(1)**	**3**	**35**
Foreign exchange losses							
- definable as hedges pursuant to IAS 39	(8)	(1)	(1)	-	1	(7)	(3)
- not definable as hedges pursuant to IAS 39	(1)	(2)	(2)	-	2	1	(9)
Total foreign exchange losses (G)	**(9)**	**(3)**	**(3)**	**-**	**3**	**(6)**	**(12)**
Margin on foreign exchange hedging transactions (F+G)= (H)	**(5)**	**(1)**	**(1)**	**1**	**2**	**(3)**	**23**
TOTAL INCLUDED IN NET FINANCIAL INCOME (EXPENSE) (E+H) (see Note 8 to the Income Statement)	**(6)**	**45**	**10**	**55**	**10**	**4**	**25**

(*) Includes the effective portion included in "Raw materials and services used" (Note 3 to the Income Statement) for purchases of natural gas.

(**) Includes the ineffective portion.

(***) Amounts included in "Sales revenues" (Note 1 to the Income Statement) under margin on physical trading activities.

(****) Amounts included in "Raw materials and sercices used" (Note 3 to the Income Statement) under margin on financial trading activities.

(&) Includes the fair value adjustment of trading inventories, the carrying amount of which was -2 million euros at 03.31.2014.

The table below provides a breakdown of the amounts recognized on the Balance Sheet following the measurement at fair value of the derivatives and physical contracts outstanding on the date of the financial statements and their classification on the fair value hierarchy as required by IFRS 13:

(in millions of euros)	03.31.2014		12.31.2013 (*)	
	Receivables	**Payables**	Receivables	Payables
Foreign exchange transactions	10	(111)	16	(159)
Interest rate transactions	62	(8)	60	(14)
Commodity transactions	1,045	(701)	452	(296)
Fair value recognized as current assets or current liability (a)	**1,117**	**(820)**	**528**	**(469)**
Broken down as follows:				
- recognized as "Trade receivables and payables"	704	(543)	222	(180)
- recognized as "Other receivables and payables"	351	(269)	246	(275)
- recognized as "Current financial assets" and "Short-term financial debt"	62	(8)	60	(14)
Broken down on fair value hierarchy:				
- Level 1	24	(60)	19	(22)
- Level 2	1,089	(740)	502	(436)
- Level 3 (**)	4	(20)	7	(11)
IFRS 7 potential ofsetting (b)	**(235)**	**235**	**(216)**	**216**
Potential net Fair Value (a+b)	**882**	**(585)**	**312**	**(253)**

(*) 2013 amounts have been restated as a result of the adoption of IFRS 11 "Joint Arrangements".

(**) The fair value classified at Level 3 is recognized in the amount of -12 million euros as part of the physical trading margin (4 million euros of revenues and 16 million euros of costs), in the amount of -4 million euros in Raw material and services used.

With regard to these items, please note that a positive Cash Flow Hedge reserve amounting to 38 million euros, before the corresponding deferred-tax assets and liabilities, was recognized in connection with the receivables and payables shown above.

INTERCOMPANY AND RELATED-PARTY TRANSACTIONS

Consistent with the applicable policies adopted by the Group, transactions with related parties affecting the income statement and balance sheet that were outstanding at March 31, 2014 are reviewed below. The information provided is sufficient to meet the disclosure requirements of IAS 24. These transactions were executed in the normal course of business and on contractual terms that were consistent with standard market practices.

(in millions of euros)	*Related Parties pursuant to IAS 24*			Total for related parties	Total for financial statem. line item	Impact %
	With unconsolidated Edison Group companies	*With controlling companies*	*With other EDF Group companies*			
Balance Sheet transactions:						
Investments in associates	146	-	-	**146**	**146**	**100.0%**
Other financial asset	89	-	-	**89**	**105**	**84.8%**
Trade receivables	1	-	119	**120**	**3,729**	**3.2%**
Other receivables	4	104	7	**115**	**853**	**13.5%**
Current financial assets	6	-	-	**6**	**80**	**7.5%**
Cash and cash equivalents	-	502	-	**502**	**716**	**70.1%**
Long-term financial debt and other financial liabilities	-	-	796	**796**	**1,016**	**78.3%**
Short-term financial debt	17	-	9	**26**	**226**	**11.5%**
Trade payables	2	2	82	**86**	**2,732**	**3.1%**
Other payables	1	164	9	**174**	**832**	**20.9%**
Income Statement transactions:						
Sales revenues	1	-	86	**87**	**3,537**	**2.5%**
Other revenues and income	1	-	-	**1**	**126**	**0.8%**
Raw materials and services used	(7)	(2)	(51)	**(60)**	**(3,392)**	**1.8%**
Financial income	2	-	-	**2**	**31**	**6.5%**
Financial (expense)	-	-	(6)	**(6)**	**(61)**	**9.8%**
Net foreign exchange translation gains (losses)	-	(7)	-	**(7)**	**(2)**	**n.m.**

A) Intercompany Transactions and with Controlling Companies

Transactions between Edison Spa and its subsidiaries and affiliated companies and its controlling companies consist primarily of:

- commercial transactions involving the buying and selling of electric power, natural gas, green certificates and CO_2 certificates;
- transactions involving the provision of services (technical, organizational, legal and administrative) by headquarters staff of Edison Spa;
- financial transactions involving hedging exchange rate risk, lending and current account facilities established within the framework of the Edison Group's centralized cash management system of Edison Spa with its subsidiaries and of EDF Sa with Edison Spa;
- transactions required to file a consolidated VAT return for the Edison Group (so-called VAT Pool);
- transactions required to file the consolidated IRES return with its controlling company Transalpina di Energia Spa;
- transactions with EDF Sa involving the provision of services (mainly financial and insurance).

All of the transactions listed above are governed by contracts with conditions that are consistent with market terms (i.e., terms that would have been agreed upon by independent parties), with the exception of those related to the VAT Pool and the consolidated corporate income tax (IRES) return, which were executed pursuant to law.

Consolidated VAT Return

Edison Spa files a consolidated VAT return (so-called VAT Pool) that includes those companies of the Edison Group that meet the requirements of Article 73, Section 3, of Presidential Decree No. 633/72. The VAT Group return for March 31, 2014 showed a debt of 19 million euros.

Consolidated IRES Return

Starting in 2013, for the three-year period from 2013 to 2015, Edison Spa and its principal subsidiaries agreed to be included in the consolidated corporate income tax (IRES) return filed by WGRM (now Transalpina di Energia Spa). The relationships between the filers of the consolidated tax return are governed by special agreements.

Consequently, the companies included in the consolidated corporate income tax (IRES) return will determine their IRES liability in coordination with the Group's controlling company.

Please note that Group companies that operate primarily in the sectors of hydrocarbon exploration and development, production and distribution, transmission or distribution of natural gas, and production and distribution of electric power, including power generated from renewable sources, are subject to a corporate income tax surcharge, which has been set at 6.5%. The affected companies are required to pay the surcharge directly, even if they are included in the filing of a consolidated IRES return.

Centralized Cash Management System by EDF Sa

It is worth mentioning that on September, 27 2012, EDF Sa and Edison Spa executed a framework agreement for centralized cash management services, pursuant to which EDF manage the surplus cash and cash needs of the Edison Group, with the aim of optimizing short-term cash flows. At March 31, 2014, the current account established with EDF Sa has a positive balance for 502 million euros, which includes 18 million held by the subsidiary EDF Production UK acquired in October 2013.

Loan by EDF Sa

It is worth mentioning that in April 2013 EDF Sa granted to Edison Spa a credit line, for a face amount of 600 million euros and with maturity on April 9, 2015, entirely non utilized at March 31, 2014. The loan was provided on terms in line with those granted in the financial market to companies with Edison's credit rating.

With regard to contracts for services rendered by EDF Sa (mainly financial and insurance) and other recharges of expenses, the costs for the period amounted to about 2 million euros.

B) Transactions with Other EDF Group Companies

An analysis of the main transactions with other EDF Group Companies is provided below.

1) Commercial Transactions

Transactions executed are the following:

- With Fenice Spa, sales revenues of about 10 million euros, mainly from sales of natural gas.
- With EDF Trading Ltd, energy and gas sales revenues of 100 million euros and costs of 41 million euros stemming from sales and purchases of commodities.
- With EDF Trading Ltd revenues of 164 million euros and costs of 188 million euros stemming from transactions executed during the period as part of the physical trading activity, these amounts are included in “Sales revenues” on a net basis; as part of the financial trading activity for 10 million euros as revenues and 20 million euros as costs, amounts recorded in “Raw materials and services used” on a net basis.

The table provided above shows the impact on the balance sheet of the various transactions reviewed above.

2) Financial Transactions

The only financial operation with other companies of the EDF Group is discussed in the following.

Loan by EDF Investissement Groupe Sa

It is worth mentioning that in April 2013 EDF Investissement Groupe SA, an EDF Group company that handles long-term funding for Group companies, provided Edison Spa with a long-term loan for a face amount of 800 million euros and with maturity on April 9, 2020, which had been drawn down in full at March 31, 2014. The loan was provided on terms in line with those granted in the financial market to companies with Edison’s credit rating.

OTHER INFORMATION

Significant Nonrecurring Events and Transactions

The Edison Group declares that it did not execute significant nonrecurring events and transactions in the first quarter of 2014, pursuant to CONSOB Communication No. DEM/6064293 of July 28, 2006,

Transactions Resulting from Atypical and/or Unusual Activities

The Edison Group declares that it did not execute atypical and/or unusual transactions in the first quarter of 2014, as defined in the CONSOB Communication No. DEM/6064293 of July 28, 2006.

SIGNIFICANT EVENTS OCCURRING AFTER MARCH 31, 2014

No significant events after March 31, 2014 occurred.

Milan, May 13, 2014

The Board of Directors
By Bruno Lescoeur
Chief Executive Officer

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SCOPE OF CONSOLIDATION

at March 31, 2014

SCOPE OF CONSOLIDATION AT MARCH 31, 2014
List of equity investments

Company name	Head office	Currency	Share capital	Consolidated Group interest (a) 03.31.2014	Consolidated Group interest (a) 12.31.2013	Interest held in share capital % (b)	Interest held in share capital by	Voting securities held % (c)	Exercisable voting rights % (d)	Type of investment relationship (e)	Notes

A) Investments in companies included in the scope of consolidation
A.1) Companies consolidated line by line

Company name	Head office	Currency	Share capital	03.31.2014	12.31.2013	% (b)	by	% (c)	% (d)	(e)	Notes
Group Parent Company											
Edison Spa	Milan (IT)	EUR	5,291,700,671								
Electric Power Operations											
Compagnia Energetica Bellunese CEB Spa (single shareholder)	Milan (IT)	EUR	1,200,000	86.12	86.12	100.00	Sistemi di Energia Spa	-	-	S	(i)
CSE Srl (single shareholder) - Electric Power Activities	Pavia (IT)	EUR	12,440	100.00	100.00	100.00	Edison Spa	-	-	S	(i)
Dolomiti Edison Energy Srl	Trento (IT)	EUR	5,000,000	49.00	49.00	49.00	Edison Spa	-	-	S	-
Edison Energia Spa (single shareholder) - Electric Power Activities	Milan (IT)	EUR	22,000,000	100.00	100.00	100.00	Edison Spa	-	-	S	(i)
Edison Energie Speciali Sicilia Srl (single shareholder)	Palermo (IT)	EUR	20,000	100.00	100.00	100.00	Edison Energie Speciali Spa (single shareholder)	-	-	S	(i)
Edison Energie Speciali Spa (single shareholder)	Milan (IT)	EUR	4,200,000	100.00	100.00	100.00	Edison Spa	-	-	S	(i)
Edison Energy Solutions Spa (single shareholder) - Electric Power Activities	Milan (IT)	EUR	3,000,000	100.00	100.00	100.00	Edison Energia Spa (single shareholder)	-	-	S	(i)
Edison Engineering Sa	Athens (GR)	EUR	260,001	100.00	100.00	100.00	Edison Spa	-	-	S	-
Edison Gas and Power Romania Srl - Electric Power Activities	Bucuresti (RO)	RON	8,400,000	100.000	100.00	99.00 1.00	Edison International Holding Nv Edison Spa	-	-	S	-
Edison Trading Spa (single shareholder)	Milan (IT)	EUR	30,000,000	100.00	100.00	100.00	Edison Spa	-	-	S	(i)
Gever Spa	Milan (IT)	EUR	10,500,000	51.00	51.00	51.00	Edison Spa	-	-	S	-
Hydros Srl - Hydros Gmbh	Bolzano (IT)	EUR	30,018,000	40.00	40.00	40.00	Edison Spa	-	-	S	-
Jesi Energia Spa	Milan (IT)	EUR	5,350,000	70.00	70.00	70.00	Edison Spa	-	-	S	(i)
Parco Eolico San Francesco Srl (single shareholder)	Milan (IT)	EUR	100,000	100.00	100.00	100.00	Edison Energie Speciali Spa (single shareholder)	-	-	S	(i)
Presenzano Energia Srl	Milan (IT)	EUR	120,000	90.00	90.00	90.00	Edison Spa	-	-	S	(i)
Sistemi di Energia Spa	Milan (IT)	EUR	10,083,205	86.12	86.12	86.12	Edison Spa	-	-	S	(i)
Termica Cologno Srl	Milan (IT)	EUR	9,296,220	65.00	65.00	65.00	Edison Spa	-	-	S	(i)
Termica Milazzo Srl	Milan (IT)	EUR	23,241,000	60.00	60.00	60.00	Edison Spa	-	-	S	(i)
Hydrocarbons Operations											
Amg Gas Srl	Palermo (IT)	EUR	100,000	80.00	80.00	80.00	Edison Spa	-	-	S	(i)
CSE Srl (single shareholder) - Hydrocarbons Activities	Pavia (IT)	EUR	12,440	100.00	100.00	100.00	Edison Spa	-	-	S	(i)
Edf Production UK Ltd	Richmond Upon Thames Surrey (GB)	GBP	81,867,411	100.00	100.00	100.00	Edison International Holding Nv	-	-	S	-
Edison D.G. Spa (single shareholder)	Selvazzano Dentro (PD) (IT)	EUR	460,000	100.00	100.00	100.00	Edison Spa	-	-	S	(i)
Edison Energia Spa (single shareholder) - Hydrocarbons Activities	Milan (IT)	EUR	22,000,000	100.00	100.00	100.00	Edison Spa	-	-	S	(i)
Edison Energy Solutions Spa (single shareholder) - Hydrocarbons Activities	Milan (IT)	EUR	3,000,000	100.00	100.00	100.00	Edison Energia Spa (single shareholder)	-	-	S	(i)
Edison Gas and Power Romania Srl - Hydrocarbons Activities	Bucuresti (RO)	RON	8,400,000	100.00	100.00	99.00 1.00	Edison International Holding Nv Edison Spa	-	-	S	-

List of Equity Investments (continued)

Company name	Head office	Currency	Share capital	Consolidated Group interest (a) 03.31.2014	Consolidated Group interest (a) 12.31.2013	Interest held in share capital % (b)	Interest held in share capital by	Voting securities held % (c)	Exercisable voting rights % (d)	Type of investment relationship (e)	Notes
Edison Idrocarburi Sicilia Srl (single shareholder)	Ragusa (IT)	EUR	1,000,000	100.00	100.00	100.00	Edison Spa	-	-	S	(i)
Edison International Spa (single shareholder)	Milan (IT)	EUR	75,000,000	100.00	100.00	100.00	Edison Spa	-	-	S	(i)
Edison Stoccaggio Spa (single shareholder)	Milan (IT)	EUR	90,000,000	100.00	100.00	100.00	Edison Spa	-	-	S	(i)
Euroil Exploration Ltd	London (GB)	GBP	9,250,000	100.00	100.00	100.00	Edison International Holding Nv	-	-	S	-
						0.00	Edison Spa	-	-	-	-
Infrastrutture Trasporto Gas Spa (single shareholder)	Milan (I)	EUR	10,000,000	100.00	100.00	100.00	Edison Spa	-	-	S	-
Corporate Activities											
Atema Limited	Dublin 2 (IRL)	EUR	1,500,000	100.00	100.00	100.00	Edison Spa	-	-	S	-
Edison Hellas Sa	Athens (GR)	EUR	263,700	100.00	100.00	100.00	Edison Spa	-	-	S	-
Edison International Development Bv (ex Edison International Exploration & Production Bv)	Amsterdam (NL)	EUR	18,018,000	100.00	100.00	100.00	Edison International Holding Nv	-	-	S	-
Edison International Holding Nv	Amsterdam (NL)	EUR	123,500,000	100.00	100.00	100.00	Edison Spa	-	-	S	-
Nuova Alba Srl (single shareholder)	Milan (IT)	EUR	2,016,457	100.00	100.00	100.00	Edison Spa	-	-	S	(i)

A.2) Companies consolidated by the proportional method

Company name	Head office	Currency	Share capital	Consolidated Group interest (a) 03.31.2014	Consolidated Group interest (a) 12.31.2013	Interest held in share capital % (b)	Interest held in share capital by	Voting securities held % (c)	Exercisable voting rights % (d)	Type of investment relationship (e)	Notes
Electric Power Operations											
Kinopraxia Thisvi	N. Kiffissia (GR)	EUR	20,000	65.00	65.00	65.00	Edison Engineering Sa	-	-	JO	(iii)

List of Equity Investments (continued)

Company name	Head office	Currency	Share capital	Consolidated Group interest (a) 12.31.2013	Interest held in share capital % (b)	Interest held in share capital by	Voting securities held % (c)	Exercisable voting rights % (d)	Carrying value (in millions of euros) (f)	Type of investment relationship (e)	Notes
B) Investments in companies valued by the equity method											
Abu Qir Petroleum Company	Alexandria (ET)	EGP	20,000	50.00	50.00	Edison International Spa (single shareholder)	-	-	-	JV	(iv)(v)
Ed-Ina D.o.o.	Zagreb (HR)	HRK	20,000	50.00	50.00	Edison International Spa (single shareholder)	-	-	-	JV	(iv)
Elpedison Bv	Amsterdam (NL)	EUR	1,000,000	50.00	50.00	Edison International Holding Nv	-	-	32.0(*)	JV	(iv)
Fayoum Petroleum Co - Petrofayoum	Cairo (ET)	EGP	20,000	30.00	30.00	Edison International Spa (single shareholder)	-	-	-	JV	(iv)(v)
Ibiritermo Sa	Ibirité - Estado de Minas Gerais (BR)	BRL	7,651,814	50.00	50.00	Edison Spa	-	-	23.1	JV	(iv)
IGI Poseidon Sa-Nat. Gas Subm. Interc. Gre-Ita-Poseidon	Herakleio Attiki (GR)	EUR	26,400,000	50.00	50.00	Edison International Holding Nv	-	-	3.6(**)	JV	(iv)
Parco Eolico Castelnuovo Srl	Castelnuovo di Conza (SA) (IT)	EUR	10,200	50.00	50.00	Edison Energie Speciali Spa (single shareholder)	-	-	0.9	JV	(iv)
Sel Edison Spa	Castelbello (BZ) (IT)	EUR	84,798,000	42.00	42.00	Edison Spa	-	-	34.8	JV	(iv)
Centrale Elettrica Winnebach Soc. Consortile Arl	Terento (BZ) (IT)	EUR	100,000		30.00	Hydros Srl - Hydros Gmbh	-	-	-	AC	-
Centrale Prati Società Consortile Arl	Val di Vizze (BZ) (IT)	EUR	300,000		30.00	Hydros Srl - Hydros Gmbh	-	-	0.8	AC	-
Consorzio Barchetta	Jesi (AN) (IT)	EUR	2,100		47.62	Jesi Energia Spa	-	-	-	AC	-
EL.IT.E Spa	Milan (IT)	EUR	3,888,500		48.45	Edison Spa	-	-	3.2	AC	-
Energia Senales Scarl - Es Scarl	Senales (BZ) (IT)	EUR	100,000		40.00	Hydros Srl - Hydros Gmbh	-	-	-	AC	-
Eta 3 Spa	Arezzo (IT)	EUR	2,000,000		33.01	Edison Spa	-	-	3.8	AC	-
Iniziativa Universitaria 1991 Spa	Varese (IT)	EUR	16,120,000		32.26	Edison Spa	-	-	4.3	AC	-
Kraftwerke Hinterrhein Ag	Thusis (CH)	CHF	100,000,000		20.00	Edison Spa	-	-	19.5	AC	-
Soc. Svil. Rea. Gest. Gasdot. Alg-ITA V. Sardeg. Galsi Spa	Milan (IT)	EUR	37,419,179		20.82	Edison Spa	-	-	17.4	AC	-
Total investments in companies valued by the equity method									**143.4**		

(*) The carrying value includes the valuation of Elpedison Energy SA and Elpedison Power SA.

Company name	Head office	Currency	Share capital	Consolidated Group interest (a) 12.31.2013	Interest held in share capital % (b)	Interest held in share capital by	Type of investment relationship (e)	Notes
Elpedison Energy Sa	Marousi Athens (GR)	EUR	1,435,600	50.00	100.00	Elpedison Bv	JV	(iv)
Elpedison Power Sa	Marousi Athens (GR)	EUR	98,198,000	37.89	75.78	Elpedison Bv	JV	(iv)

(**) The carrying value includes the valuation of ICGB AD.

Company name	Head office	Currency	Share capital	Consolidated Group interest (a) 12.31.2013	Interest held in share capital % (b)	Interest held in share capital by	Type of investment relationship (e)	Notes
ICGB AD	Sofia (BG)	BGL	12,517,320	25.00	50.00	IGI Poseidon Sa - Nat. Gas Subm. Interc. Gre-Ita-Poseidon	JV	(iv)

List of Equity Investments (continued)

Company name	Head office	Currency	Share capital	Consolidated Group interest (a) 12.31.2013	Interest held in share capital % (b)	Interest held in share capital by	Voting securities held % (c)	Exercisable voting rights % (d)	Carrying value (in millions of euros) (f)	Type of investment relationship (e)	Notes
C) Investments in companies in liquidation or subject to permanent restrictions											
Auto Gas Company S.A.E. (in liquidation)	Cairo (ET)	EGP	1,700,000		30.00	Edison International Spa (single shareholder)	-	-	-	AC	-
Cempes Scrl (in liquidation)	Rome (IT)	EUR	15,492		33.33	Nuova C.I.S.A. Spa (in liq.) (single shareholder)	-	-	-	AC	-
Groupement Gambogi - Cisa (in liquidation)	Dakar (SN)	XAF	1,000,000		50.00	Nuova C.I.S.A. Spa (in liq.) (single shareholder)	-	-	-	AC	-
Nuova C.I.S.A. Spa (in liquidation) (single shareholder)	Milan (IT)	EUR	1,549,350		100.00	Edison Spa	-	-	2.4	S	(i)
Nuova I.S.I. Impianti Selez. Inerti Srl (in bankruptcy)	Vazia (RI) (IT)	LIT in Euros	150,000,000 77,468.53		33.33	Edison Spa	-	-	-	AC	-
Poggio Mondello Srl (single shareholder)	Palermo (IT)	EUR	364,000		100.00	Nuova C.I.S.A. Spa (in liq.) (single shareholder)	-	-	-	S	(i)
Sistema Permanente di Servizi Spa (in bankruptcy)	Rome (IT)	EUR	154,950		12.60	Edison Spa	-	-	-	NG	-
Soc. Gen. per Progr. Cons. e Part. Spa (in receivership)	Rome (IT)	LIT in Euros	300,000,000 154,937.07		59.33	Edison Spa	-	-	-	S	-
Sorrentina Scarl (in liquidation)	Rome (IT)	EUR	46,480		25.00	Nuova C.I.S.A. Spa (in liq.) (single shareholder)	-	-	-	AC	-
Total investments in companies in liquidation or subject to permanent restrictions									**2.4**		

List of Equity Investments (continued)

Company name	Head office	Currency	Share capital	Consolidated Group interest (a) 12.31.2013	Interest held in share capital % (b)	by	Voting securities held % (c)	Exercisable voting rights % (d)	Carrying value (in millions of euros) (f)	Type of investment relationship (e)	Notes
D) Investments in other companies valued at fair value											
D.1) Investments held for trading											
Acsm-Agam Spa	Monza (IT)	EUR	76,619,105		1.94	Edison Spa	-	-	1.9	NG	-
Amsc-American Superconductor	Devens (US)	USD	631,248		0.25	Edison Spa	-	-	0.2	NG	-
Hera Spa	Bologna (IT)	EUR	1,421,342,617		0.21	Edison Spa	-	-	6.3	NG	-
D.2) Available-for-sale investments											
Emittenti Titoli Spa	Milan (IT)	EUR	4,264,000		3.89	Edison Spa	-	-	0.2	NG	-
European Energy Exchange Ag - Eex	Lipsia (DE)	EUR	40,050,000		0.76	Edison Spa	-	-	0.7	NG	-
Istituto Europeo di Oncologia Srl	Milan (IT)	EUR	80,579,007		4.28	Edison Spa	-	-	3.5	NG	-
Prometeo Spa	Osimo (AN) (IT)	EUR	2,292,436		17.76	Edison Spa	-	-	0.5	NG	-
Rashid Petroleum Company - Rashpetco	Cairo (ET)	EGP	20,000		10.00	Edison International Spa (single shareholder)	-	-	-	NG	-
RCS Mediagroup Spa	Milan (IT)	EUR	475,134,602.10		0.88	Edison Spa	1.10	1.10	7.7	NG	-
Syremont Spa	Messina (IT)	EUR	1,250,000		24.00	Edison Spa	-	-	-	AC	(ii)
Terminale GNL Adriatico Srl	Milan (IT)	EUR	200,000,000		7.30	Edison Spa	-	-	170.0	NG	-
Total investments in other companies valued at fair value									**191.0**		
Total equity investments									**336.8**		

Notes

(a) The consolidated Group interest is computed on the basis of the interest held in the respective share capital by the Parent Company or subsidiaries consolidated on a line-by-line basis, and by jointly controlled companies consolidated by the proportional method.

(b) The interest in the share capital is equivalent to the ratio between the aggregate par value of all equity securities held directly and the total share capital. In this computation, the denominator (total share capital) is net of any treasury shares held.

(c) The percentage of the voting securities held is equivalent to the ratio between the number of voting securities held directly (irrespective of the ownership of the voting rights) and the total number of voting securities (e.g. common and preferred shares) included in the share capital. The percentage is shown only if it is different from the overall interest held.

(d) The percentage of securities with exercisable voting rights is the ratio between the number of votes which can be effectively cast by the investor company attending an Ordinary Shareholders' Meeting and the total number of votes that can be cast at an Ordinary Shareholders' Meeting. The percentage is shown only if it is different from the overall interest held.

(e) S = subsidiary; JO = joint operation; JV = joint venture; AC = affiliated company; NG = non-Group company.

(f) The carrying value is shown only for companies valued by the equity method or at cost, owned directly by the Parent Company. For other companies consolidated on a line-by-line basis or by the proportional method, it is shown only if it is equal to or greater than one million euros.

(i) Company subject to the oversight and coordination of Edison Spa.

(ii) On 1/30/07 Edison exercised the option to sell its equity investment, with respect to which the counterparty is now in default.

(iii) This company is a contractual joint venture.

(iv) From January 1, 2014, company valuated with equity method according to IFRS 11.

(v) Operating Company acting as Agent of Edison International Spa, it should be noted that the relationships regaled on behalf of it in the execution of the Concession Agreements continue to be consolidated line by line through the separated financial statements of the company.

The currency codes used in this report are those of the ISO 4217 International Standard.

BGL Bulgarian lev

BRL Brazilian real

CHF Swiss franc

EGP Egyptian pound

EUR Euro

GBP British pound

HRK Croatian kuna

PTE Portuguese escudo

RON Romanian leu

USD U.S. dollar

XAF Central African franc

CERTIFICATION

Pursuant to article 154-*bis*, Section 2, of Legislative Decree No. 58/1998

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 Spa, declare that the accounting information contained in this Quarterly Report at March 31, 2014 is consistent with the data in documents, accounting records and other records.

Milan, May 13, 2014

“I Dirigenti preposti alla redazione dei documenti contabili societari”
Didier Calvez
Roberto Buccelli