QUARTERLY REPORT
at September 30, 2013

EDISON

Contents

QUARTERLY REPORT AT SEPTEMBER 30, 2013

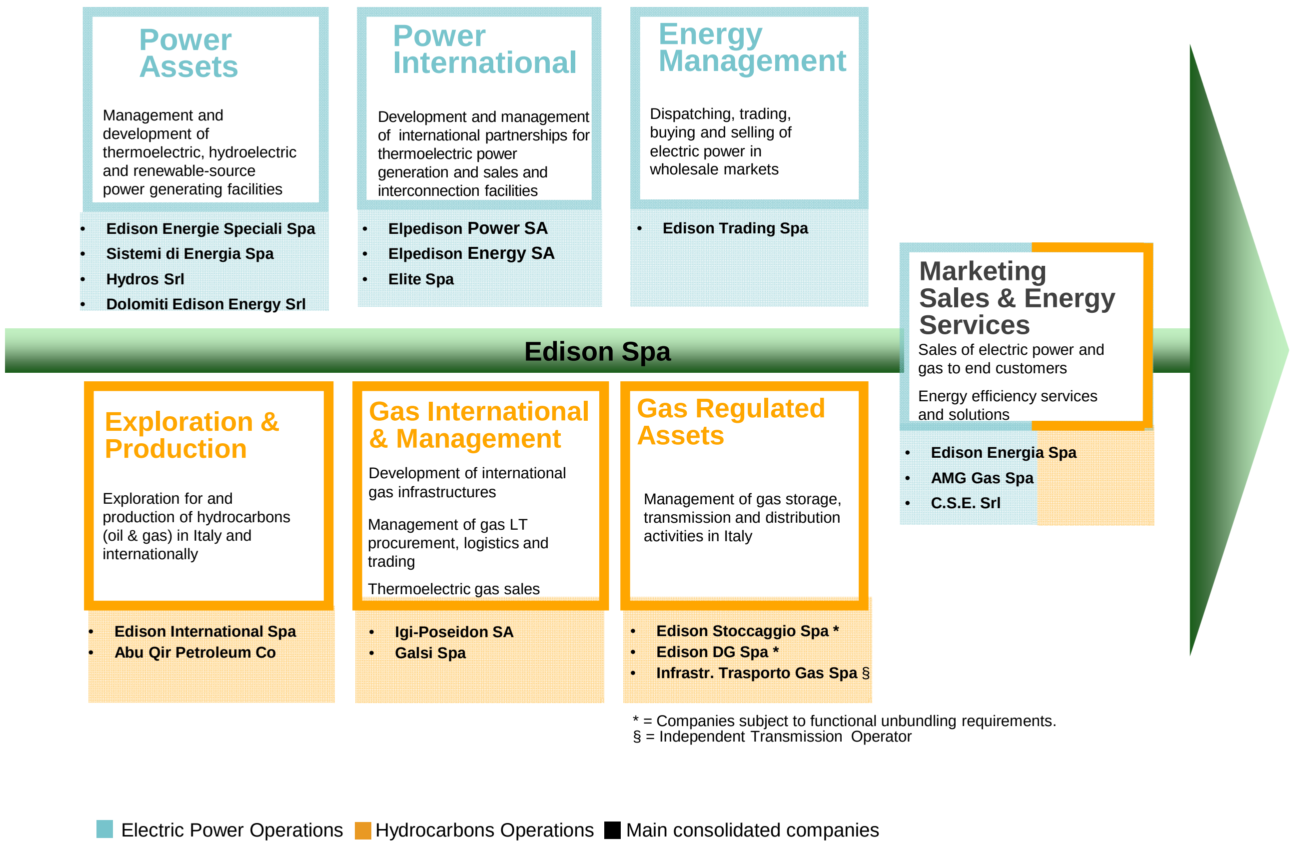
This document has been translated into English for the convenience of readers outside Italy. The original Italian document should be considered the authoritative version.

REPORT ON OPERATIONS

at September 30, 2013

Simplified Structure of the Group at September 30, 2013

Organization and Activities of the 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

THIRD QUARTER OF 2013

Growing Our Business

Edison: Revision of the Long-term Contracts to Supply Natural Gas from Algeria and Qatar

The agreements renegotiating the sales price of the long-term contracts to supply natural gas from Qatar and Algeria were signed at the end of July 2013 as part of the second cycle of renegotiations.

Other Key Events

Edison: 500-million-euro Bank Facility

On July 10, 2013, Edison Spa executed a loan agreement for a short-term facility in the amount of 500 million euros. This credit line, provided by a pool of top Italian and international banks, is structured as a Club Deal without any subsequent syndication activity and calls for drawdowns on a rotating basis (Revolving Credit Facility). The interest rate is indexed to the Euribor plus a spread in line with the best market terms currently available and the facility expires in January 2015. With this new credit line, Edison further strengthened its financial flexibility.

Significant Events Occurring After September 30, 2013

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 and Financial Results entitled "Significant Events Occurring After September 30, 2013."

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.

Edison Group

2012 full year (*)	(in millions of euros)	**9 months 2013**	**9 months 2012 (*)**	***% change***	**3rd quarter 2013**	**3rd quarter 2012 (*)**	***% change***
12,014	Sales revenues	9,136	8,935	*2.2%*	2,888	3,126	*(7.6%)*
1,103	EBITDA	843	963	*(12.5%)*	173	662	*(73.9%)*
9.2%	*as a % of sales revenues*	*9.2%*	*10.8%*		*6.0%*	*21.2%*	
229	EBIT	411	440	*(6.6%)*	56	490	*(88.6%)*
1.9%	*as a % of sales revenues*	*4.5%*	*4.9%*		*1.9%*	*15.7%*	
36	Profit (Loss) from continuing operations	174	199	*(12.6%)*	29	299	*(90.3%)*
50	Profit (Loss) from discontinued operations	-	50	*(100.0%)*	-	-	
81	Group interest in net profit (loss)	174	241	*(27.8%)*	22	290	*(92.4%)*
343	Capital expenditures of continuing operations	118	230	*(48.7%)*	35	73	*(52.1%)*
116	Investments in exploration	44	79	*(44.3%)*	16	23	*(30.4%)*
9,800	Net invested capital (A + B)(1)	9,758	10,410	*(0.4%)*			
2,613	Net financial debt (A)(1)(2)	2,453	3,011	*(6.1%)*			
7,187	Shareholders' equity before minority interest (B)(1)	7,305	7,399	*1.6%*			
7,055	Shareholders' equity attributable to the shareholders of the parent company (1)	7,180	7,249	*1.8%*			
2.25%	ROI (3)	5.74%	5.60%				
1.15%	ROE (4)	3.26%	4.51%				
0.36	Debt / Equity (A/B)	0.34	0.41				
27%	Gearing (A/A+B)	25%	29%				
3,248	Number of employees (1)(5)	3,260	3,248	*0.4%*			
	Stock market prices (in euros) (6)						
-	• common shares (7)	-	-				
0.8424	• savings shares	0.9060	0.7541				
	Earnings per share (in euros)						
0.0147	• basic earnings per common share	0.0323	0.0448				
0.0447	• basic earnings per savings share	0.0623	0.0748				
0.0147	• diluted earnings per common share	0.0323	0.0448				
0.0447	• diluted earnings per savings share	0.0623	0.0748				

(1) End-of-period data. The changes are computed against the data at December 31, 2012.

(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 of continuing operations.Net invested capital of continuing operations does not include the value of equity investments held as non-current assets and is computed as the arithmetic average of net invested capital at the end of the period and at the end of the previous year.

(4) Annualized Group interest in net profit/Average shareholders' equity attributable to the shareholders of the controlling company.
Average shareholders' equity is the arithmetic average of the shareholders' equity at the end of the period and at the end of the previous year.

(5) Companies consolidated line by line and Group interest in companies consolidated by the proportional method.

(6) Simple arithmetic mean of the prices for the last calendar month of the period.

(7) The common shares were delisted on September 10, 2012.

(*) The amounts for 2012 reflect the adoption IAS 19 Revised.

Sales Revenues and EBITDA by Business Segment

2012 full year (*)	(in millions of euros)	9 months 2013	9 months 2012 (*)	% change	3rd quarter 2013	3rd quarter 2012 (*)	% change
	Electric Power Operations (1)						
6,961	Sales revenues	5,422	5,211	*4.0%*	1,791	1,994	*(10.2%)*
605	Reported EBITDA	525	383	*37.1%*	167	128	*30.5%*
583	Adjusted EBITDA (**)	541	362	*49.4%*	172	123	*39.8%*
	Hydrocarbons Operations (1)						
6,571	Sales revenues	4,346	4,960	*(12.4%)*	1,299	1,569	*(17.2%)*
608	Reported EBITDA	387	659	*(41.3%)*	27	560	*(95.2%)*
630	Adjusted EBITDA (**)	371	680	*(45.4%)*	22	565	*(96.1%)*
	Corporate Activities and Other Segments (2)						
48	Sales revenues	37	37	-	13	12	*8.3%*
(110)	EBITDA	(69)	(79)	*12.7%*	(21)	(26)	*19.2%*
	Eliminations						
(1,566)	Sales revenues	(669)	(1,273)	*47.4%*	(215)	(449)	*52.1%*
	EBITDA						
	Edison Group						
12,014	**Sales revenues**	***9,136***	***8,935***	***2.2%***	***2,888***	***3,126***	***(7.6%)***
1,103	**EBITDA**	**843**	**963**	***(12.5%)***	**173**	**662**	***(73.9%)***
9.2%	***as a % of sales revenues***	***9.2%***	***10.8%***		***6.0%***	***21.2%***	

(1) See the Simplified Structure of the Group on page 4.

(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 amounts for 2012 reflect the adoption IAS 19 Revised.

(**) Adjusted EBITDA reflect the effect of the reclassification from the Hydrocarbons Operations to the Electric Power Operations of the portion attributable to the Electric Power Operations of the results of commodity and foreign exchange hedges executed in connection with contracts to import natural gas. This reclassification is being made to allow a better operational presentation of the Group's industrial results.

Performance and Results of the Group

Operating Performance

The Group reported sales revenues of 2,888 million euros in the third quarter of 2013, or 7.6% less than in the same period last year.

A breakdown by business segment shows decreases of 10.2% for the Electric Power Operations and 17.2% for the Hydrocarbons Operations, which primarily reflect the impact of lower sales volumes and a reduction in average sales prices driven by changes in the benchmark scenario for energy commodities.

Cumulative sales revenues for the first nine months of 2013 grew from 8,935 million euros to 9,136 million euros, for a gain of 2.2%, thanks to an increase in unit sales of electric power that more than offset the impact of a reduction in average sales prices.

Quarterly EBITDA totaled 173 million euros (662 million euros in the third quarter of 2012). Please note that last year's third quarter EBITDA included the gains resulting from the successful conclusion of the price revision arbitration proceedings concerning the long-term contracts for the supply of natural gas from Qatar and Libya, amounting to about 600 million euros.

Cumulative EBITDA for the first nine months of 2013 totaled 843 million euros, for a decrease of 120 million euros (-12.5%) compared with 963 million euros in the same period a year ago.

This reduction is the combined result of the following factors:

- a negative change in the adjusted EBITDA(1) of the Hydrocarbons Operations (-309 million euros) attributable to natural gas buying and selling activities, which continue to be characterized by deeply negative margins, offset in part by the contribution of the exploration and production operations and regulated gas infrastructures; and
- a significant increase in the adjusted EBITDA(1) of the Electric Power Operations (+179 million euros) attributable mainly to an outstanding performance in optimizing the management of the facilities portfolio.

More detailed information about the reporting period and the cumulative results at September 30, 2013 is provided in the section of this Report entitled "Performance of the Group's Businesses."

EBIT totaled 411 million euros at September 30, 2013, down 6.6% compared with the same period in 2012. In addition to the factors mentioned above, EBIT reflect depreciation and amortization and writedowns amounting to 423 million euros, including 44 million euros for exploration costs (79 million euros in the first nine months of 2012) and 46 million euros for writedowns of property, plants and equipment resulting from the impairment test applied to a thermoelectric power plant following the cancellation of a contract for the supply of steam by a customer.

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(1) See note on page 7.

The result from continuing operations, which is after net financial expense of 74 million euros, additions to provisions for environmental risks related to non-core assets totaling 20 million euros and income taxes of 138 million euros, amounted to 174 million euros (199 million euros in the first nine months of 2012).

At September 30, 2013, net financial debt totaled 2,453 million euros (3,011 at September 30, 2012), down from 2,613 million euros at December 31, 2012.
More detailed information about the individual components of this item is provided in the "Net Financial Debt" section of the Review of the Group's Operating Performance and Financial Results.

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

2012 full year	(in millions of euros)	**September 30, 2013**	**September 30, 2012**
(3,884)	**A. NET FINANCIAL (DEBT) AT BEGINNING OF PERIOD**	**(2,613)**	**(3,884)**
1,103	EBITDA	843	963
(294)	Change in operating working capital	159	(835)
(190)	Income taxes paid (-)	(137)	(119)
46	Change in other assets (liabilities)	(458)	51
665	**B. CASH FLOW FROM OPERATING ACTIVITIES**	**407**	**60**
(459)	Investments in property, plant and equipment and intangibles (-)	(162)	(309)
-	Investments in non-current financial assets (-)	(4)	-
(2)	Acquisition price of business combinations (-)	-	-
690	Proceeds from the sale of property, plant and equipment, intangibles and non-current financial assets	5	688
550	Repayment of shareholder loan	-	550
8	Capital distributions from equity investments	5	6
3	Dividends received	3	2
1,455	**C. FREE CASH FLOW**	**254**	**997**
(121)	Financial income (expense), net	(74)	(82)
(14)	Contributions of share capital and reserves	-	-
(14)	Dividends paid (-)	(20)	(7)
1,306	**D. CASH FLOW AFTER FINANCING ACTIVITIES**	**160**	**908**
(35)	Discontinued operations	-	(35)
1,271	**E. NET CASH FLOW FOR THE PERIOD**	**160**	**873**
(2,613)	**F.NET FINANCIAL (DEBT) AT END OF PERIOD**	**(2,453)**	**(3,011)**

Outlook and Expected Year-end Results

In light of the beneficial effects resulting from the revision of gas contracts and the performance generated by the Electric Power Operations, Edison expects that 2013 EBITDA will amount to about 1 billion euros.

Economic Framework

The latest evidence about the trend of the international economy point to a situation not seen in recent years in the global environment: the advanced countries are accelerating while the most dynamic emerging economies are decelerating; the overall result is an increase in world demand and, consequently, growth in international trade.

Among the emerging economies, the slowdown was most pronounced in China and India, the former due to a credit tightening deemed necessary to reabsorb the excessive accumulation of internal debt and the latter due to weak external and domestic demand. In China’s case, the slowing was deliberate, as well as physiological for a country that has grown at a 10% rate over the past decades and is gradually narrowing the gap with the more advanced countries. India, on the other hand, is suffering the impact of weak demand from the Eurozone and internal factors that penalize domestic demand, including the consolidation of its public finances, a bloated bureaucracy that hinders the implementation of long-term investment projects, widespread corruption and not yet deregulated markets. Among other emerging countries, growth slowed in Russia and Poland and accelerated in Brazil and the countries of Sub-Saharan Africa.

Among the advanced countries, the United States and Japan continued on their recovery track, benefiting from expansionary monetary policies. In the United States, where the latest Economic Outlook by the OECD calls for growth of 1.7% in 2013, confidence has risen to the highest levels since the beginning of 2008; the real estate market is growing again; the labor market is expanding steadily, albeit at a modest rate; investments by businesses are on an upswing; and exports are growing faster than imports, thus reducing net foreign demand and the large U.S. trade deficit with it.

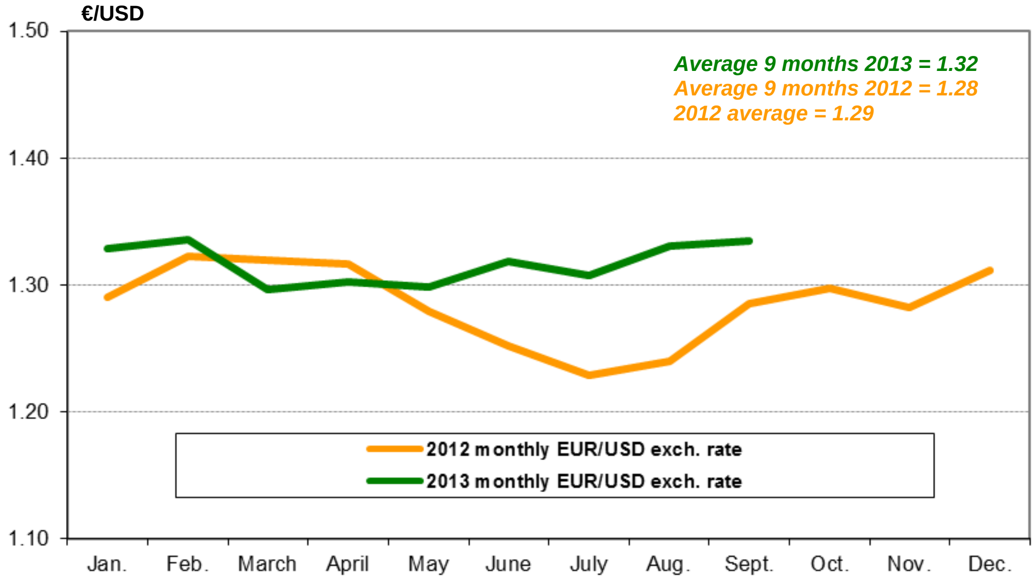
As for Japan, the recovery that got under way at the end of last year is continuing and, according to the OECD, will produce growth of 1.6% in 2013; the key factors driving this improvement include rising consumer demand and an increase in government spending, triggered by the abovementioned highly expansionary monetary policies adopted by that country.

The United Kingdom also picked up the pace (+1.5% is the performance projected for 2013) thanks to a positive and well-balanced contribution by all GDP components. More specifically, the country’s economy benefits from a high level of employment and a sharp increase in consumer confidence, which support consumer spending.

In the Eurozone, the outlook is not as bright. The recession has ended in the Eurozone, but policies focused more on austerity than on growth prevented it from growing faster than the +0.3% rate projected by the OECD. Thus far, the recovery has failed to produce new jobs and, as Mario Draghi, the ECB Chairman, himself pointed out “credit dynamics continues to be subdued, lending to consumers and businesses decreased,” with obvious repercussions on consumption and investments and, consequently, on Eurozone’s growth.

As for Italy, its economy will continue to deteriorate in 2013, constituting an exception in the panorama of the more advanced countries: according to the latest projections provided in the September OECD Economic Outlook, Italy will be the only one among the seven most industrialized countries in the world to experience a further decrease in GDP (-1.8%) for 2013; but this should not be surprising given the policy of “austerity without growth” imposed on Italy by the E.U., following the credibility crisis that affected Italy in 2011, which had the effect of severely depressing domestic consumption. However, forecasts call for a second half of the year characterized by a better performance than in the first six months, with GDP falling less than in the first two quarters of the year. The tentative signs of a recovery that surfaced starting in the spring appear to be strengthening, albeit not enough to enable Italy to return on a growth track starting this year.

In the first nine months of 2013, the exchange rate of the euro versus the U.S. dollar averaged 1.32 U.S. dollars for one euro, up slightly compared with the same period last year (1.28 U.S. dollars for one euro). The high and low for the entire period, 1.28 and 1.36 U.S. dollars for one euro, respectively, were recorded in the first quarter, characterized by extreme volatility, followed by a second quarter during which the exchange rate held relatively steady at around 1.30 U.S. dollars for one euro and, lastly, a third quarter in which the overall trend was for an appreciation of the euro versus the U.S. dollar, due to the different monetary policies pursued by the ECB and the FED, with the latter continuing with a policy of injecting liquidity to stimulate the economy.



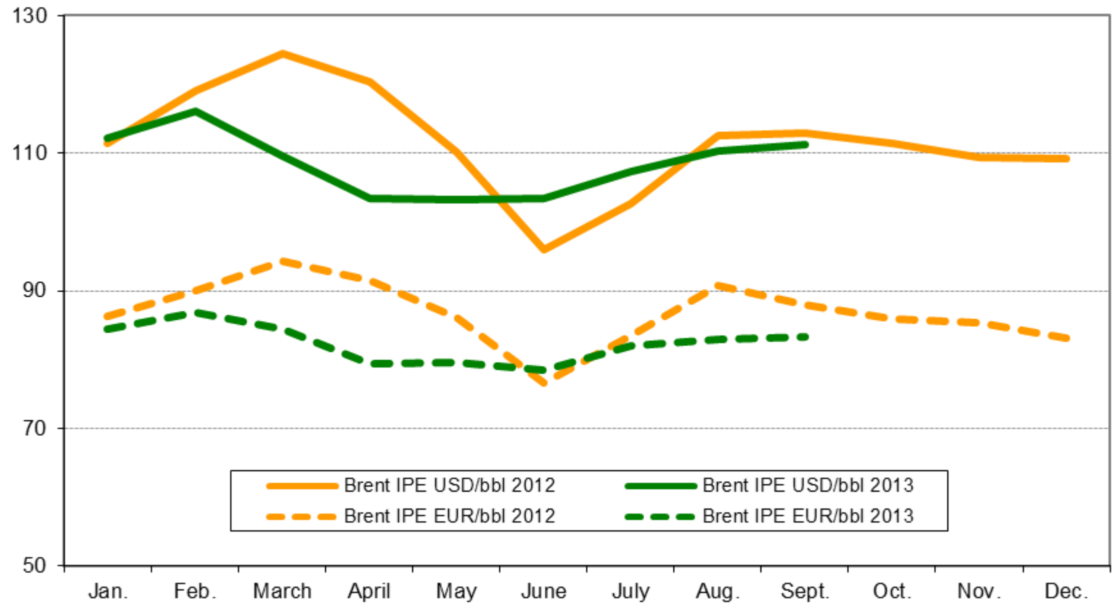
Trends in the oil market mirrored those of the foreign exchange market: in the first quarter, characterized by extreme volatility, crude reached the high for the entire period (118 USD per barrel), but prices declined in the second quarter, falling to 90 USD per barrel in June, only to rebound in the third quarter, during which they averaged 109.7 USD per barrel.

A comparison of the data for the first nine months of 2013 with the same period last year shows an overall decline of 3.3%, which becomes more pronounced (-5.8%) with prices in euros.

The table and chart that follow show the quarterly data and the monthly trends for the current year and the previous year:

2012 full year		**9 months 2013**	**9 months 2012**	***% change***	**Third quarter 2013**	**Third quarter 2012**	***% change***
111.7	Oil price in USD/bbl[(1)]	108.5	112.2	*(3.3%)*	109.7	109.4	*0.2%*
1.29	USD/EUR exchange rate	1.32	1.28	*2.8%*	1.32	1.25	*5.8%*
86.9	Oil price in EUR/bbl	82.4	87.5	*(5.8%)*	82.8	87.4	*(5.3%)*

(1) Brent IPE



On the Atlantic market, coal prices continued their slide, falling to 75 USD per ton in the third quarter of 2013, the lowest level of the last three years, confirming a situation of structural oversupply.

Insofar as CO_2 emissions rights are concerned, a comparison of the average value of ETS credits in the first nine months of 2013 with the same period last year shows a decline of 41%. After posting in May the lowest monthly average recorded since the end of Phase I (3.5 euros per ton), prices rebounded in the third quarter, rising to an average of 5.2 euros per ton in September. This trend is strongly affected by regulatory issues, the continuation of the economic crisis and the significant structural supply excess compared with demand. The main issue that is being discussed in Brussels has to do with the "quota backloading" proposal: the rationale for this proposal is to remove from the market some of the credits offered during this recessionary phase and make them again available at the end of the phase (2018-2020). The wide swings that characterize the price curve for CO_2 securities do in fact correspond to decision-making milestones along the regulatory process: specifically, in April 2013, the price of ETS credit fell below 3 euros per ton when the European Parliament voted down the backloading proposal approved by the Environmental Commission. Subsequently, as this issue was again brought up for discussion, the price rose to about 5 euros per ton.

The Italian Energy Market

Demand for Electric Power in Italy and Market Environment

2012 full year	TWh	9 months 2013	9 months 2012	% change	Third quarter 2013	Third quarter 2012	% change
287.8	Net production:	210.7	220.1	*(4.3%)*	73.1	77.2	*(5.3%)*
207.3	*- Thermoelectric*	*135.8*	*159.7*	*(15.0%)*	*47.9*	*55.2*	*(13.1%)*
43.3	*- Hydroelectric*	*40.7*	*31.6*	*29.0%*	*13.4*	*11.7*	*14.4%*
37.2	*- Other renewables* (1)	*34.2*	*28.8*	*18.6%*	*11.8*	*10.3*	*14.7%*
43.1	Net import/export balance	30.0	30.2	*(0.4%)*	8.7	8.2	*5.5%*
(2.7)	Pumping consumption	(1.7)	(2.1)	*(16.3%)*	(0.4)	(0.7)	*(40.5%)*
328.2	**Total demand**	**239.0**	**248.2**	***(3.7%)***	**81.4**	**84.7**	***(3.9%)***

Source: Analysis of 2012 data and pre-closing 2013 Terna data, before line losses.

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

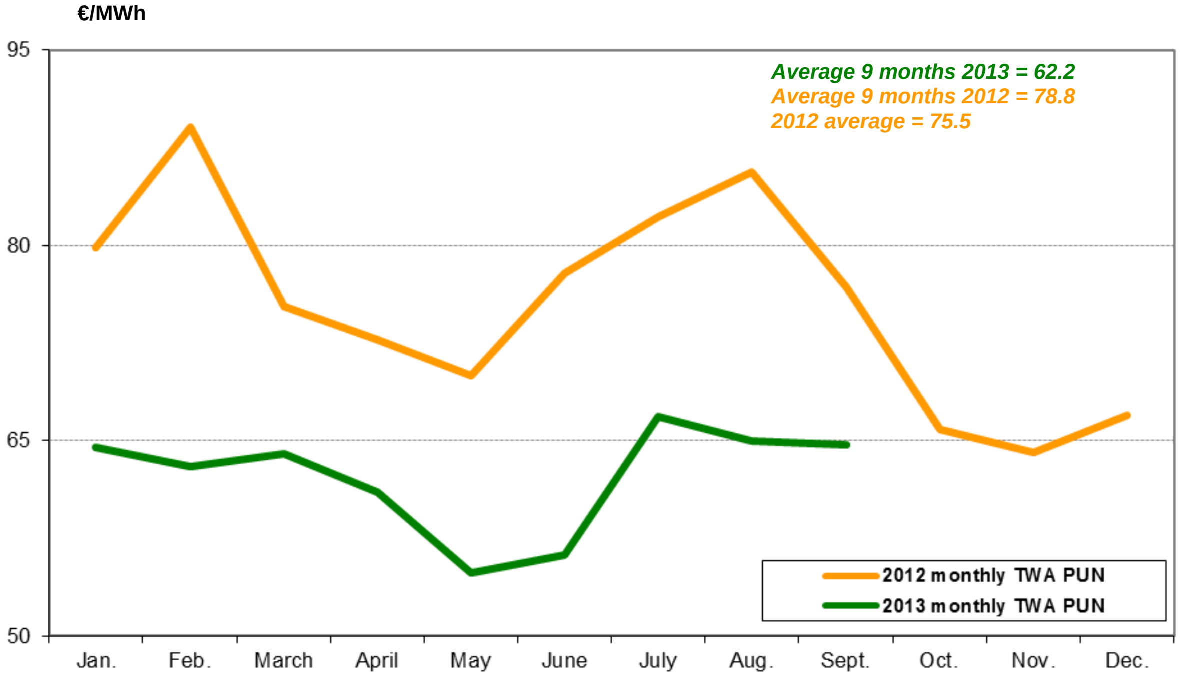
In the third quarter of 2013, gross total demand for electric power from the Italian grid totaled 81.4 TWh (1 TWh = 1 billion kWh), or 3.9% less than in the same period last year.
The weather temperature was consistent with average levels during the quarter, causing a more pronounced drop in demand in August, which, in 2012, reflected the impact of hot weather that boosted consumption for air conditioning.
Net national production declined by 4.1 TWh in the third quarter as the combined result of a contraction of 3.3 TWh in demand for electric power, an increase of 0.5 TWh in net electric power imports and a drop of 0.3 TWh in pumping consumption. In the third quarter of 2013, national production, net of pumping consumption, covered 89% of demand, little changed compared with the 90% coverage in the third quarter of 2012, with net imports accounting for the remaining 11%.
The drop in net national production is attributable in its entirety to the thermoelectric sector (-13.1% compared with the third quarter of 2012), which was also adversely affected by a gain of 1.7 TWh in hydroelectric production (+14.4%) and an increase of 1.5 TWh in production from other renewable sources (+14.7%).
Specifically regarding renewable energy sources, in addition to the abovementioned gain in hydroelectric production made possible by abundant precipitation, there was a significant increase in production by photovoltaic systems (+1.4 TWh) and a modest improvement (+3%) in the output of wind farms and geothermal facilities.

In the first nine months of 2013, gross total demand for electric power from the Italian grid totaled 239 TWh, or 3.7% less than in the same period last year, due basically to the same factors discussed when commenting the quarterly data.

Insofar as the pricing scenario is concerned, the time-weighted average (TWA) for the Single National Price (abbreviated as PUN in Italian) decreased to 62.2 euros per MWh at September 30, 2013, down 21% compared with the first nine months of 2012 (78.8 euros per MWh).

This significant decline in the PUN level was undoubtedly caused by a market scenario characterized by weak demand for electric power (-3.7% in the first nine months of 2013) that reflected the impact of difficult economic conditions, coupled with decreases in natural gas prices and CO_2 prices and a reduced impact of green certificate costs.
The PUN decrease was reflected consistently in all hourly periods.

The chart below shows a year-over-year comparison of the monthly trend for the TWA PUN.



The scenario in the main European markets reflected the same trend as in Italy, but with less pronounced declines: both Germany and France reported a decrease 12% in the first nine months of 2013 compared with the same period in 2012. As a result, the differential between the PUN and prices on foreign markets, while still substantial, narrowed: the Italy-France differential contracted from 31.4 euros per MWh to 20.4 euros per MWh and the Italy-Germany differential decreased from 35.7 euros per MWh to 24.3 euros per MWh.

Demand for Natural Gas in Italy and Market Environment

2012 full year	in billions of m^3	9 months 2013	9 months 2012	% change	Third quarter 2013	Third quarter 2012	% change
30.9	Services and residential customers	20.7	20.8	*(0.2%)*	2.0	2.0	*(2.3%)*
17.1	Industrial users	12.7	12.8	*(1.5%)*	3.9	3.8	*2.0%*
24.7	Thermoelectric power plants	15.0	19.2	*(21.7%)*	5.2	6.8	*(23.5%)*
1.6	System usage and leaks	1.1	1.2	*(9.1%)*	0.3	0.4	*(13.0%)*
74.3	**Total demand**	**49.5**	**54.0**	***(8.3%)***	**11.4**	**13.0**	***(12.5%)***

Source: 2012 data and preliminary 2013 data provided by Snam Rete Gas and the Ministry of Economic Development, and Edison estimates.

In the third quarter of 2013, Italian demand for natural gas contracted by 12.5% compared with the same period last year to a total of about 11.4 billion cubic meters, for an overall reduction of about 1.6 billion cubic meters.

The main reason for this decrease is a contraction in thermoelectric production from gas (thermoelectric usage down by about 1.6 billion cubic meters, or 23.5%, compared with the same period in 2012) that reflects the growing contribution of renewable-source generating facilities and lower demand for electric power.

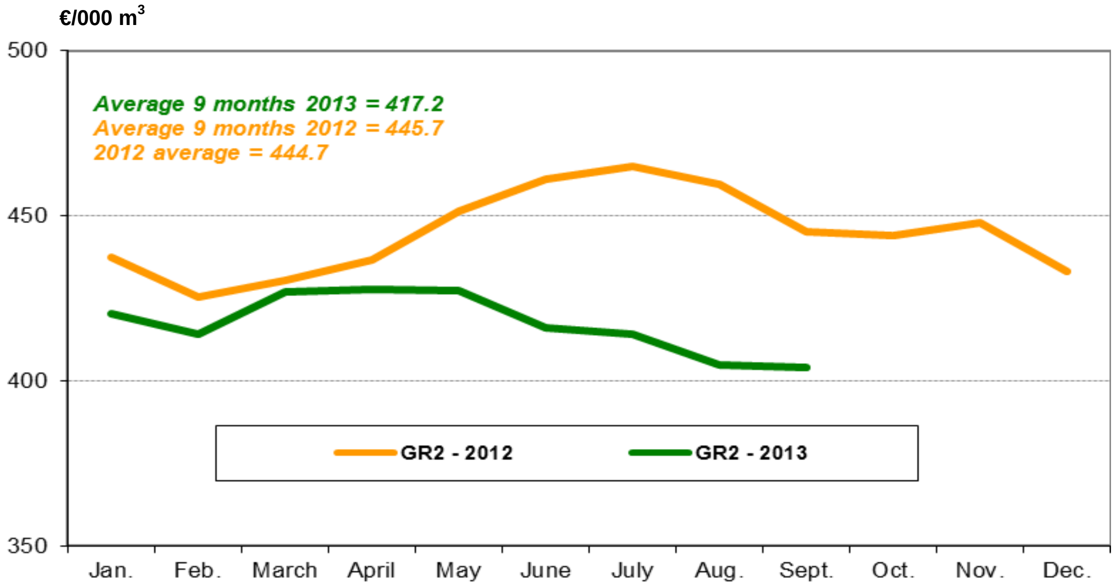
Consumption by the industrial sector, the service sector and residential customers was substantially in line with last year's third quarter (with a small uptick of 2% for the industrial sector that reversed the trend of previous months).

The following developments characterized supply sources in the third quarter of 2013:

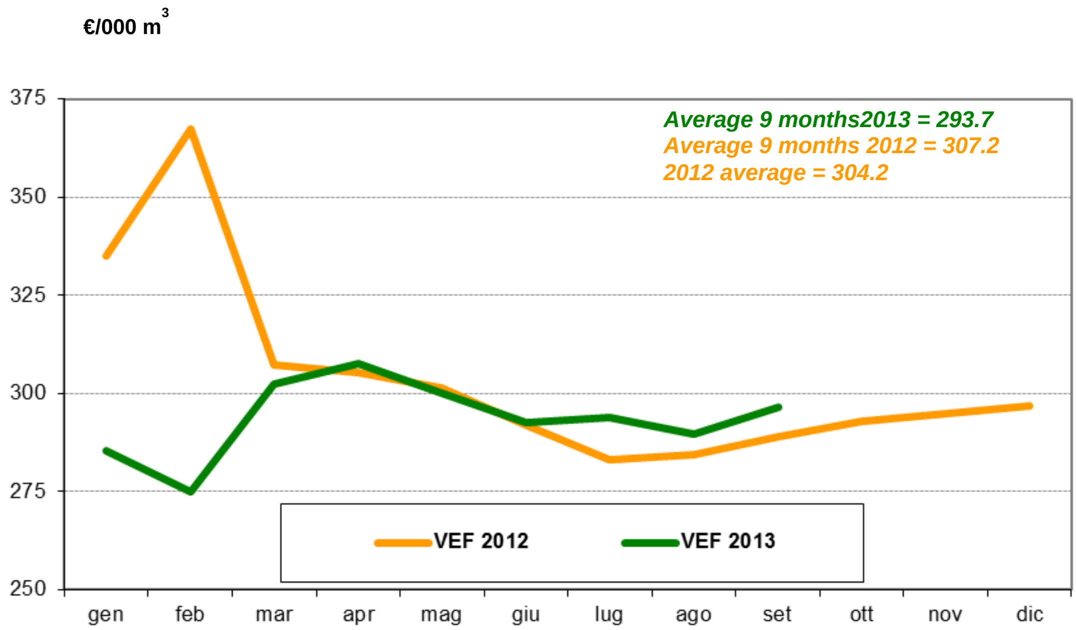
- lower domestic production (-8% compared with the third quarter of 2012);
- a decrease of 4% in gas imports compared with the third quarter of 2012 (-0.6 billion cubic meters);
- a significant increase in inventories of stored gas compared with 2012 (+0.9 billion cubic meters; +24%).

The data for the first nine months of 2013 show that demand for natural gas totaled about 49.5 billion cubic meters, for a sharp drop of 4.5 billion cubic meters (-8.3%) compared with the same period in 2012.

The monthly trend for prices of indexed gas (shown in the chart below, which uses the Gas Release 2 formula as a benchmark) mirrors the performance of crude oil priced in euros, thus showing a reduction of 6.4% for the average price of indexed gas in the first nine months of 2013 compared with the same period last year. The year-over-year decrease was particularly pronounced in the quarter just ended, during which crude oil prices were substantially in line with those for the third quarter of 2012, but the EUR/USD exchange rate showed a loss in value of 5.8%.



The monthly trend for gas prices on the spot market, depicted in the chart below, which uses the price on the Virtual Exchange Facility (VEF) as a benchmark, shows a decrease of 4.4% compared with the first nine months of 2012. This reduction is due exclusively to a slump in gas prices in the first quarter (-14.5%), as gas prices at the VEF were little changed compared with 2012 in the second quarter and actually increased (+2.7%) in the third quarter. Overall, the summer season was characterized by prices at the VEF that were higher than in the winter months. A comparison of the Italian spot market with the main markets outside Italy (NBP and TTF) shows a gradual narrowing of the differential: in the first nine months of 2012, the TTF gas was on average priced 19% higher than gas at the VEF, but the differential was just 3% in the first nine months of 2013, even though it rose to an average of 6% in the third quarter.



The rate component that corresponds to the Wholesale Distribution Charge (abbreviated as CCI in Italian), which is indicative of the prices charged in the residential market, reflects changes in the basket of benchmark fuels with a longer time lag than the Gas Release 2 and includes a portion indexed to TTF, which, pursuant to Resolution No. 124/2013/R/GAS, was raised to 20% from April to September 2013, thereby stabilizing prices.

The table below shows average quarterly prices for the Gas Release 2 and the CCI:

2012 full year		9 months 2013	9 months 2012	*% change*	Third quarter 2013	Third quarter 2012	*% change*
444.7	Gas Release 2 - euros/000 m^3 *(1)*	417.2	445.7	*(6.4%)*	407.6	456.5	*(10.7%)*
396.4	CCI - euros/000 m^3 *(2)*	388.9	391.7	*(0.7%)*	375.9	406.2	*(7.4%)*

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

(2) Wholesale distribution charge (CCI) set pursuant to Resolutions No. 134/06 and updated pursuant to Resolutions ARG/gas No. 192/08, ARG/gas No. 40/09, ARG/gas No. 64/09, ARG/gas No. 89/10, ARG/gas No. 77/11, No. 117/2012/R/gas, No. 263/2012/R/gas and No. 124/2013/R/gas.

The price is the one quoted at the border.

Legislative and Regulatory Framework

The main legislative and regulatory measures enacted in the third quarter of 2013 that had an impact on the energy industry, both in Italy and at the E.U. level, are reviewed below.

Electric Power

Production

Avoided Fuel Cost (AFC): Law No. 98 of August 9, 2013, which converted into law, with amendments, Decree Law No. 69 of June 21, 2013 ("*del Fare*" Decree), the provisions of which included changes to the AFC updating method, was published on August 20, 2013 in Issue No. 194 of the *Official Gazette of the Italian Republic.*

The AFC for 2013 will be determined using as the benchmark basket the one provided in Development Law No. 99 of July 23, 2009, in which the weight of petroleum products will be gradually reduced each quarter from 80% in the first quarter to 70% in the second quarter and 60% in the third and fourth quarter. Completion at 100% will be determined based on the wholesale gas procurement cost in accordance with a method to be defined by the Electric Power and Gas Authority (AEEG).

Environment

Law No. 96 of August 6, 2013, so-called **2013 European Delegation Law,** was published on August 20, 2013 in Issue No. 194 of the *Official Gazette of the Italian Republic*, Ordinary Supplement No. 96. Responsibility is being delegated to the Italian government for the enactment of legislative implementing the Directives listed in Annexes A and B to the abovementioned law, which specifically include:

- Article 3, which sets forth the management principles and criteria to implement Directive 2012/75/EU of the European Parliament and Council dated November 24, 2010, concerning industrial emissions;
- Article 4, which establishes the criterion for delegating to the Italian government responsibility for compliance with Directive 2012/27/EU of the European Parliament and Council dated October 25, 2012, concerning energy efficiency, which amended Directives 2009/125/EC and 2010/30/EU and repeals Directives 2004/8/EC and 2006/32/EC. The deadline for final compliance by the EU member countries is June 5, 2014.

CIPE Resolution No. 17/2013, approved on March 8, 2013 and setting forth an "Update to the National Action Plan to lower emissions of greenhouse gases, updating the previous Plan approved by Resolution No. 123/2002, as amended by Resolution No. 135/2007" was published on June 19, 2013 in issue No. 142 of the *Official Gazette of the Italian Republic.*

The Plan addresses specific E.U. and international commitments regarding the reduction of emissions during the 2013-2020 planning period for the decarbonization of the economy.

Wholesale Market

Remuneration of production capacity: In September, the AEEG approved an outline of the rules governing the new capacity market, expected to go into effect in 2017/18. This document was sent to the

Ministry for final approval.

Dispatching for renewable sources: At the end of June, the Regional Administrative Court of Lombardy put on hold the system for quantifying imbalance compensation penalties for non-programmable renewable-source facilities and reinstated the old system with regulation based on zone pricing and non-penalizing criteria for operators. The AEEG is challenging this decision before the Council of State, which denied a suspension order and scheduled a merit hearing for next February.

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 is scheduled to hand down its final decision on February 4, 2014**.**

Revision of the scope of implementation of the protected status system: On July 5, 2013, by Resolution No. 280/2013, the AEEG implemented the provisions of the "*del Fare*" Decree, converted into Law No. 98 of August 9, 2013, changing the scope of implementation of the protected status system for gas customers. The new scope of implementation of the protected status system for gas customers includes exclusively residential customers or residential condominiums with annual usage of up to 200,000 Scm.

Reallocation of the general costs of the electric power system for businesses that are high energy users: On July 25, 2013, the AEEG, in compliance with the requirements of the directives of the Ministry of Economic Development (Decree of April 5, 2013), published a resolution and a consultation document concerning businesses that are high energy users. By Resolution No. 340/2013/R/eel, the AEEG set July 1, 2013 as the date when the economic effect will begin to apply to businesses that are high energy users. The operational methods for implementing the rules governing rate reductions for businesses that are high energy users were the subject of a subsequent consultation document (DCO No. 329/2013/R/eel). The regulations governing the issue of businesses that are high energy users have not yet been published.

Hydrocarbons

Infrastructures

Modulation storage – allocation modalities (Ministry Decree of February 15, 2013): Towards the end of July, a final auction was held for the allocation of 400 MScm of Stogit storage capacity not awarded at previous auctions (about 1.7 GScm remaining from the 2.5 offered for auction pursuant to the Ministry Decree of February 15, 2013). Pursuant to Resolution No. 310/13/R/Gas, the purpose of this new auction was to increase the availability of natural gas at storage facilities by a volume that can be physically injected into these facilities during the short period remaining before the end of the injection campaign (October 31, 2013). However, the final status of the process of filling the storage facilities still reflects less than optimum conditions in some cases and potential problems for next winter (filling percentage estimate at 86% for Stogit and 100% for Edison Stoccaggio), particularly if weather conditions are unfavorable, as was the case in 2012.

Gas Emergency Plan: On September 13, 2013, the Ministry of Economic Development published a decree by which it modified the "Activation of a non-market measure" section of the gas emergency plan approved by the Ministry Decree of April 19, 2013.
More specifically, two additional provisions were added:

- the possibility of using LNG storage facilities with "peak shaving" functions, through the use of partially utilized regasification terminals or LNG storage tanks used for such a purpose;
- the possibility of increasing natural gas imports through regasification terminals, including the use of contract options for deferred deliveries.

The Ministry recently introduced a new change to the Plan designed to increase the availability of flexibility measures for the system.

European Regulations

Final approval of the European Network Code for the Allocation of Gas Transmission Capacity. The member countries and the European Commission, meeting in joint session, approved the final version of the first European Network Code, annexed to Regulation No. EC/715/2009, which introduces common rules for the allocation of transmission capacity at the interconnection points between European transmission networks.
The main innovations of the Code, which must be implemented by all member countries starting on November 1, 2015, include:

- the obligation to allocate available transmission capacity exclusively through auctions and, eventually, on a single E.U. platform;
- the obligation to allocate capacity as a "linked" (or bundled) product, or selling as a single product outbound capacity from a system and inbound capacity into another system, so as to create a hub-to-hub capacity and thus foster the creation of market liquidity.

Pilot projects for early implementation of the provisions of the Network Code are already underway, including the activation of the PRISMA European Platform, where capacity on the networks of 24 European transmission operators is being allocated since April 1, 2013, and the launch of auctions for the joint daily allocation of interconnection between Italy and Austria.

Performance of the Group's Businesses

Electric Power Operations

Quantitative Data

Sources

2012 full year	GWh (*)	9 months 2013	9 months 2012	% change	3rd quarter 2013	3rd quarter 2012	% change
22,463	**Edison's production:**	**13,735**	**16,960**	***(19.0%)***	**4,623**	**6,785**	***(31.9%)***
17,657	*- Thermoelectric power plants*	*9,749*	*13,538*	*(28.0%)*	*3,248*	*5,459*	*(40.5%)*
3,881	*- Hydroelectric power plants*	*3,321*	*2,785*	*19.2%*	*1,218*	*1,159*	*5.1%*
925	*- Wind farms and other renewables*	*665*	*637*	*4.4%*	*157*	*167*	*(6.2%)*
28,626	**Other sources:**	**28,056**	**20,936**	***34.0%***	**10,034**	**8,404**	***19.4%***
2,391	*- Edipower (up to 5/24/12)*	-	*2,391*	*n.m.*	-	-	*n.m.*
26,235	*- Other purchases* (1)	*28,056*	*18,545*	*51.3%*	*10,034*	*8,404*	*19.4%*
51,089	**Total sources in Italy**	**41,791**	**37,896**	***10.3%***	**14,657**	**15,189**	***(3.5%)***
1,892	**Production outside Italy**	**1,060**	**1,432**	***(26.0%)***	**398**	**492**	***(19.2%)***

(*) One GWh is equal to one million kWh (in physical terms).

(1) Before line losses and excluding the trading portfolio.

Uses

2012 full year	GWh (*)	9 months 2013	9 months 2012	% change	3rd quarter 2013	3rd quarter 2012	% change
1,673	**CIP 6/92 dedicated**	**179**	**1,220**	***(85.3%)***	**24**	**337**	***(93.0%)***
945	**Captive and other customers**	**696**	**715**	***(2.7%)***	**223**	**234**	***(4.8%)***
48,471	**Deregulated market** (Edipower up to 5/24/12)**:**	**40,916**	**35,961**	***13.8%***	**14,410**	**14,618**	***(1.4%)***
18,102	*End customers* (1)	*14,147*	*13,665*	*3.5%*	*4,909*	*4,568*	*7.5%*
6,750	*IPEX and mandates*	*2,281*	*5,829*	*(60.9%)*	*908*	*1,561*	*(41.8%)*
14,528	*Wholesalers and industrial portfolio*	*16,495*	*10,420*	*58.3%*	*5,598*	*5,181*	*8.0%*
9,091	*Other sales* (2)	*7,993*	*6,047*	*32.2%*	*2,995*	*3,308*	*(9.4%)*
51,089	**Total uses in Italy**	**41,791**	**37,896**	***10.3%***	**14,657**	**15,189**	***(3.5%)***
1,892	**Sales of production outside Italy**	**1,060**	**1,432**	***(26.0%)***	**398**	**492**	***(19.2%)***

(*) One GWh is equal to one million kWh.

(1) Before line losses.

(2) Excluding the trading portfolio.

Financial Highlights

2012 full year (*)	(in millions of euros)	9 months 2013	9 months 2012 (*)	% change	3rd quarter 2013	3rd quarter 2012 (*)	% change
6,961	**Sales revenues**	**5,422**	**5,211**	***4.0%***	**1,791**	**1,994**	***(10.2%)***
605	Reported EBITDA	525	383	*37.1%*	167	128	*30.5%*
583	Adjusted EBITDA (1)	541	362	*49.4%*	172	123	*39.8%*
96	Capital expenditures	23	48	*(52.1%)*	6	25	*(76.0%)*
1,229	Number of employees (2)	1,210	1,265	*(1.6%)*			

(1) See note on page 7.

(2) End-of-period data. The changes are computed against the data at December 31, 2012.

(*) The amounts for 2012 reflect the adoption IAS 19 Revised.

Production and Procurement

In the third quarter of 2013, the Group's production in Italy totaled 4,623 GWh, or 31.9% less than in the same quarter in 2012. More specifically, the output of thermoelectric facilities decreased by more than 40% due mainly to an across-the-board contraction in national demand for electric power that was particularly pronounced for generating facilities that use fossil fuels.

As for production from renewable sources, the third quarter of 2013 was characterized, on the one hand, by an increase in hydroelectric production (+5.1%), in line with the national trend, and, on the other hand, by a decrease in the output of wind farms and other renewable-source facilities (-6.2%) due to less windy conditions during the period.

Compared with the third quarter of 2012, there was a significant rise (+19.4%) in "Other sources" used to round out the sources portfolio, the different mix reflects an increase in outside purchases particularly on the IPEX. 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.

Production outside Italy, consisting of the production of the facilities operated by Elpedison Power in Greece, decreased by 19.2% in the third quarter of 2013 due to a further reduction in national demand for deregulated electric power, due to mild weather during the summer months and the increasing penetration of renewable sources. The planned shutdown of the Thisvi power plant for extraordinary maintenance, starting in mid-September, also affected production levels.

Edison's net production in the first nine months of 2013 totaled 13,735 GWh, or about 3.2 TWh less (-19%) than in the first nine months of 2012, for the reasons explained above when reviewing the Group's performance in the third quarter of the year.

Sales and Marketing

In the third quarter of 2013, sales of electric power in Italy decreased to 14,657 GWh, or 3.5% less than in the same period last year (15,189 GWh).

Sales in the CIP 6/92 segment contracted by 93% reflecting the impact of the early termination of the contract for the Piombino thermoelectric power plant, effective January 1, 2013.

In the deregulated market, sales dynamics differed depending of the type of portfolio; specifically, sales to end customers were up 7.5%, volumes sold on the IPEX decreased and sales to wholesalers and in the forward markets increased.

The latter trend was even more noticeable in the data for the first nine months of the year and reflects a different strategy to hedge price volatility risks in different markets. Overall, sales in Italy totaled 41,791 GWh in the first nine months of 2013, for a gain of 10.3% compared with the same period last year.

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 third quarter of 2013, sales revenues totaled 1,791 million euros, or 10.2% less than in the same period last year, due to the concurrent impact of negative changes in the benchmark scenario and a reduction in sales volumes.

Adjusted EBITDA for the quarter amounted to 172 million euros (123 million euros in the third quarter of 2012), for an increase of about 50 million euros, showing continuity with the results achieved in the first half of the year.

Cumulative sales revenues for the first nine months of 2013 totaled 5,422 million euros, or 4% more than in the same period in 2012, as an increase in sales volumes more than offset the impact of lower average sales prices (TWA PUN scenario -21% compared with the same period in 2012).

Adjusted EBITDA were up sharply in the first nine months of 2013 (+179 million euros), rising to 541 million euros (362 million euros in the first nine months of 2012), thanks to an integrated management of the portfolio of thermoelectric power plants in the different target markets (Day Ahead Market, Dispatching Services Market and forward markets) and an outstanding performance by the portfolio of hydroelectric facilities, which already in the first half benefited from a significant increase in productions made possible by the abundant water resources available during the reporting period.

Capital Investments

Capital expenditures totaled 6 million euros in the third quarter of 2013, bringing to 23 million euros the cumulative amount at September 30, 2013. Investment projects consisted mainly of minor additions and upgrades to hydroelectric and thermoelectric facilities in Italy and Greece.

Hydrocarbons Operations

Quantitative Data

Sources of Natural Gas

2012 full year	Gas in millions of cubic meters	9 months 2013	9 months 2012	% change	3rd quarter 2013	3rd quarter 2012	% change
611	Production in Italy (1)	323	473	*(31.7%)*	93	152	*(38.5%)*
12,285	Imports (Pipeline + LNG)	9,621	9,029	*6.6%*	3,070	2,902	*5.8%*
3,328	Domestic purchases	1,993	2,616	*(23.8%)*	941	824	*14.2%*
(449)	Change in stored gas inventory (2)	(320)	(441)	*(27.5%)*	(482)	(143)	*n.m.*
15,775	**Total sources (Italy)**	**11,617**	**11,677**	***(0.5%)***	**3,622**	**3,735**	***(3.0%)***
1,906	**Production outside Italy (3)**	**1,356**	**1,438**	***(5.7%)***	**454**	**469**	***(3.2%)***

(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

2012 full year	Gas in millions of cubic meters	9 months 2013	9 months 2012	% change	3rd quarter 2013	3rd quarter 2012	% change
2,346	Residential use	1,867	1,418	*31.6%*	184	160	*15.5%*
1,725	Industrial use	1,932	1,190	*62.3%*	630	306	*n.m.*
8,770	Thermoelectric fuel use	4,908	6,989	*(29.8%)*	1,792	2,597	*(31.0%)*
2,934	Other sales	2,910	2,080	*39.9%*	1,016	672	*51.0%*
15,775	**Total uses in Italy**	**11,617**	**11,677**	***(0.5%)***	**3,622**	**3,735**	***(3.0%)***
1,906	**Sales of production outside Italy(1)**	**1,356**	**1,438**	***(5.7%)***	**454**	**469**	***(3.2%)***

(1) Counting volumes withheld as production tax.

Crude Oil Production

2012 full year	in thousands of barrels	9 months 2013	9 months 2012	% change	3rd quarter 2013	3rd quarter 2012	% change
1,809	Production in Italy	1,260	1,412	*(10.8%)*	556	377	*47.7%*
1,737	Production outside Italy (1)	1,265	1,308	*(3.3%)*	419	465	*(10.0%)*
3,546	**Total production**	**2,525**	**2,720**	***(7.2%)***	**975**	**842**	***15.8%***

(1) Counting volumes withheld as production tax.

Financial Highlights

2012 full year (*)	(in millions of euros)	9 months 2013	9 months 2012 (*)	% change	3rd quarter 2013	3rd quarter 2012 (*)	% change
6,571	**Sales revenues**	**4,346**	**4,960**	*(12.4%)*	**1,299**	**1,569**	*(17.2%)*
608	Reported EBITDA	387	659	*(41.3%)*	27	560	*(95.2%)*
630	Adjusted EBITDA (1)	371	680	*(45.4%)*	22	565	*(96.1%)*
245	Capital expenditures	93	181	*(48.6%)*	28	47	*(40.4%)*
116	Investments in exploration	44	79	*(44.3%)*	16	23	*(30.4%)*
1,369	Number of employees(2)	1,421	1,323	*3.8%*			

(1) See note on page 7.

(2) End-of-period data. The changes are computed against the data at December 31, 2012.

(*) The amounts for 2012 reflect the adoption IAS 19 Revised.

Production and Procurement

In the third quarter of 2013, net production of natural gas, counting the combined output of the Italian and international operations, totaled 547 million cubic meters, or 11.8% less than in the same period in 2012. Production was down 38.5% in Italy, due to the decline of production curves for some fields; outside Italy, production decreased slightly (-3.2%) due to the normal depletion of the Rosetta concession and despite an increase in output from wells in the Abu Qir concession in Egypt.
Production of crude oil totaled 975,000 barrels, up from 842,000 barrels in the third quarter of 2012, with output in Italy increasing thanks to the restart of production from the Rospo field.
Natural gas imports totaled about 3 billion cubic meters.

Cumulative production of natural gas for the first nine months of the year totaled 323 million cubic meters in Italy and 1,356 million cubic meters abroad, for an overall decline of 12.2% due to the depletion of producing fields mentioned above. Crude oil output grew to 2,525,000 barrels, down from 2,720,000 barrels in the same period last year, reflecting the impact of the shutdown of the Rospo field during the first six months of the year.
Gas imports increased by about 6.6% to a total of about 9.6 billion cubic meters, due to the Company's compliance with take-or-pay clauses of long-term procurement contracts.

Sales and Marketing

In Italy, uses of natural gas declined to 3,622 million cubic meters in the third quarter of 2013, for a reduction of 3% compared with the same period last year.
More specifically, as explained in greater detail below when commenting the cumulative data, sales were up 15.5% for residential user and more than doubled for industrial users but decreased by 31% for thermoelectric users.

As mentioned above, the trend commented for the third quarter of 2013 also applies to the cumulative data for the first nine months of the year, during which gains in sales to residential users (1,867 million cubic meters, +31.6%) and to industrial users (1,932 million cubic meters, +62.3%) reflect the effect of sales efforts to acquire new residential and business customers. On the other hand, sales to thermoelectric users (4,908 million cubic meters, -29.8%) reflect a sharp drop in consumption by thermoelectric power plants of the Group and outside customers, which were adversely affected by a contraction in national demand and an increase in the output of renewable-source facilities.

Operating Performance

In the third quarter of 2013, sales revenues totaled 1,299 million euros, down 17.2% compared with the third quarter of 2012, due to the combined impact of falling Brent crude prices and lower unit sales. Both trends are also reflected in the data for the first nine months of 2013, during which sales revenues amounted to 4,346 million euros, down 12.4% compared with the same period in 2012

Adjusted EBITDA fell to 22 million euros in the third quarter of 2013, for a decrease of 543 million euros compared with the adjusted EBITDA reported in the third quarter of 2012 (565 million euros), when the figure included a nonrecurring gain of 600 million euros from a revision of the price charged by RasGas and Eni for the supply of natural gas from Qatar and Libya.

Adjusted EBITDA for the first nine months of 2013 totaled 371 million euros, or 309 million euros less than in the same period last year; this performance inconsistency is due to the recognition of nonrecurring items related to price review processes pursued in recent years.

The cumulative EBITDA of 371 million euros reflect the contributions generated by the Exploration and Production activities (about 333 million euros, down compared with the same period last year due to the decline in production curves commented earlier in this Report), by the regulated gas infrastructures and by the activities engaged in buying and selling natural gas. In the latter area, it is worth mentioning that the EBITDA for the first nine months of 2013 were boosted by the positive impact of the revision of the prices and volumes of contracts to supply natural gas from Algeria and Qatar, a portion of which is attributable to gas volumes purchased in previous years.

Please also note that average unit sales margins currently remain negative for the current portion and that, consequently, Edison is committed to pursuing to completion a second round of price renegotiations for all of its procurement contracts, in the belief that it is essential to restore a reasonable level of profitability to its portfolio of multi-year contracts.

Capital Investments

In the third quarter of 2013, capital investments totaled 28 million euros, bringing the total at September 30, 2013 to 93 million euros.

The main investments in Italy included 12 million euros to develop the San Potito and Cotignola field, which went into service in June, 34 million euros to drill new wells in the Rospo field and activities to develop the Tresauro field (5 million euros) and the Fauzia field (5 million euros).

Investment projects outside Italy focused on the Abu Qir and West Wadi el Ryan concessions in Egypt (4 million euros and 3 million euros, respectively) and the Zidane concession in Norway (7 million euros) and the preliminary activities for the construction of the Polarled pipeline which will connect the Zidane concession to the mainland.

Exploration Activities

In the third quarter of 2013, the Group invested a total of 28 million euros in exploration activities. A total of about 44 million euros was invested during the first nine months of 2013, including 33 million euros in Norway, mainly to drill the Skarfjell North and Skarfjel 1 exploratory wells, and 8 million euros in the Falkland Islands, for hydrocarbon exploration activities in the southern area.

Corporate Activities and Other Segments

Financial Highlights

2012 full year (*)	(in millions of euros)	9 months 2013	9 months 2012 (*)	% change	3rd quarter 2013	3rd quarter 2012 (*)	% change
48	**Sales revenues**	**37**	**37**	**-**	**13**	**12**	*8.3%*
(110)	EBITDA	(69)	(79)	*(12.7%)*	(21)	(26)	*(19.2%)*
n.m.		*n.m.*	*n.m.*			*n.m.*	
2	Capital expenditures	2	1	*100.0%*	1	1	-
650	Number of employees (1)	629	660	*(3.2%)*			

(1) End-of-period data. The changes are computed against the data at December 31, 2012.

(*) The amounts for 2012 reflect the adoption IAS 19 Revised.

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 for the third quarter and the first nine months of 2013 were about the same as in the corresponding periods of 2012. The improvement in EBITDA, negative by 21 million euros in the third quarter and negative by 69 million euros in the first nine months of the year, reflects the impact of lower legal costs, which in the first nine months of 2012 included those incurred to pursue the arbitrations proceedings to their successful conclusion.

Discontinued Operations

Financial Highlights

2012 full year	(in millions of euros)	9 months 2013	9 months 2012	% change	3rd quarter 2013	3rd quarter 2012	% change
50	**Net profit (loss) from discontinued operations**	**-**	**50**	***n.m.***	**-**	**-**	***n.m.***
-	Capital expenditures	-	-	*n.m.*	-	-	*n.m.*
-	Number of employees (1)	-	-	*n.m.*			

(1) End-of-period data. The changes are computed against the data at December 31, 2012.

In 2012 the net profit of 50 million euros generated by the discontinued operations is the result of an 80-million-euro increase in the sales price of the equity stake in Edipower Spa, net of the negative contribution of the tolling operations.

Risks and Uncertainties

Please consult the “Group Financial Risk Management” section of the Review of the Group’s Operating Performance and Financial Results, which explains the risk management activities of the Edison Group.

Other Information

Related-party Transactions

In the Review of the Group’s Operating Performance and Financial Results, please consult the chapter of the Other Information section entitled “Intercompany and Related-Party Transactions,” which provides information on material transactions with related parties.

Other 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.

REVIEW OF THE GROUP'S OPERATING PERFORMANCE AND FINANCIAL RESULTS

at September 30, 2013

EDISON

Income Statement

2012 full year (*)	of which related parties	(in millions of euros)	*See Note*	9 months 2013	of which related parties	9 months 2012 (*)	of which related parties	3rd quarter 2013	3rd quarter 2012 (*)
12,014	114	Sales revenues	*1*	9,136	319	8,935	129	2,888	3,126
830	8	Other revenues and income	*2*	580	4	673	9	112	443
12,844	**122**	**Total net revenues**		**9,716**	**323**	**9,608**	**138**	**3,000**	**3,569**
(11,523)	(249)	Raw materials and services used (-)	*3*	(8,709)	(187)	(8,487)	(203)	(2,773)	(2,857)
(218)		Labor costs (-)	*4*	(164)		(158)		(54)	(50)
1,103		**EBITDA**	*5*	**843**		**963**		**173**	**662**
(6)		Net change in fair value of commodity derivatives	6	(9)		(1)		9	(6)
(868)		Depreciation, amortization and writedowns (-)	*7*	(423)		(522)		(126)	(166)
229		**EBIT**		**411**		**440**		**56**	**490**
(121)		Net financial income (expense)	*8*	(74)	(6)	(82)		(33)	(33)
6	2	Income from (Expense on) equity investments	*9*	2		6		-	4
(37)		Other income (expense), net	*10*	(27)		(26)		-	(5)
77		**Profit (Loss) before taxes**		**312**		**338**		**23**	**456**
(41)		Income taxes	*11*	(138)		(139)		6	(157)
36		**Profit (Loss) from continuing operations**		**174**		**199**		**29**	**299**
50		Profit (Loss) from discontinued operations	*12*	-		50		-	-
86		**Profit (Loss)**		**174**		**249**		**29**	**299**
		Broken down as follows:							
5		Minority interest in profit (loss)		-		8		7	9
81		**Group interest in profit (loss)**		**174**		**241**		**22**	**290**
		Earnings (Loss) per share (in euros)	*13*						
0.0147		Basic earnings (loss) per common share		0.0323		0.0448			
0.0447		Basic earnings per savings share		0.0623		0.0748			
0.0147		Diluted earnings (loss) per common share		0.0323		0.0448			
0.0447		Diluted earnings per savings share		0.0623		0.0748			

(*) 2012 amounts reflect the application of IAS 19 revised.

Other Components of the Comprehensive Income Statement

2012 full year (*)	(in millions of euros)	*See Note*	9 months 2013	9 months 2012 (*)	3rd quarter 2013	3rd quarter 2012 (*)
86	**Profit (Loss)**		**174**	**249**	**29**	**299**
	Other components of comprehensive income:					
(8)	**A) Change in the Cash Flow Hedge reserve**	*25*	**(10)**	**21**	**3**	**4**
(16)	- Gains (Losses) arising during the period		(14)	36	8	9
8	- Income taxes (-)		4	(15)	(5)	(5)
4	**B) Change in reserve for available-for-sale investments**	*25*	**(4)**	**5**	**-**	**5**
4	- Gains (Losses) arising during the period not realized		(4)	5	-	5
-	- Income taxes (-)		-	-	-	-
(6)	**C) Differences on the translation of assets in foreign currencies**		**(11)**	**-**	**(11)**	**(4)**
-	**D) Pro rata interest in other components of comprehensive income of investee companies**		-	-	-	-
-	**E) Actuarial gains (losses)** (*)(**)		**(2)**	-	-	-
-	- Actuarial gains (losses)		(2)		-	-
-	- Income taxes (-)		-		-	-
(10)	**Total other components of comprehensive income net of taxes (A+B+C+D+E)**		**(27)**	**26**	**(8)**	**5**
76	**Total comprehensive profit (loss)**		**147**	**275**	**21**	**304**
	Broken down as follows:					
5	Minority interest in comprehensive profit (loss)			8	7	9
71	**Group interest in comprehensive profit (loss)**		**147**	**267**	**14**	**295**

(*) 2012 amounts reflect the application of IAS 19 revised.

(**) Items not reclassificable in Income Statement.

Balance Sheet

09.30.2012 (*)		(in millions of euros)		09.30.2013		12.31.2012 (*)	
	of which related parties		See Note		of which related parties		of which related parties
		ASSETS					
4,969		Property, plant and equipment	14	4,603		4,786	
10		Investment property	15	6		9	
3,231		Goodwill	16	3,231		3,231	
971		Hydrocarbon concessions	17	885		948	
97		Other intangible assets	18	107		105	
51	51	Investments in associates	19	51	51	51	51
196		Available-for-sale investments	19	185		194	
78		Other financial assets	20	75		75	
117		Deferred-tax assets	21	177		145	
125		Other assets	22	464		108	
9,845		**Total non-current assets**		**9,784**		**9,652**	
398		Inventories		500		390	
3,667	40	Trade receivables		3,082	85	3,391	53
13		Current-tax assets		14		25	
614	73	Other receivables		521	46	562	83
121		Current financial assets		85		99	
586		Cash and cash equivalents		653	181	753	
5,399		**Total current assets**	23	**4,855**		**5,220**	
1		**Assets held for sale**	24	**-**		**1**	
-		**Eliminations of assets from and to discontinued operations**		**-**		**-**	
15,245		**Total assets**		**14,639**		**14,873**	
		LIABILITIES AND SHAREHOLDERS' EQUITY					
5,292		Share capital		5,292		5,292	
1,691		Reserves and retained earnings (loss carryforward)		1,752		1,693	
25		Reserve for other components of comprehensive income		(38)		(11)	
241		Group interest in profit (loss)		174		81	
7,249		**Total shareholders' equity attributable to Parent Company shareholders**		**7,180**		**7,055**	
150		Shareholders' equity attributable to minority shareholders		125		132	
7,399		**Total shareholders' equity**	25	**7,305**		**7,187**	
35		Provision for employee severance indemnities and provisions for pensions	26	36		35	
166		Provision for deferred taxes	27	74		79	
906		Provisions for risks and charges	28	852		863	
1,795		Bonds	29	1,097		1,796	
185		Long-term financial debt and other financial liabilities	30	1,085	994	174	
31		Other liabilities	31	31		31	
3,118		**Total non-current liabilities**		**3,175**		**2,978**	
109		Bonds		783		104	
1,702	15	Short-term financial debt		287	26	1,461	16
2,183	40	Trade payables		2,400	45	2,440	78
28		Current taxes payable		51		11	
706	128	Other liabilities		638	91	692	123
4,728		**Total current liabilities**	32	**4,159**		**4,708**	
-		**Liabilities held for sale**		**-**		**-**	
-		**Eliminations of liabilities from and to discontinued operations**		**-**		**-**	
15,245		**Total liabilities and shareholders' equity**		**14,639**		**14,873**	

(*) 2012 amounts reflect the application of IAS 19 revised.

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 nine months of 2013. 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.

2012 full year (*)	of which related parties	(in millions of euros)	See Note	9 months 2013	of which related parties	9 months 2012	of which related parties
77		**Profit (Loss) before taxes**		**312**		**338**	
868		Depreciation, amortization and writedowns	*7*	423		522	
14		Net additions to provisions for risks		(45)		76	
(2)	(2)	Interest in the result of companies valued by the equity method (-)		-		(2)	
1	1	Dividends received from companies valued by the equity method		1	1	1	1
1		(Gains) Losses on the sale of non-current assets		-		1	
(1)		Change in the provision for employee severance indemnities and provisions for pensions	*26*	(2)		(1)	
13		Change in fair value recorded in EBIT		(4)		2	
(294)	11	Change in operating working capital		159	(65)	(835)	(14)
115		Financial income (expense)	*8*	83	13	99	
(93)		Net financial expense paid		(87)	(2)	(77)	
(190)		Income taxes paid		(137)		(119)	
45	67	Change in other operating assets and liabilities		(358)	5	(21)	82
554		**A. Cash flow from continuing operations**		**345**		**(16)**	
(459)		Additions to intangibles and property, plant and equipment (-)	*14-18*	(162)		(309)	
-		Additions to non-current financial assets (-)		(4)		-	
(2)		Price paid on business combinations (-)		-		-	
6		Proceeds from the sale of intangibles and property, plant and equipment		5		4	
684	684	Proceeds from the sale of non-current financial assets		-		684	684
8		Repayment of capital contribution by non-current financial assets		5		6	
529		Change in other current financial assets		14		507	
766		**B. Cash used in investing activities from continuing operations**		**(142)**		**892**	
603		Receipt of new medium-term and long-term loans	*29, 30, 32*	1,547	1,193	403	
(1,323)		Redemption of medium-term and long-term loans (-)	*29, 30, 32*	(1,757)	(200)	(810)	
(110)	1	Change in short-term net financial debt		(73)		(167)	
(14)		Distribution of shareholders' equity and reserves (-)		-		-	
(14)		Dividends paid to controlling companies or minority shareholders (-)		(20)		(7)	
(858)		**C. Cash used in financing activities from continuing operations**		**(303)**		**(581)**	
-		**D. Cash and cash equivalents from changes in the scope of consolidation**		**-**		**-**	
-		**E. Net currency translation differences**		**-**		**-**	
462		**F. Net cash flow for the period from continuing operations (A+B+C+D+E)**		**(100)**		**295**	
(35)		**G. Net cash flow for the period from discontinued operations**		**-**		**(35)**	
427		**H. Net cash flow for the period (continuing and discontinued operations) (F+G)**		**(100)**		**260**	
291		**I. Cash and cash equivalents at the beginning of the year from continuing operations**		**753**		**291**	
35		**L. Cash and cash equivalents at the beginning of the year from discontinued operations**		**-**		**35**	
753		**M. Cash and cash equivalents at the end of the period (continuing and discontinued operations) (H+I+L)**		**653**	181	**586**	
-		**N. Cash and cash equivalents at the end of the period from discontinued operations**		**-**		**-**	
753		**O. Cash and cash equivalents at the end of the period from continuing operations (M-N)**		**653**	236	**586**	

(*) 2012 amounts reflect the application of IAS 19 revised.

Changes in Consolidated Shareholders' Equity

(in millions of euros)	Share capital	Reserves and retained earnings (loss carry-forward)	Reserve for other components of comprehensive income: Cash Flow Hedge reserve	Reserve for available-for-sale investments	Differences on the translation of assets in foreign currencies	Interest in other components of comprehensive 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 December 31, 2011	**5,292**	**2,568**	**(8)**	**-**	**7**	**-**	**-**	**(871)**	**6,988**	**158**	**7,146**
Appropriation of the previous year's profit (loss)	-	(871)	-	-	-	-	-	871	-	-	-
Dividends distributed	-	-	-	-	-	-	-	-	-	(16)	(16)
Other changes	-	(6)	-	-	-	-	-	-	(6)	-	(6)
Total comprehensive profit (loss)	-	-	21	5	-	-	-	241	267	8	275
of which: - Change in comprehensive income for the period	-	-	21	5	-	-	-	-	26	-	26
- Profit (Loss) from 01.01.2012 to 09.30.2012	-	-	-	-	-	-	-	241	241	8	249
Balance at September 30, 2012	**5,292**	**1,691**	**13**	**5**	**7**	**-**	**-**	**241**	**7,249**	**150**	**7,399**
Dividends and reserves distributed	-	-	-	-	-	-	-	-	-	(14)	(14)
Other changes	-	1	-	-	-	-	-	-	1	-	1
Total comprehensive profit (loss)	-	1	(29)	(1)	(6)	-	-	(160)	(195)	(4)	(199)
of which: - Change in comprehensive income for the period	-	-	(29)	(1)	(6)	-	-	-	(36)	-	(36)
- Profit (Loss) from 10.01.2012 to 12.31.2012	-	1	-	-	-	-	-	(160)	(159)	(4)	(163)
Balance at December 31, 2012	**5,292**	**1,693**	**(16)**	**4**	**1**	**-**	**-**	**81**	**7,055**	**132**	**7,187**
Appropriation of the previous year's profit (loss)	-	81	-	-	-	-	-	(81)	-	-	-
Dividends distributed	-	(17)	-	-	-	-	-	-	(17)	(7)	(24)
Other changes	-	(5)	-	-		-	-	-	(5)	-	(5)
Total comprehensive profit (loss)	-	-	(10)	(4)	(11)	-	(2)	174	147	-	147
of which: - Change in comprehensive income for the period	-	-	(10)	(4)	(11)	-	(2)	-	(27)	-	(27)
- Profit (Loss) from 01.01.2013 to 09.30.2013	-	-	-	-	-	-	-	174	174	-	174
Balance at September 30, 2013	**5,292**	**1,752**	**(26)**	**-**	**(10)**	**-**	**(2)**	**174**	**7,180**	**125**	**7,305**

(*) The amounts reflect the application of IAS 19 revised.

NOTES TO THE QUARTERLY REPORT AT SEPTEMBER 30, 2013

Content and Presentation

The Edison Group's Quarterly Report at September 30, 2013 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 Financial Statements

It is worth mentioning that the international accounting principles are consistent with those used for the Consolidated Financial Statements at December 31, 2012, and the following amendments and interpretations are applicable starting in 2013.

- Amended **IAS 19 "Employee Benefits."** The revised version of IAS 19 requires a different classification for actuarial gains and losses, which previously were recognized directly in profit or loss and now must be classified into "Other components of comprehensive income" and a special equity reserve. Because this amended accounting principle must be applied retrospectively, the data for the previous year were restated, starting on January 1, with a negative impact on "Group interest in net profit" less than one million euros.
- **IFRS 13 "Fair Value Measurement."** This new standard provides a single systematic reference framework for measuring fair value by updating the entire corpus of existing standards and interpretations regarding fair value measurement and disclosures.
  This principle is applicable prospectively, without need to restate comparative information and it has no relevant impact; in Edison's Group it mainly refers to valuations of Financial Instruments.
- **IFRS 7 "Financial Instruments: Disclosures" and IAS 32 "Financial Instruments: Presentation"**. They require the introduction of new quantitative disclosures about offsetting arrangements and their effects, if any, on the statement of financial position.
- **IAS 1 "Presentation of Financial Statements"** was revised to provide a clearer presentation of the line item "Other components of comprehensive income (OCI)" by showing separately components that later may or may not be reclassified into the Income Statement.
- **IFRS 1** modified "**First-time Adoption of IFRS**": it establishes some cases, different from the first application of IFRS, in which the company is forced to apply this principle, or to apply the principles retrospectively in accordance with IAS 8 "Accounting Policies, Changes in accounting Estimates and Errors" (currently not applicable in Edison Financial Statements).

- **IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine."** This interpretation provides guidance about the initial and subsequent valuation of an asset resulting from a stripping project (currently not applicable in Edison Financial Statements).

Use of Estimated Values

The preparation of the Quarterly Report at September 30, 2013 and the accompanying notes requires the use of estimates and assumptions both in the measurement of certain assets and liabilities and in the valuation of contingent assets and liabilities. The actual results that will arise upon the occurrence of the relevant events could differ from these estimates.
The estimates and assumptions used are revised on an ongoing basis, and the impact of any such revision is immediately recognized in the income statement.
As no new developments occurred in the third quarter of 2013, please see the information provided in the Semiannual Financial Report at June 30, 2013 for a more detailed review of this issue.

The publication of the Quarterly Report at September 30, 2013, which has not been audited, was authorized by the Board of Directors on November 6, 2013.
Unless otherwise stated, all amounts in these accompanying notes are in million euros.

Comparability

The adoption of IAS 19 *Revised* required a restatement of the 2012 comparable data, with reclassification of net actuarial gains from "Net profit" to "Reserve for other components of comprehensive income," which had an impact of less than 1 million euros.

Changes in the Scope of Consolidation Compared with December 31, 2012

The changes in the Group's scope of consolidation that occurred in 2013 included:

Electric Power Operations:

- liquidation of **Ecofuture Srl**, a wholly owned subsidiary of Edison Spa, previously consolidated line by line;
- In March, disposal of **Sondel Dakar Bv**, a wholly owned subsidiary of Edison International Holding Nv consolidated line by line, and disposal of GTI Dakar Ltd, valued by equity method, in which Sondel Dakar Bv held a 30% interest. The positive economic and financial effects of the disposal of both subsidiaries amounted to less than one million euros;
- the establishment of **Edison Spa Energy Solutions**, that is 100% owned by Edison Energia Spa and fully consolidated. The company is engaged in the business of energy efficiency.

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	
	9 months 2013	9 months 2012	9 months 2013	9 months 2012	9 months 2013	9 months 2012	9 months 2013	9 months 2012	9 months 2013	9 months 2012	9 months 2013	9 months 2012
Sales Revenues	**5,422**	**5,211**	**4,346**	**4,960**	**37**	**37**	-	-	**(669)**	**(1,273)**	**9,136**	**8,935**
- third parties sales revenues	5,406	5,201	3,726	3,728	5	6			(1)	-	9,136	8,935
- Intra-Group sales revenues	16	10	620	1,232	32	31			(668)	(1,273)	-	-
EBITDA	**525**	**383**	**387**	**659**	**(69)**	**(79)**	**-**	**-**	**-**	**-**	**843**	**963**
as a % of sales revenues	*9.7%*	*7.3%*	*8.9%*	*13.3%*	*n.m.*	*n.m.*					*9.2%*	*10.8%*
Net change in Fair Value of Commodity derivatives	(3)	2	(6)	(3)	-	-	-	-	-	-	(9)	(1)
Depreciation, amortization and writedowns	(242)	(246)	(174)	(265)	(7)	(11)	-	-	-	-	(423)	(522)
EBIT	**280**	**139**	**207**	**391**	**(76)**	**(90)**	**-**	**-**	**-**	**-**	**411**	**440**
as a % of sales revenues	*5.2%*	*2.7%*	*4.8%*	*7.9%*	*n.m.*	*n.m.*					*4.5%*	*4.9%*
Net financial income (expense)											**(74)**	**(82)**
Interest in result of companies valued by equity method											**-**	**2**
Income taxes											**(138)**	**(139)**
Profit (Loss) from continuing operations											**174**	**199**
Profit (Loss) from discontinued operations							**-**	**50**			**-**	**50**
Minority interest in profit (loss)											**-**	**8**
Group interest in profit (loss)											**174**	**241**

BALANCE SHEET (in millions of euros)	Electric Power Operations		Hydrocarbons Operations		Corporate Activities and Other Segments		Discontinued Operations		Adjustments		EDISON GROUP	
	09.30.2013	12.31.2012	09.30.2013	12.31.2012	09.30.2013	12.31.2012	09.30.2013	12.31.2012	09.30.2013	12.31.2012	09.30.2013	12.31.2012
Total assets	**8,738**	**8,759**	**5,739**	**5,689**	**5,172**	**5,130**	**-**	**1**	**(5,010)**	**(4,706)**	**14,639**	**14,873**
Total liabilities	**3,505**	**3,476**	**3,466**	**3,493**	**4,200**	**4,230**	**-**	**-**	**(3,837)**	**(3,513)**	**7,334**	**7,686**
Net Financial Debt							**-**	**-**			**2,453**	**2,613**

OTHER INFORMATION (in millions of euros)	Electric Power Operations		Hydrocarbons Operations		Corporate Activities and Other Segments		Discontinued Operations		Adjustments		EDISON GROUP	
	9 months 2013	9 months 2012	9 months 2013	9 months 2012	9 months 2013	9 months 2012	9 months 2013	9 months 2012	9 months 2013	9 months 2012	9 months 2013	9 months 2012
Capital expenditures	22	48	87	144	1	1	-	-	-	-	**110**	**193**
Investments in exploration	-	-	44	79	-	-	-	-	-	-	**44**	**79**
Investments in intangibles	1	-	6	37	1	-	-	-	-	-	**8**	**37**
Total capital investments	**23**	**48**	**137**	**260**	**2**	**1**	**-**	**-**	**-**	**-**	**162**	**309**

	Electric Power Operations		Hydrocarbons Operations		Corporate Activities and Other Segments		Discontinued Operations		Adjustments		EDISON GROUP	
	09.30.2013	12.31.2012	09.30.2013	12.31.2012	09.30.2013	12.31.2012	09.30.2013	12.31.2012	09.30.2013	12.31.2012	09.30.2013	12.31.2012
Number of employees	**1,210**	**1,229**	**1,421**	**1,369**	**629**	**650**	**-**	**-**	**-**	**-**	**3,260**	**3,248**

Thus far, the Group has not viewed **geographic area** segment information as meaningful, since it is mainly located and active in Italy. However, over the past years, the Group began to expand its international operations essentially through acquisitions and, at the end of the period, net non-current assets held totaled 1.496 million euros, including 1.334 million euros for assets of the Hydrocarbons Operations, the largest component of which was located in Egypt, and 162 million euros for assets of the Electric Power Operations, mainly in Greece for thermoelectric power activities. At September 30, 2013, the contribution of foreign operations accounted for about 15% net invested capital.

It is also worth mentioning the performance in the Exploration & Production business, that at September 30, 2013 gives the contribution described in the table below:

INCOME STATEMENT (in millions of euros)	**9 months 2013**	9 months 2012
Sales Revenues	**474**	**545**
EBITDA	**333**	**375**
as a % of sales revenues	*70.2%*	*68.7%*
EBIT	**178**	**118**
as a % of sales revenues	*37.6%*	*21.7%*

As for the disclosure about the so-called "**major customers**", the Group's sales are generally non concentrated, except for the Electric Power Operations, where one major customer, as defined by IFRS 8, generated sales revenues totaling 909 million euros in the period, equal to 16.8% of the total sales revenues of Electric Power Operations and to 9.9% of the total sales revenues of the Group.

NOTES TO THE INCOME STATEMENT

The first nine months of 2013, viewed in comparison with the same period last year, were characterized by concurrent contractions in national consumption of electric power (-3.7%; 3.2% on a seasonally adjusted basis) and in demand for natural gas (-8.3%), the latter due mainly to thermoelectric uses.

This situation, which is due to a worsening of the Italian economic crisis, exacerbated the negative effects of a continuing gas bubble situation and excess capacity in the electric power market, causing the pressure on margins to increase steadily. In natural gas market continued in Italy, the misalignment between the price of spot gas and the cost paid under long-term contracts, which are indexed to oil prices, where the latter is higher. On the other hand, a steady increase in production from renewable sources and from coal, coupled with falling demand, produced a supply overhang in the electric power market and a resulting compression of margins, particularly during peak hours.

In this scenario, Group **EBITDA** were positive by 843 million euros, compared with 963 million euros in the same period of last year.

This result reflects the impact of the following factors:

- a positive performance of the **Electric Power Operations,** whose adjusted EBITDA[1] of the amounted to 541 million euros, for a gain of 49.4% compared with the same period of the previous year (362 million euros), when EBITDA were boosted by a net gain of 28 million euros recognized for the early termination of the CIP 6/92 contract for the Piombino thermoelectric power plant. The result was positively affected by an increase in hydroelectric generation, thanks to an abundance of water resources, and the optimization of portfolio.
- The adjusted EBITDA[1] of the **Hydrocarbons Operations** amounted to 371 million euros, compared with the same period of last year (680 million euros), in which it has registered the positive conclusion of the arbitrations on long-term contracts to import natural gas from Qatar and Libya. The margin of 2013, while benefiting from the successful conclusion of the arbitration on price review for the long-term contract to import natural gas from Algeria and the agreements for the Qatari and Algerian gas contracts, was affected by the protracting of a situation of strong pressure on the gas sales prices and the ongoing second phase of renegotiation of long-term contracts to import natural gas from Russia and Libya (whose margins have worsened after the first phase). The Exploration & Production activity gave a significant contribution.

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[1] Adjusted EBITDA reflect 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 or losses attributable to them (+16 million euros in first nine months 2013, -21 million euros in first nine months 2012), in order to provide an operational presentation of the Group's industrial results.

The **Group's interest in the net result** is positive by 174 million euros, compared with a profit of 241 million euros in first nine months of 2012. It is also worth mentioning that the results of the first nine months of 2012 benefited from Profit from Discontinued Operations (50 million euros), referred to the redefinition of the sales price of Edipower Spa (80 million euros) and the negative margin attributable to Edipower's tolling operations.

In addition to this and to the effect of the industrial margins mentioned above, the results for the period primarily reflects the impact of the following factors:

- Writedowns of property, plant and equipment for 46 million euros, due to thermoelectric activities;
- A 110-million-euro reduction in depreciation and amortization, in particular:
  - a decrease (25 million euros) recognized by the **Electric Power Operations**;
  - a decrease in depreciation and amortization in exploration activity (59 million euros) recognized by the **Hydrocarbons Operations**;

1. Sales Revenues

Sales revenues totaled 9,136 million euros, or 2.2% more than the 8,935 million euros reported at September 30, 2012.

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

(in millions of euros)	**9 months 2013**	9 months 2012	Change	% change
Revenues from the sales of:				
- Electric power	4,221	4,241	(20)	(0.5%)
- Natural gas	3,443	3,408	35	1.0%
- Steam	83	90	(7)	(7.8%)
- Oil	145	196	(51)	(26.0%)
- Green certificates	71	91	(20)	(22.0%)
- CO_2 emissions rights	-	11	(11)	n.m.
- Other sales revenues	42	36	6	16.7%
Total sales revenues	**8,005**	**8,073**	**(68)**	**(0.8%)**
Revenues from services provided	9	14	(5)	(35.7%)
Storage services	52	42	10	23.8%
Margin on physical trading activities	85	14	71	n.m.
Transmission revenues	961	772	189	24.5%
Other revenues from sundry services	24	20	4	20.0%
Total for the Group	**9,136**	**8,935**	**201**	**2.2%**

Breakdown by Business Segment

(in millions of euros)	**9 months 2013**	9 months 2012	Change	% change
Electric Power Operations	5,422	5,211	211	4.0%
Hydrocarbons Operations	4,346	4,960	(614)	(12.4%)
Corporate Activities and Other Segments	37	37	-	0.0%
Eliminations	(669)	(1,273)	604	(47.4%)
Total for the Group	**9,136**	**8,935**	**201**	**2.2%**

In particular:

- The **Electric Power Operations** reported a gain (+4.0%) in sales revenues compared with the first half of 2012, thanks to higher sales volumes to wholesalers and to the substantially stability of the sales to end customers.
- The "Sales Revenues" of the **Hydrocarbons Operations** were down, falling by 12.4% compared with the first nine months of 2012, reflects the prices' scenario as well as a decrease in sales to thermoelectric uses partially offset by higher sales to industrial and residential customers.

2. Other Revenues and Income

Other revenues and income totaled 580 million euros (673 million euros in first nine months of 2012). A breakdown is as follows:

(in millions of euros)	**9 months 2013**	9 months 2012	Change	% change
Realized commodity derivatives	135	117	18	15.4%
Margin on financial trading activities	-	18	(18)	n.m.
Recovery of costs from partners in hydrocarbon exploration projects	25	23	2	8.7%
Net reversals in earnings of provisions for risks on receivables and other risks	50	10	40	n.m.
Out-of-period income and sundry items	370	505	(135)	(26.7%)
Total for the Group	**580**	**673**	**(93)**	**(13.8%)**

The **commodity derivatives**, which should be analyzed together with the corresponding cost item included in "**Raw materials and services used**" (which decreased of 43 million euros) and "**Net change in fair value of commodity derivatives**" (which decreased from -1 million euros to -9 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 performance is due to the scenario effect on the hedged physical commodities: in first nine months of 2013, a spike in commodity prices in the benchmark markets had a net negative effect on the underlying physical commodities, offset by the positive results reflected in the performance of commodity derivatives.

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 8,709 million euros, or 2.6% more than in the same period in 2012 (8,487 million euros) affected by the price and volume trends already mentioned in the note “Sales revenues”.

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

(in millions of euros)	**9 months 2013**	9 months 2012	Change	% change
Purchases of:				
- Natural gas	3,787	4,182	(395)	(9.4%)
- Electric power	2,568	2,258	310	13.7%
- Blast-furnace, recycled and coke-oven gas	20	38	(18)	(47.4%)
- Oil and fuel	1	2	(1)	(50.0%)
- Demineralized industrial water	3	5	(2)	(40.0%)
- Green certificates	5	35	(30)	(85.7%)
- CO_2 emissions rights	7	8	(1)	(12.5%)
- Coal, utilities and other materials	43	54	(11)	(20.4%)
Total	**6,434**	**6,582**	**(148)**	**(2.2%)**
- Facilities maintenance	95	98	(3)	(3.1%)
- Transmission of electric power and natural gas	1,544	1,285	259	20.2%
- Regasification fee	78	78	-	0.0%
- Professional services	97	110	(13)	(11.8%)
- Writedowns of trade and other receivables	91	36	55	n.m.
- Realized commodity derivatives	74	117	(43)	(36.8%)
- Margin on financial trading activities	48	-	48	n.s.
- Additions to provisions for miscellaneous risks	15	77	(62)	(80.5%)
- Change in inventories	(61)	(156)	95	n.m.
- Use of property not owned	84	80	4	5.0%
- Losses on sales of property, plant and equipment	2	-	2	n.s.
- Sundry items	208	180	28	15.6%
Total for the Group	**8,709**	**8,487**	**222**	**2.6%**

Breakdown by Business Segment

(in millions of euros)	**9 months 2013**	9 months 2012	Change	% change
Electric Power Operations	4,956	4,952	4	0.1%
Hydrocarbons Operations	4,353	4,732	(379)	(8.0%)
Corporate Activities and Other Segments	77	80	(3)	(3.8%)
Eliminations	(677)	(1,277)	600	(47.0%)
Total for the Group	**8,709**	**8,487**	**222**	**2.6%**

The decrease compared with the first nine months of previous year in the amount paid for **natural gas** (395 million euros), which should be analyzed together with the item included in “**Changes in inventories”**, is mainly due to different policies to optimize supply sources. The period reflects the benefits of the revision of the long-term contracts to import natural gas from Algeria and Qatar. The amount of natural gas purchases also reflects the negative impact of the effective portion of derivatives that hedge foreign exchange risks on commodities (67 million euros), offset by a benefit shown in commodity prices.

The increase in costs for **electric power** (310 million euros compared with the first nine months of 2012) reflects primarily the effect of an increase in purchases volumes.

The increase in **transmission of electric power and natural gas** costs (259 million euros) is due mainly to the increasing in sales volumes and rates.

The **regasification fee** (78 million euros) reflects the charges paid to Terminale GNL Adriatico Srl for regasification services.

Writedowns of trade and other receivables (91 million euros) includes additions to allowances for doubtful accounts and losses on uncollectible accounts, net of specific of utilizations of provisions for risk and charges.

Margin on Trading Activities

The table below shows the results 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*	**9 months 2013**	9 months 2012	Change	% change
Margin on physical contracts included in trading portfolios					
Sales revenues		2,841	3,454	(613)	(17.7%)
Raw materials and services used		(2,756)	(3,440)	684	(19.9%)
Total included in sales revenues	*1*	**85**	**14**	**71**	**n.m.**
Margin on financial contracts included in trading portfolios					
Other revenues and income		39	66	(27)	(40.9%)
Raw materials and services used		(87)	(48)	(39)	81.3%
Total included in Other revenues and income/(Raw materials and services used)	*2 / 3*	**(48)**	**18**	**(66)**	**n.m.**
Total margin on trading activities		**37**	**32**	**5**	**15.6%**

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

4. Labor Costs

Labor costs totaled 164 million euros, or 3.8% more than in the same period in 2012, when they amounted to 158 million euros.

This increase is the net result of wage dynamic and an increase of average staff.

5. EBITDA

EBITDA totaled 843 million euros, against 963 million euros earned in the first nine months of 2012. 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)	**9 months 2013**	**as a % of sales revenues**	9 months 2012	as a % of sales revenues
Reported EBITDA				
Electric Power Operations	525	9.7%	383	7.3%
Hydrocarbons Operations	387	8.9%	659	13.3%
Corporate Activities and Other Segments	(69)	n.m.	(79)	n.m.
Total for the Group	**843**	**9.9%**	**963**	**10.7%**
Adjusted EBITDA				
Electric Power Operations	541	10.0%	362	6.9%
Hydrocarbons Operations	371	8.5%	680	13.7%
Corporate Activities and Other Segments	(69)	n.m.	(79)	n.m.
Total for the Group	**843**	**9.9%**	**963**	**10.7%**

Regarding the performance:

- the adjusted EBITDA of the **Electric Power Operations** amounted to 541 million euros, for a gain of 49.4% compared with the previous year (362 million euros). The positive performance is due to the improved hydroelectric generation and to portfolio optimization.
- The adjusted EBITDA of the **Hydrocarbons Operations** totaled 371 million euros (680 million euros in the first half of 2012); both results reflect the positive effects of the revision of long-term contracts to import natural gas from Algeria and Qatar, in 2013, and from Qatar and Libya, in 2012. The margin of 2013 was affected by the protracting of a situation of strong pressure on the gas sales prices and the ongoing second phase of renegotiation of long-term contracts to import natural gas from Russia and Libya (whose margins have worsened after the first phase). The Exploration & Production activity gave a significant contribution.

6. Net Change in Fair Value of Commodity Derivatives

A breakdown of this item, which decreased from negative 1 million euros in first nine months of 2012 to negative 9 million euros in first nine months of 2013, is provided below:

(in millions of euros)	**9 months 2013**	9 months 2012	Change	% change
Change in fair value in hedging the price risk on energy products:	**2**	**1**	**1**	**n.m.**
- definable as hedges pursuant to IAS 39 (CFH) (*)	2	(1)	3	n.m.
- not definable as hedges pursuant to IAS 39	-	2	(2)	n.m.
Change in fair value in hedging the foreign exchange risk on commodities:	**(11)**	**(2)**	**(9)**	**n.m.**
- definable as hedges pursuant to IAS 39 (CFH) (*)	-	(6)	6	n.m.
- not definable as hedges pursuant to IAS 39	(11)	4	(15)	n.m.
Total for the Group	**(9)**	**(1)**	**(8)**	**n.m.**

(*) 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.

7. Depreciation, Amortization and Writedowns

A breakdown of this item, which totaled 423 million euros, is provided below:

(in millions of euros)	**9 months 2013**	9 months 2012	Change	% change
Depreciation and amortization of:	**375**	**485**	**(110)**	**(22.7%)**
- property, plant and equipment	259	302	(43)	(14.2%)
- hydrocarbon concessions	63	69	(6)	(8.7%)
- other intangible assets (*)	53	114	(61)	(53.5%)
Writedowns of:	**48**	**38**	**10**	**26.3%**
- property, plant and equipment	46	33	13	39.4%
- other intangible assets	2	5	(3)	(60.0%)
Utilization of the provisions for risks and charges	-	**(1)**	**1**	**(100.0%)**
Total for the Group	**423**	**522**	**(99)**	**(19.0%)**

(*) Included the exploration cost (44 milion of euros in the first nine months 2013, 79 milion of euros in first nine months of 2012).

Breakdown by Business Segment

(in millions of euros)	**9 months 2013**	9 months 2012	Change	% change
Electric Power Operations:	**242**	**246**	**(4)**	**(1.6%)**
- depreciation and amortization	194	219	(25)	(11.4%)
- writedowns of property, plant and equipment	46	22	24	n.m.
- writedowns of other intangible assets	2	5	(3)	(60.0%)
Hydrocarbons Operations:	**174**	**265**	**(91)**	**(34.3%)**
- depreciation and amortization	174	258	(84)	(32.6%)
- utilization of the provisions for risks and charges	-	(1)	1	n.s.
- writedowns of property, plant and equipment	-	8	(8)	n.s.
Corporate Activities and Other Segments:	**7**	**11**	**(4)**	**(36.4%)**
- depreciation and amortization	7	8	(1)	(12.5%)
- writedowns of property, plant and equipment	-	3	(3)	n.s.
Total for the Group	**423**	**522**	**(99)**	**(19.0%)**

In the **Electric Power Operations**, the net decrease of 4 million euros was due to the combined effect of:

- an increase of 24 million euros in writedowns of property, plant and equipment. In the period 46 million euros booked in relation to a Thermoelectric plant as a result of cancellation by the customer of a commercial supply contract;
- lower depreciation resulting from the writedowns of production facilities recognized last year and from the extension of concessions for some hydroelectric power plants.

In the **Hydrocarbons Operations**, the decrease of 91 million euro is chiefly due to:

- lower exploration costs of 35 million euros (79 million euros in the first nine months of 2012 due mainly to an intensive exploration activity in Norway and the start of activities in Falkland Island);

- lower amortization of the amount paid to acquire exploration licenses in the Falkland Islands (24 million euros in 2012);

- lower depreciation and amortization mainly due to changed hydrocarbon extraction profiles.

8. Net Financial Income (Expense)

Net financial expense totaled 74 million euros (82 million euros in the first nine months of 2012).

A breakdown of net financial expense is as follows:

(in millions of euros)	**9 months 2013**	9 months 2012	Change
Financial income			
Financial income from financial derivatives	42	74	(32)
Interest earned on finance leases	9	10	(1)
Interest earned on bank and postal accounts	3	2	1
Interest earned on trade receivables	8	8	-
Other financial income	6	20	(14)
Total financial income	**68**	**114**	**(46)**
Financial expense			
Interest accrued on bond issues	(54)	(53)	(1)
Fair Value Hedge adjustment on bonds	27	(32)	59
Financial expense from financial derivatives	(43)	(48)	5
Interest accrued to banks	(9)	(26)	17
Bank fees	(11)	(14)	3
Financial expense on decommissioning projects and provisions for risks	(19)	(19)	-
Financial expense in connection with employee severance benefits	(1)	(1)	-
Interest accrued to other lenders	(28)	(10)	(18)
Other financial expense	(13)	(10)	(3)
Total financial expense	**(151)**	**(213)**	**62**
Foreign exchange translation gains (losses)			
Foreign exchange translation gains	114	89	25
Foreign exchange translation losses	(105)	(72)	(33)
Net foreign exchange translation gains (losses)	**9**	**17**	**(8)**
Net financial income (expense) for the Group	**(74)**	**(82)**	**8**

9. Income from (Expense on) Equity Investments

A breakdown of the positive balance of 2 million euros is shown below:

(in millions of euros)	**9 months 2013**	9 months 2012	Change
Income from equity investments			
Dividends	4	3	1
Revaluations and valuations of investments by the equity method	1	2	(1)
Revaluations of trading securities	1	2	(1)
Total income from equity investments	**6**	**7**	**(1)**
Expenses on equity investments			
Writedowns of investments available for sales	(4)	(1)	(3)
Total expenses on equity investments	**(4)**	**(1)**	**(3)**
Total Group income from (expense on) equity investments	**2**	**6**	**(4)**

10. Other Income (Expense), Net

Net other expense totaled 27 million euros, compared with expense of 26 million euros in the same period of last year. Please note that 20 million euros in additions to provisions for environmental risks related to non-core businesses were recognized in the first nine months of 2013. It is also worth mentioning that the amount for first nine months 2012 included an addition of 15 million euros to the provision for tax disputes.

11. Income Taxes

The negative income-tax balance totaled 138 million euros (139 million euros in the first nine months of 2012). A breakdown of income taxes is provided below:

(in millions of euros)	**9 months 2013**	9 months 2012	Change
Current taxes	187	208	(21)
Net deferred-tax liabilities (assets)	(37)	(70)	33
Income taxes attributable to previous years	(12)	1	(13)
Total for the Group	**138**	**139**	**(1)**

Current taxes include 186 million euros for corporate income taxes (IRES and Robin Tax), 23 million euros (IRAP) and 51 million euros for foreign taxes, opposing to a tax benefit of 73 million euros generated by filing a consolidated income tax return.

12. Profit (Loss) from discontinued operations

This item had a zero balance at September 30, 2013, as against a net profit of 50 million euros in the first nine months of 2012 referred to the redefinition, net of selling cost, of the disposal of the investment in Edipower Spa (80 million euros), less the negative margin (30 million euros, net of tax) generated by Edipower's tolling operations.

13. Earnings (Loss) per Share

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

2012 full year			**9 months 2013**		9 months 2012	
Common shares	Savings shares (1)	(in millions of euros)	**Common shares**	**Savings shares (1)**	Common shares	Savings shares (1)
81	81	Group interest in profit (loss)	174	174	241	241
76	5	Profit (Loss) attributable to the different classes of shares (A)	167	7	238	3
		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	5,181,108,251	110,592,420
5,181,545,824	110,154,847	- diluted (C) (2)	5,181,545,824	110,154,847	5,181,108,251	110,592,420
		Earnings (Loss) per share (in euros)				
0.0147	0.0447	- basic (A/B)	0.0323	0.0623	0.0448	0.0748
0.0147	0.0447	- diluted (A/C) (2)	0.0323	0.0623	0.0448	0.0748

(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

14. 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 12.31.2012 (A)	**474**	**3,751**	**142**	**35**	**4**	**7**	**373**	**4,786**
Changes in the first nine months of 2013:								
- Additions	-	33	3	-	1	-	73	110
- Disposals (-)	(1)	(1)	-	-	-	-	-	(2)
- Depreciation (-)	(12)	(225)	(19)	(1)	(1)	(1)	-	(259)
- Writedowns (-)	-	(46)	-	-	-	-	-	(46)
- Decommissioning costs	-	19	-	-	-	-	-	19
- Other changes	4	143	6	-	(1)	-	(157)	(5)
Total changes (B)	**(9)**	**(77)**	**(10)**	**(1)**	**(1)**	**(1)**	**(84)**	**(183)**
Balance at 09.30.2013 (A+B)	**465**	**3,674**	**132**	**34**	**3**	**6**	**289**	**4,603**

A breakdown by business segment of **additions** totaling 110 million euros is as follows:

(in millions of euros)	**9 months 2013**	9 months 2012
Electric Power Operations	**22**	**48**
broken down as follows:		
- Thermoelectric area	*13*	*18*
- Hydroelectric area	*7*	*10*
- Renewable sources area (wind power, photovoltaic, etc.)	*2*	*20*
Hydrocarbons Operations	**87**	**144**
broken down as follows:		
- Hydrocarbon fields in Italy	*54*	*29*
- Hydrocarbon fields outside Italy	*20*	*67*
- Transmission and storage infrastructures	*13*	*48*
Corporate Activities and Other Segments	**1**	**1**
Total for the Group	**110**	**193**

Projects carried out during the period included the following:

- for the **Hydrocarbons Operations**, mainly in Italy, additional investments in the Exploration & Production area for the Rospo Mare platform and development of the Tresauro and Fauzia fields; in the gas storage area, San Potito and Cotignola field went into service;

- 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** and **writedowns** is provided in the "Depreciation, amortization and writedowns" note to the Income Statement.

The change in **decommissioning costs** (19 million euros) reflects a revision of projected costs for the decommissioning of some thermoelectric power plants in the **Electric Power Operations** (10 million euros) and of the new San Potito and Cotignola field in the **Hydrocarbons Operations** (9 million euros).

Asset transferable at no cost refer to 38 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 26 million euros, is shown part under "Long-term financial debt and other financial liabilities" (23 million euros) and part under "Short-term financial debt" (3 million euros).

Please note that assets valued at 112 million euro are encumbered as collateral for loans provided by financial institutions.

15. 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. The decrease of 3 million euros, compared with December 31, 2012 (9 million euros) is due to the sale of a building which resulted in a gain of one million euros.

16. Goodwill

Goodwill totaled 3,231 million euros, unchanged compared with December 31, 2012.
The table below provides a breakdown of goodwill by business segment:

(in millions of euros)	**09.30.2013**	12.31.2012
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.

17. Hydrocarbons Concessions

Concessions for the production of hydrocarbons, which consist of 96 mineral leases in Italy and abroad (including 3 storage concessions) for the extraction of hydrocarbon deposits, were valued at 885 million euros. The decrease of 63 million euros, compared with December 31, 2012, reflects the amortization for the period. In 2013 please note in particular that 7 exploration licenses increased in Norway and 2 in Israel.

18. Other Intangible Assets

The table below shows the main changes that occurred in the first nine months of 2013:

(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 12.31.2012 (A)	**88**	**3**	**-**	**10**	**4**	**105**
Changes in the first nine months of 2013:						
- Additions	5	-	44	-	3	52
- Disposal (-)	(1)		-	-	-	(1)
- Amortization (-)	(8)	-	(44)	(1)	-	(53)
- Writedowns (-)	-	(2)	-	-	-	(2)
- Other changes	2	3	-	(1)	2	6
Total changes (B)	**(2)**	**1**	**-**	**(2)**	**5**	**2**
Balance at 09.30.2013 (A+B)	**86**	**4**	**-**	**8**	**9**	**107**

Exploration costs for the period, which were amortized in full, totaled 44 million euros compared with 79 million euros in same period of 2012.

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.

CO_2 emissions rights (4 million euros) include the rights exceeding the Group's requirements. This amount reflects a valuation at market prices, which required a writedown of 2 million euros.

Impairment Test of Assets in Accordance with IAS 36

In the period, as required by IAS 36, the Group performed updated impairment tests of the individual Cash Generating Units (CGUs), whenever specific impairment indicators affecting recoverable values were detected.

Insofar as goodwill is concerned, waiting for the new medium-long plan, an analysis of the short-term economic and scenario variables failed to produce, also with regard to the 2013 budget, specific triggers pointing to perform an impairment test in the period.

Consistent with the estimates applied at the end of 2012, the recoverable value was determined based on the value in use of the assets, estimated based on the present value of the operating cash flows net of taxes, taking into account the useful lives of the assets and their terminal values, when appropriate.

These cash flow amounts were updated when necessary if specific triggers were detected. The discount rates applied are also consistent with those used to perform impairment test at the end of 2012.

The tests performed using the process described above showed that values of the **Thermoelectric CGU** was impaired, consequent to the cancellation by the customer of a commercial's supply contract, referred to a Thermoelectric plant, requiring a writedown of 46 million euros.

Regarding the Egypt hydrocarbon CGU, despite the increase in risk related to the current political and financial instability, mitigating factors that developed during the period make it possible to conclude that the overall picture did not deteriorate compared with the end of 2012. Specifically, during the period, the industrial performance was positive, compared to 2012, and in line with budget projections; moreover, it has come to the formal execution of commercial agreements, in force since last year, with more favorable commercial terms. Between the Group and its counterparty there are also agreements that provide the collection over time of part of the outstanding receivables. Therefore, in view of these events, considering it premature to project the effects that may derive from the country's contingent political and economic context and taking into account the fact that the impairment test performed in 2012 showed for this CGU a recoverable value higher than its carrying amount, it seemed appropriate to confirm the findings of the test performed at the end of 2012, while remaining vigilant for future developments.

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

The total includes 51 million euros in investments in associates and unconsolidated subsidiaries and affiliated companies and 185 million euros in available-for-sale investments. The latter amount includes investments in Terminale GNL Adriatico Srl (174 million euros) and in RCS Mediagroup Spa (6 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 12.31.2012 (A)	**51**	**194**	**245**
Changes in the first nine months of 2013:			
- Capital increase	-	4	4
- Changes in shareholders' equity reserves	-	(5)	(5)
- Valuations at fair value	-	(8)	(8)
- Other changes	-	-	-
Total changes (B)	**-**	**(9)**	**(9)**
Balance at 09.30.2013 (A+B)	**51**	**185**	**236**

Changes for the period include **Changes in shareholders' equity reserves**, negative by 5 million euros, which refer to the distribution of the reserves for advances on capital contributions by Terminale GNL Adriatico Srl and the **Valuations at fair value**, negative by 8 million euros (recorded for 4 million euros as writedowns in Income Statement), which refer to RCS Mediagroup Spa. Please note that in July Edison underwrote its share of a capital increase carried out by RCS Mediagroup Spa, for an outlay of 4 million euros.

20. Other Financial Assets

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

(in millions of euros)	**09.30.2013**	12.31.2012	Change
Loan receivables from Ibiritermo (IFRIC 4) (*)	61	70	(9)
Bank deposits that secure project financing facilities	4	4	-
Sundry items	10	1	9
Total other financial assets	**75**	**75**	**-**

(*) Referred to a fully captive thermoelectric power plant in Brazil and accounted for as a financial lease.

21. Deferred-tax Assets

Deferred-tax assets, which were valued based on the 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 177 million euros (145 million euros at December 31, 2012).

They are related to:

- taxed provisions for risks of 82 million euros;
- property, plant and equipment and intangibles of 59 million euros;
- a tax-loss carry forward of 10 million euros;

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

22. Other Assets

Other assets totaled 464 million euros or 356 million euros more than December 31, 2012. This account includes:

- 441 million euros (85 million euros at December 31, 2012) 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 September 30, 2013.
- 14 million euros in sundry receivables, consisting mainly of security deposits.

23. Current Assets

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

(in millions of euros)	**09.30.2013**	12.31.2012	Change
Inventories	500	390	110
Trade receivables	3,082	3,391	(309)
Current-tax assets	14	25	(11)
Other receivables	521	562	(41)
Current financial assets	85	99	(14)
Cash and cash equivalents	653	753	(100)
Total current assets	**4,855**	**5,220**	**(365)**

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 09.30.2013**	Total at 12.31.2012	Change
Electric Power Operations	12	-	-	32	19	27	90	41	49
Hydrocarbons Operations	29	362	19	-	-	-	410	349	61
Total for the Group	**41**	**362**	**19**	**32**	**19**	**27**	**500**	**390**	**110**

The increase for the period refers mainly to the stored natural gas (51 million euros). Inventories also include 29 million euros in strategic reserves of natural gas, the use of which is restricted.

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

(in millions of euros)	**09.30.2013**	12.31.2012	Change
Electric Power Operations	1,962	2,002	(40)
Hydrocarbons Operations	1,132	1,404	(272)
Corporate Activities and Other Segments and Eliminations	(12)	(15)	3
Total trade receivables	**3,082**	**3,391**	**(309)**
Of which Allowance for doubtful accounts	**(294)**	**(207)**	**(87)**

Trade receivables stem from contracts to supply electric power and steam, contracts to supply natural gas, Power Exchange transactions and, for 277 million euros, the fair value of physical contracts for energy commodities that are part of the Group's Trading Portfolios.

It is worth mentioning that the Group executes on a regular basis transactions involving the irrevocable assignment of receivables without recourse on a monthly revolving basis and on a spot basis, consistent with a policy aimed at controlling and minimizing credit risks. These transactions totaled 4,231 million euros in the period (3,527 million euros at September 30, 2012). The residual risk of recourse associated with these receivables is less than 2 million euros.

- **Current-tax assets** of 14 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 Srl and WGRM, the Group's controlling companies.

- A breakdown of **other receivables**, which totaled 521 million euros, is provided in the table below:

(in millions of euros)	**09.30.2013**	12.31.2012	Change
Receivables arising from the valuation of derivatives	161	154	7
Amounts owed by partners and associates in hydrocarbon exploration projects	65	94	(29)
Advances to suppliers	53	6	47
Amounts owed by the controlling companies in connection with the filing of the consolidated income tax return	44	81	(37)
VAT credit	2	3	(1)
Sundry items	196	224	(28)
Total other receivables	**521**	**562**	**(41)**

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** (increased from 191 million euros to 250 million euros), primarily reflects changes in the market price scenario compared with December 31, 2012, specifically regarding EUR/USD exchange rate. 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)	**09.30.2013**	12.31.2012	Change
Loans receivable	4	5	(1)
Derivatives	75	89	(14)
Equity investments held for trading	6	5	1
Total current financial assets	**85**	**99**	**(14)**

- **Cash and cash equivalents** of 653 million euros (753 million euros at December 31, 2012) 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 181 million euros.

24. Assets held for sale

Assets held for sale had a zero balance compared with December 31, 2012 (1 million euros) due to the effect of the sale of a gas distribution concession which did not generate a significant economic effect.

Liabilities and Shareholders' Equity

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

The shareholders' equity attributable to Parent Company shareholders amounted to 7,180 million euros, or 125 million euros more than at December 31, 2012 (7,055 million euros). This increase is mainly due to the net profit for the period (174 million euros), partially offset by the dividend distribution on savings shares (17 million euros) and by the negative change in the Cash Flow Hedge reserve (10 million euros).

The shareholders' equity attributable to minority shareholders decreased to 125 million euros, or 7 million of euro less than at December 31, 2012 (132 million euros), due to the effect of dividend distribution resolution by companies with minority shareholders (7 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".

Please note that in accordance with IAS 19 revised, it is included the effect of actuarial gains (losses) on employee severance indemnities, negative for about 2 million of euro in the period.

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, 2012	(27)	11	(16)
Changes in the first nine months of 2013	(14)	4	(10)
Reserve at September 30, 2013	**(41)**	**15**	**(26)**

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, 2012	4	-	4
Changes in the first nine months of 2013	(4)	-	(4)
Reserve at September 30, 2013	-	-	-

26. Provision for Employee Severance Indemnities and Provisions for Pensions

These provisions, which amounted to 36 million euros, increasing of 1 million euros compared with December 31, 2012, reflect the accrued severance indemnities and other benefits owed to employees.

The actuarial gains (losses) are recorded in equity; the relevant amount at December 31, 2012 was less than 1 million euros. 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 nine months of 2013:

(in millions of euros)	Provision for employee severance indemnities	Provisions for pensions	Total
Balance at 12.31.2012 (A)	**35**	**-**	**35**
Changes in the first nine months of 2013:			
- Financial expense	1	-	1
- Actuarial (gains) losses (+/-)	2	-	2
- Utilizations (-) / Other changes	(2)	-	(2)
Total changes (B)	**1**	**-**	**1**
Total at 09.30.2013 (A+B)	**36**	**-**	**36**

27. Provision for Deferred Taxes

The balance of 74 million euros (79 million euros at December 31, 2012) 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)	**09.30.2013**	12.31.2012	Change
Deferred-tax liabilities:			
- Valuation differences of property, plant and equipment and intangibles	132	147	(15)
- Adoption of IAS 17 to value finance leases	22	23	(1)
- Adoption of IAS 39 to value financial instruments with impact:			
- on the income statement	3	2	1
- Other deferred-tax liabilities	33	27	6
Total deferred-tax liabilities (A)	**190**	**199**	**(9)**
Deferred-tax assets usable for offset purposes:			
- Taxed provisions for risks	80	94	(14)
- Tax-loss carryforward	12	8	4
- Adoption of IAS 39 to value financial instruments with impact:			
- on shareholders' equity	12	-	12
- on the income statement	-	3	(3)
- Valuation differences of property, plant and equipment and intangibles	12	11	1
- Other deferred-tax assets	-	4	(4)
Total deferred-tax assets (B)	**116**	**120**	**(4)**
Total provision for deferred taxes (A-B)	**74**	**79**	**(5)**

28. Provisions for Risks and Charges

The provisions for risks and charges, which are established to cover contingent liabilities, totaled 852 million euros, for a decrease of 11 million euros compared with December 31, 2012 (863 million euros).

The table below shows the changes that occurred in the first nine months of 2013:

(in millions of euros)	12.31.2012	Additions	Utilizations	Other changes	09.30.2013
Risks for disputes, litigation and contracts	139	4	(2)	(3)	138
Charges for contractual guarantees on sale of equity investments	74	-	-	-	74
Environmental risks	42	20	(2)	-	60
Disputed tax items	13	-	-	-	13
Other legal risks	48	5	(2)	1	52
Total for legal and tax disputes	**316**	**29**	**(6)**	**(2)**	**337**
Provisions for decommissioning and remediation of industrial sites	415	14	(4)	20	445
Other risks and charges	132	11	(70)	(3)	70
Total for the Group	**863**	**54**	**(80)**	**15**	**852**

In particular:

"**Provisions for legal and tax disputes"** amounted to 337 million euros, for a net increase of 21 million euros in the first nine months of 2013, mainly due to additions of 20 million euros for environmental risks related to non-core business activities.

More detailed information about the issues that resulted in the current composition of these provisions is provided in the paragraph of the Semiannual Financial Report at June 30, 2013 entitled "Risks and Contingent Liabilities Related to Legal and Tax Disputes" and in the corresponding update provided later in these Notes.

"**Provision for decommissioning and remediation of industrial sites**", totaling 445 million euros, reflect the valuation, discounted to the reporting date, of the decommissioning costs that the Group expects to incur for industrial sites and mineral extraction facilities. These provisions show a net increase of 30 million euros mainly due to:

- additions for financial expense related to discounting (14 million euros);
- among other changes, recognition of provisions in the thermoelectric sector (10 million euros) and the hydrocarbon sector (9 million euros).

"**Provision for other risk and charges**", totaling 70 million euros, included 60 million euros for possible future charges related to the Electric sector and 10 million euros for risk hedges of abroad activities.

Please note that in the period:

- **additions** of 11 million euros were recognized mainly to increase provisions for risks in the Electric sector;
- **utilizations** of 70 million euros include 39 million euros reversed into profit or loss, with the balance used to cover charges incurred in the electric power sector.

29. Bonds

The balance of 1,097 million euros (1,796 at December 31, 2012) represents the noncurrent portion of the bonds; the decrease compared with December 31, 2012 is due to the reclassification of the loan maturing on July 22, 2014 (face value of 700 million euros) into current liabilities.

The table below shows the balance outstanding at September 30, 2013 and indicates the fair value of each Edison Spa bond issue (in million of euros):

Market where traded	Currency	Par value outstanding	Coupon	Rate	Maturity	Carrying value			Fair value
						Non-current portion	Current portion	Total	
Euro Medium Term Notes:									
Luxembourg Secur. Exch.	EUR	700	Annual in arrears	4.250%	07.22.2014	-	716	716	726
Luxembourg Secur. Exch.	EUR	500	Annual in arrears	3.250%	03.17.2015	499	15	514	526
Luxembourg Secur. Exch.	EUR	600	Annual in arrears	3.875%	11.10.2017	598	52	650	678
Total for the Group		**1,800**				**1,097**	**783**	**1,880**	**1,930**

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.

30. Long-term Financial Debt and Other Financial Liabilities

A breakdown of this liability account is as follows:

(in milions of euros)	**09.30.2013**	12.31.2012	Change
Due to banks	61	134	(73)
Due to other lenders	1,024	40	984
Total for the Group	**1,085**	**174**	**911**

The line item "due to other lenders" (1,024 million euros) include the two loans granted by companies of EDF Group in April 2013, to allow the repayment of syndicated stand-by credit line of Edison Spa (face value of 1,500 million euros). These loans, evaluated at amortized cost, are also intended to ensure an efficient coverage of long-term operating needs and maintain an adequate degree of flexibility; they include:

- a loan granted by EDF Investissement Groupe Sa, for a face amounts of 800 million euros (drawn down in full at September 30, 2013), with a seven-year maturity;
- a loan granted by EDF Sa, for a face amount of 600 million euros (drawn down by 200 million euros at September 30, 2013), with a two-year maturity.

For an overview, please refer to the section "Group Financial Risk Management".

31. Other Liabilities

Other liabilities of 31 million euros are mainly represented by the amount of the suspension of a gain on the 2008 sale of a 51% interest in Dolomiti Edison Energy Srl (which continues to be consolidated line by line) while agreements providing both parties with put and call options are in effect.

32. Current Liabilities

A breakdown of current liabilities is provided below:

(in millions of euros)	09.30.2013	12.31.2012	Change
Bonds	783	104	679
Short-term financial debt	287	1,461	(1,174)
Trade payables	2,400	2,440	(40)
Current taxes payable	51	11	40
Other liabilities	638	692	(54)
Total current liabilities	**4,159**	**4,708**	**(549)**

The main current liability accounts are reviewed below:

- **Bonds**, amounting to 783 million euros, include the bond issue maturing on July 22, 2014 (face value of 700 million euros) and the total accrued interest at September 30, 2013;
- **Short-term financial debt**, which totaled 287 million euros, essentially includes:
  - 143 million euros due to banks, 14 million euros of which represent the effect of measuring interest rate derivatives at fair value; please note that the total amount at December 31, 2012 included 1,150 million euros, for the utilization of a syndicated stand-by credit line held by Edison Spa, refunded on April 11, 2013.
  - 129 million euros due to other lenders, it included accruals of loans with EDF Companies;
  - 12 million euros owed to minority shareholders of consolidated companies;
  - 3 million euros due to leasing companies.
- **Trade payables** totaled 2,400 million euros (2,440 million euros at December 31, 2012). A breakdown by business segment is provided below:

(in millions of euros)	09.30.2013	12.31.2012	Change
Electric Power Operations	1,395	1,448	(53)
Hydrocarbons Operations	993	978	15
Corporate Activities and Other Segments and Eliminations	12	14	(2)
Total trade payables	**2,400**	**2,440**	**(40)**

  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 224 million euros for the fair value of the physical energy commodity contracts held in the Trading Portfolios.

- **Current taxes payable** of 51 million euros represent the income taxes liability of Group companies that are not included in the consolidated tax return filed by the controlling companies (Transalpina di Energia Srl and WGRM). These taxes are paid directly by the companies upon which they are levied.

- A breakdown of **other liabilities**, which totaled 638 million euros, is as follows:

(in millions of euros)	**09.30.2013**	12.31.2012	Change
Amounts owed to shareholders	16	12	4
Amount owed to the controlling companies in connection with the filing of a consolidated tax return	86	119	(33)
Amounts owed to joint holders of permits for hydrocarbon exploration	95	137	(42)
Payables for consulting and other services	24	43	(19)
Payables owed to Tax Administration (other than current tax payables)	43	58	(15)
Amount owed to employees	27	27	-
Liabilities stemming from the measurement at fair value of derivatives	250	191	59
Payables owed to social security institutions	20	22	(2)
Sundry items	77	83	(6)
Total other liabilities	**638**	**692**	**(54)**

NET FINANCIAL DEBT

At September 30, 2013, net financial debt totaled 2,453 million euros, or 160 million euros less than the 2,613 million euros owed at December 31, 2012.

Consistent with the practice followed at the end of 2012, the table below provides a simplified breakdown of the Group's net financial debt:

(in millions of euros)	*See note*	**09.30.2013**	12.31.2012	Change
Bonds - non-current portion	*29*	1,097	1,796	(699)
Non-current bank loans	*30*	61	134	(73)
Amounts due to other lenders - non-current portion	*30*	1,024	40	984
Other non-current financial assets (*)	*20*	(61)	(70)	9
Non Current net financial debt		**2,121**	**1,900**	**221**
Bonds - current portion	*32*	783	104	679
Short-term financial debt	*32*	287	1,461	(1,174)
Current financial assets	*23*	(85)	(99)	14
Cash and cash equivalents	*23*	(653)	(753)	100
Current net financial debt		**332**	**713**	**(381)**
Net financial debt		**2,453**	**2,613**	**(160)**

(*) Included the long-term portion of financial receivables by the adoption of IFRIC 4.

The net decrease (160 million euros) is mainly due to the combined effect of the following factors:

- advances paid due to the activation of take-or-pay clauses in natural gas procurement contracts (415 million euros);
- outlays for the period's capital expenditures (162 million euros);
- direct taxes paid (137 million euros).

These effects were more than offset by the operating cash flow of the period and by the improvement of the operating working capital (159 million euros).

Net financial debt includes the loans outstanding with EDF companies for about 1,004 million euros and cash and cash equivalents totaling 181 million euros held in current account with EDF Sa.

The balance also includes 16 million euros in current financial debt owed to unconsolidated Group subsidiaries.

COMMITMENTS, RISKS AND CONTINGENT ASSETS

Commitments

(in millions of euros)	**09.30.2013**	12.31.2012	Change
Guarantees provided	1,275	1,276	(1)
Collateral provided	181	192	(11)
Other commitments and risks	211	699	(488)
Total for the Group	**1,667**	**2,167**	**(500)**

Guarantees provided totaled 1,275 million euros at September 30, 2013. This figure, which was determined based on the undiscounted amount of contingent commitments on the balance sheet date, includes 79 million euros in guarantees provided to the Revenue Office on behalf of subsidiaries for offsetting VAT 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 181 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 (112 million euros).

Other commitments and risks, which totaled 211 million euros, reflect primarily commitments undertaken to complete investment projects under construction in Italy and abroad (148 million euros); the decrease is mainly due to long-term contracts for the importation of natural gas.

With regard to long-term contracts for the importation of natural gas, which contain take-or-pay clauses that obligate the buyer to pay the quantity not collected beneath a predetermined threshold, please note that 414 million euros accounted for Commitments at December 31, 2012, are fully liquidated in the first half of 2013 and advances to suppliers for 441 million euros, are included in "**Other Asset**" (Note 22) at September 30, 2013. Risk profiles and the economic recoverability of these receivables are periodically updated during the year.

Unrecognized Commitments and Risks

There are not significant changes related to the main risks and commitments not included in the amounts above in the third quarter 2013 with respect to the comments in the Condensed Consolidated Semiannual Financial Statements at June 30, 2013 to which reference is made for a more complete and exhaustive information.

In particular, in the **Hydrocarbons Operations** entered into long term contracts for the importation of natural gas from Russia, Libya, Algeria and Qatar. The duration of these contracts ranges between 7 and 21 years.

Please note that, following the revision of the terms of two of these contracts, the parties agreed to reduce the stipulated gas volumes until 2016.

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	50.5	144.0	**205.6**

The economic data are based on prospective pricing formulas.

Risks and contingent liabilities associated with legal and tax disputes

A review, based on information currently available, of the developments that occurred in the third quarter of 2013 concerning the main legal and tax disputes currently outstanding is provided below, listing separately actions involving Edison Spa and actions involving other Group companies. Disputes are further subdivided 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.

For a comprehensive presentation of this issue, please see the information provided in the Semiannual Financial Report at June 30, 2013.

Probable liabilities associated with legal disputes

The main new developments concerning legal disputes that could give rise to a probable liability, for which a provision for risks was recognized in the balance sheet, even though it is not objectively possible to forecast the timing of any related monetary outlays, are reviewed below.

A) About **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

Mantua Petrochemical Facility – Criminal Proceedings for Personal Injuries and Environmental Damages and Administrative Proceedings for Remediation

Insofar as the criminal proceedings are concerned, the oral argument phase is in progress in the criminal proceedings pending before the Court of Mantua against certain former Directors and executives of Montedison Spa (now Edison) for the alleged harm caused to the health of plant workers (former Montedison employees), who were exposed to benzene and asbestos at the local petrochemical complex through 1989. At the latest hearing, held on June 19, 2012, the Public Prosecutor introduced different facts, never mentioned before, either in the preliminary hearing phase or during oral arguments, that have the potential of altering the charges against the defendants. In response to this development, the Company objected stating that this request was inadmissible, asking instead that the proceedings go forward based on the facts described in the indictment. However, by an order dated January 22, 2013, the Court denied the motion filed by the counsel for the defendants, ordering a continuation of the investigative hearings. As for the administrative proceedings, on October 22, 2012, Edison was served with an order by the Provincial Administration of Mantua instructing it to submit a project for the specific purpose of reestablishing safe conditions at the site called "Versalis area, former chlorine sodium production facility." Late in December 2012, the Company challenged this order, filing a motion to stay its enforcement with the Regional Administrative Court of Lombardy - Brescia. This motion was denied by the court in February 2013 and by the Council of State in appeal. The Company then began discussions with the Provincial Administration to stipulate the methods, terms and conditions governing the implementation of the order.

* * * * *

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

Edison Spa

Industrial Site in Bussi sul Tirino

Within the framework of the site remediation process that Ausimont Spa, a company sold in 2002 to Solvay Solexis Spa, a company of the Solvay Group, is implementing in accordance with Ministry Decree No. 471/1999 in connection with the contamination of the Bussi sul Tirino industrial property, Solvay Solexis and Solvay Chimica Bussi, the former in its capacity as the owner of the property, following Ausimont's merger by absorption, and the latter in its capacity as the current operator of the property, served notice on Edison that they filed a series of administrative complaints with the Regional Administrative Court of Latium – Rome seeking, among other remedies, a stay and the subsequent voiding of the administrative decisions pursuant to which they are responsible for implementing activities to ensure the safety and remediation of the abovementioned property, insofar as these decisions fail to list Edison as a liable (or jointly liable) party in the abovementioned proceedings. Edison filed defense briefs contesting in fact and law the complainant's conclusions. In March 2011, the Regional Administrative Court of Latium handed down a decision ruling that part of the complaints filed by Solvay Chimica Bussi and Solvay Solexis were inadmissible and dismissed other complaints. In June 2011, Solvay Chimica Bussi and Solvay Solexis appealed this decision to the Council of State and Edison joined these proceedings putting forth the objections it already raised before the lower court.

It is also worth mentioning that at the end of September the Company received a letter from the Ministry of the Environment containing an injunction concerning the removal of any and all waste material present in landfills located inside and outside the plant. Edison plans to challenge this injunction before the Regional Administrative Court of Latium.

As to the criminal proceedings filed by the Public Prosecutor of the Court of Pescara in connection with the environmental conditions at the abovementioned industrial site and the consequences on the aquifer, which is also used as a supply of drinking water, it is worth mentioning that these proceedings have gone through several stages in the judicial process, as a result of which, following an initial indictment, the proceeding reverted to the Court's preliminary hearing phase.

On April 18, 2013, at the preliminary hearing, the Preliminary Hearing Judge of the Court of Pescara denied a motion for summary judgment put forth by the defense counsels and indicted all defendants before the Chieti Lower Court at a hearing initially scheduled for September 25, 2013 and later rescheduled for November 27, 2013, for the parties to enter their pleadings.

With regard to the decision by the Preliminary Hearing Judge to deny the motion for summary judgment, the counsels of the defendants filed a challenge for abnormity before the Supreme Court of Cassation and a hearing for oral arguments has been scheduled for December 18, 2013.

Solvay – Edison Arbitration

On May 7, 2012, Edison received a notice that Solvay Sa and Solvay Specialty Polymers Italy Spa filed for arbitration on May 4, 2012 due to alleged violations of certain representations and environmental warrantees provided in a contract signed on December 21, 2001 by which Ausimont Spa was sold by Montedison Spa and Longside International Sa to Solvay Solexis Sa (now Solvay Specialty Polymers) and regarding the industrial sites of Bussi sul Tirino and Spinetta Marengo.

Edison Spa joined the arbitration proceeding on July 6, 2012, contesting the claims put forth by Solvay Sa and Solvay Specialty Polymers Italy Spa and filing a counterclaim.

The arbitration proceedings are governed by the Arbitration Rules of the International Chamber of Commerce, located in Geneva, and will be decided in accordance with substantive Italian law.

With regard to these proceedings, 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 during the first half of 2014.

* * * * *

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

Edison Spa

Property in Bussi sul Tirino (formerly owned by Montedison Srl)

Within the framework of the administrative proceedings launched with regard to the state of contamination of an industrial property owned by Edison Spa (formerly by Montedison Srl, a company merged into Edison effective as of July 1, 2012) adjacent to the industrial site in Bussi sul Tirino operated by Ausimont Spa, which was sold to Solvay Solexis Spa (a subsidiary of Solvay Sa) in 2002, negotiations with the Delegated Commissioner appointed by the Council of Ministers, without

Montedison Srl (now Edison Spa) altering its claim to the status of guiltless owner, resulted in an agreement regarding the financial contribution provided for the emergency projects required to ensure the safety of the property.

On November 22, 2012, further to a request by the Delegated Commissioner for additional work at the site where the abovementioned safety project had been completed, Edison challenged the Commissioner's order before the Regional Administrative Court of Pescara, contesting its lawfulness in fact and in law.

It is also worth mentioning that at the end of September the Company received a letter from the Ministry of the Environment containing an injunction concerning the removal of any and all waste material present in landfills located inside and outside the plant. Edison plans to challenge this injunction before the Regional Administrative Court of Latium.

Lastly, please note that there have been no new developments concerning the other two separate challenges filed before the Regional Administrative Court against the orders of the Delegated Commissioner by Montedison Srl (now Edison Spa), which never operated any activities at the site in question.

* * * * *

Contingent Liabilities Associated with Legal Disputes

There were no new developments requiring disclosure.

* * * * *

Probable Liabilities Associated with Tax Disputes

The main new developments that occurred in the third quarter 2013 concerning existing tax disputes, which could give rise to probable liabilities, even though it is not objectively possible to forecast the timing of any related monetary outlays, for which provisions for risks were recognized in the balance sheet are reviewed below.

Edison Spa

IRES and IRAP Assessments

The corporate income tax (IRES) and regional tax (IRAP) assessments for 2007 issued following a general audit completed in 2011, which reflected the alleged non-deductibility for tax purposes of costs incurred with black-listed suppliers, expenses found to be "not attributable" to the year in which they were deducted and certain other costs of lesser amount that were found to be not directly attributable were the subject of an order to suspend collection issued in August. A merit hearing to discuss the challenges before the Milan Provincial Tax Commission has been scheduled for November.

Other Group companies

Edison Trading Spa – IRES and IRAP Assessments for 2005

The Second Level IRES and IRAP assessments for 2005 will be reviewed on appeal before the Lombardy Regional Tax Commission in December. Please keep in mind that the Provincial Tax Commission has set aside these assessments.

* * * * *

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, the following new developments occurred in the third quarter of 2013:

Edison Spa

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

The Company contested a payment injunction notified earlier this year by which the tax collector for the City of Termoli demanded payment of amounts due for taxes and accrued interest owed in connection with proceedings that were pending following a decision handed down by the Campobasso regional tax Commission in 2012 in connection with a notice of assessment for the 1999-2004 tax years.

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 rights, 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, 2012, and in Condensed Consolidated Semiannual Financial Statements at June 30, 2013 which should be consulted for more detailed information.

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 million 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, 2012.

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 September 30, 2013, which is 281.8 million euros (204.4 million euros at September 30, 2012). In other words, compared with the fair value determined for financial derivatives outstanding at September 30, 2013, the probability of a negative variance greater than 281.8 million euros by the end of 2013 is limited to 2.5% of the scenarios.

	9 months 2013		**9 months 2012**	
Profit at Risk (PaR)	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	**97.5%**	**281.8**	**97.5%**	**204.4**

The corresponding value at December 31, 2012 was 259.2 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 significant increase, compared with the level measured at September 30, 2012, is due primarily to a higher net volume of financial derivatives executed to hedge forward sales for 2013, 2014 and 2015.
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 nine months of 2013 by the Industrial Portfolio would have been equal to 92% of the approved limit (53% in the first nine months of 2012), with a peak of 160% in January 2013 (80% in January 2012) (and the approved limit was exceeded by an average of 8% during the first nine months of 2013). With hedging, the average Economic Capital absorption in the first nine months of 2013 by the Industrial Portfolio was 60% (42% in the first nine months of 2012), with a peak of 98% in January 2013 (74% in January 2012).

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 3.7 million euros (3.9 million euros at September 30, 2012), with a stop loss limit of 19.5 million euros (20.2 million euros at September 30, 2012). The VaR limit was 43% utilized at September 30, 2013 (32% at September 30, 2012), with an average utilization of 45% for the period (44% in the same period of 2012).
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 58.6 million euros (60.5 million euros at September 30, 2012). This limit was 47% utilized at September 30, 2013 (36% at September 30, 2012), with an average utilization of 50% for the period (49% in the same period of 2012).

[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).

Insofar as the foreign exchange risk management objectives are concerned, there were no significant changes compared with the comments provided in the Consolidated Financial Statements at December 31, 2012, which should be consulted for additional information.

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	09.30.2013			12.31.2012		
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)	2,640	2,064	63%	1,847	1,279	36%
- variable rate portion	612	1,188	37%	1,688	2,256	64%
Total gross financial debt	**3,252**	**3,252**	**100%**	**3,535**	**3,535**	**100%**

As shown in the table above, in the first nine months of 2013, Edison consolidated the portion of its indebtedness that is not affected by fluctuations in market rates thanks to a term loan it received from EDF Investissements Groupe in the amount of 800 million euros that accrues interest at a fixed rate, hedged for the term of the loan (seven-year IRS). In addition, it obtained revolving credit lines (one with EDF Sa for 600 million euros and one with a pool of credit institutions for 500 million euros) indexed to the Euribor applicable to the utilization period.

Nothing has changed with regard to the transactions hedging bond issues compared with December 31 2012. Therefore, please see disclosures comments reported in the Consolidated Financial Statement at December 31, 2012.

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 nine months of 2013 and provides a comparison with the same period in 2012.

Sensitivity analysis (in millions of euros)	9 months 2013 Impact on the income statement (P&L)			09.30.2013 Impact on the Cash Flow Hedge reserve (S.E.)		
	+50 bps	base	-50 bps	+50 bps	base	-50 bps
Edison Group	61	49	44	-	-	-

Sensitivity analysis (in millions of euros)	9 months 2012 Impact on the income statement (P&L)			12.31.2012 Impact on the Cash Flow Hedge reserve (S.E.)		
	+50 bps	base	-50 bps	+50 bps	base	-50 bps
Edison Group	101	85	69	-	-	-

4. Credit Risk

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

The objectives of credit management and related monitoring procedures as well as the measures implemented to control have not significantly changed compared with June 30, 2013; the comments provided in the Condensed Consolidated Semiannual Financial Statements at June 30, 2013, should be consulted for additional information.

The 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 in the period totaled 4.231 million euros (3.527 million euros in the first nine months of 2012). At September 30, 2013, the amount of receivables that were exposed to the risk of recourse is less than 2 million euros.

At September 30, 2013, there were no significant exposures to risks related to a possible further deterioration of the overall financial environment and no significant levels of concentration in the hands of single non-institutional counterparts.

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 size of the allowance for doubtful accounts is determined prudently according to the different underlying credit status or - in particular for credit by residential customers - taking into account the relative seniority of overdue.

The decrease in receivables outstanding at September 30, 2013, compared with December 31, 2012, is mainly due to seasonality factors.

(in millions of euros)	**09.30.2013**	12.31.2012
Gross trade receivables	3,376	3,598
Allowance for doubtful accounts (-)	(294)	(207)
Trade receivables	**3,082**	**3,391**
Guarantees held (*)	546	643
Receivables less than 6 months in arrears	547	442
Receivables 6 to 12 months in arrears	170	200
Receivables more than 12 months in arrears	526	384

(*) Including 114 million euros to hedge receivables outstanding at September 30, 2013.

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 September 30, 2013 by the Egyptian General Petroleum Corporation (EGPC) (298 million euros), increased by 143 million euros compared with December 31, 2012, further to the formal execution during the period of commercial agreements in force since last year. Please also note that the Group negotiated extended payment terms with EGPC for past-due receivables, which were discounted taking into account also Egypt country risk.

With regard to Greece, it should be noted that the receivables position and the status of past-due receivables remained in line with the situation as at December 31, 2012.

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. 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)	**09.30.2013**			12.31.2012		
	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	23	746	1,209	16	53	1,955
Financial debt and other financial liabilities	60	78	1,179	24	1,239	129
Trade payables	2,368	32	-	2,418	22	-
Total	**2,451**	**856**	**2,388**	**2,458**	**1,314**	**2,084**
Guarantees provided to third parties (*)	**199**	**443**	**633**	**448**	**433**	**395**

(*) 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 liquidity risk management policy pursued during the first nine months of 2013 enables the Group to obtain sufficient financing to meet financial obligations maturing over the short term and actually reestablish a more than adequate level of financial flexibility, while consolidating its sources of funds and lengthening the average maturity of its debt.

In this regard, it is worth mentioning that, on July 10, 2013, Edison executed with a group of banks an agreement for a revolving credit facility in the amount of 500 million euros, maturing on January 7, 2015. This transaction is part of a broader refinancing plan launched this past April with the signing of agreements for two new facilities for a total face amount of 1,400 million euros, granted by EDF Investissements Groupe Sa (for 800 million euros, with seven-year maturity) and by EDF Sa (for 600 million euros, with two-year maturity).

The full amount of the revolving credit facility secured in July was still available at September 30, 2013, while the loan provided by EDF Investissements Groupe Sa had been drawn down in full and is repayable in a lump sum at maturity and 200 million euros had been drawn on the EDF Sa revolving credit line at September 30, 2013.

The revolving credit facility further increases the level of financial flexibility and augments the potential cash availability provided by the centralized cash management contract signed in 2012 by EDF Sa and Edison Spa, which allows a current account debt exposure of up to 199 million euros.

Lastly, please note that Edison held liquid assets totaling 653 million euros at September 30, 2013.

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 September 30, 2013:

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%

The Group is also a party to agreements for non-syndicated facilities totaling 1,547 million euros, 403 million euros of which were still unused at September 30, 2013, and syndicated facilities amounting to 542 million euros, 500 million euros of which were still unused at September 30, 2013.

In April 2013 the syndicated standby credit line provided to Edison Spa (face amount of 1,500 million euros) was repaid at maturity and Edison signed agreements with EDF Investissements Groupe Sa and EDF Sa for two medium/long-term facilities of 800 million euros and 600 million euros, respectively. In addition, it held the bank revolving credit facility it received in July 2013, which was still unused at September 30, 2013. None of these facilities require compliance with specific financial covenants and, more generally, the system of obligations and prohibitions contained in the contract documents is entirely consistent with international markets practice for borrowers with Edison's credit rating.

As regards the bond issues and the other smaller operations executed, the related regulations and the covenants associated with them, nothing has changed with respect to 31 December 2012 the comments provided in the Consolidated Financial Statements at December 31, 2012 should be consulted for additional information.

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 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, the group holds a category of instruments classified at this level; please note that, in the third quarter of 2013, a financial instrument was reclassified from Level 3 to Level 2.

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 nine months 2013

The disclosure below provides an analysis of the financial results generated by derivative hedging and trading transactions at September 30, 2013, including the effects of physical energy commodity contracts.

	9 moths 2013						2012
(in millions of euros)	**Realized during the period**	**Fair value recognized for contracts outstanding at 12.31.2012**	*Portion of (B) contracts realized during the period*	**Fair value recognized for contracts outstanding at 09.30.2013**	**Change in fair value in the period**	**Amounts recognized in earnings**	**Amounts recognized in earnings 9 months 2012**
	(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) (**)	108	-	-	2	2	110	103
- not definable as hedges pursuant to IAS 39	26	4	4	18	14	40	(1)
Exchange risk hedges for commodities							
- definable as hedges pursuant to IAS 39 (CFH) (**)	-	1	1	-	(1)	(1)	-
- not definable as hedges pursuant to IAS 39	1	-	-	1	1	2	4
Margin on physical trading activities							
- Sales revenues from physical contracts included in the Trading Portfolios (***)	2,684	120	82	277	157	2,841	3,454
- Other revenues and income from derivatives included in the Trading Portfolios (****)	-			-	-	-	66
- Raw materials and services used from physical contracts included in the Trading Portfolios (***) (&)	(2,642)	(107)	(76)	(221)	(114)	(2,756)	(3,440)
- Raw materials and services used from derivatives included in the Trading Portfolios (****)	-		-	-	-	-	(48)
Total margin on physical trading activities	*42*	*13*	*6*	*56*	*43*	*85*	*32*
Total (A)	**177**	**18**	**11**	**77**	**59**	**236**	**138**
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) (**)	(52)	-	-	-	-	(52)	(95)
- not definable as hedges pursuant to IAS 39	(19)	(12)	(4)	(26)	(14)	(33)	(2)
Exchange risk hedges for commodities							
- definable as hedges pursuant to IAS 39 (CFH) (*) (**)	(67)	(1)	(1)	-	1	(66)	(46)
- not definable as hedges pursuant to IAS 39	(3)	-	-	(12)	(12)	(15)	(4)
Margin on financial trading activities							
- Other revenues and income from derivatives included in the Trading Portfolios (****)	26	25	11	38	13	39	-
- Raw materials and services used from derivatives included in the Trading Portfolios (****)	(44)	(23)	(14)	(66)	(43)	(87)	-
Total margin on financial trading activities	*(18)*	*2*	*(3)*	*(28)*	*(30)*	*(48)*	-
Total (B)	**(159)**	**(11)**	**(8)**	**(66)**	**(55)**	**(214)**	**(147)**
TOTAL INCLUDED IN EBIT (A+B)	**18**	**7**	**3**	**11**	**4**	**22**	**(9)**
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)	38	86	11	71	(15)	23	64
- not definable as hedges pursuant to IAS 39	18	3	-	4	1	19	10
Total financial income (C)	**56**	**89**	**11**	**75**	**(14)**	**42**	**74**
Financial expense							
- definable as hedges pursuant to IAS 39 (CFH)	-	-	-	-	-	-	-
- definable as hedges pursuant to IAS 39 (FVH)	(28)	-	-	-	-	(28)	(20)
- not definable as hedges pursuant to IAS 39	(30)	(29)	-	(14)	15	(15)	(28)
Total financial expense (D)	**(58)**	**(29)**	**-**	**(14)**	**15**	**(43)**	**(48)**
Margin on interest rate hedging transactions (C+D)=(E)	**(2)**	**60**	**11**	**61**	**1**	**(1)**	**26**
Foreign exchange rate hedges broken down as follows:							
Foreign exchange gains							
- definable as hedges pursuant to IAS 39	32	-	-	-	-	32	-
- not definable as hedges pursuant to IAS 39	32	-	-	-	-	32	37
Total foreign exchange gains (F)	**64**	**-**	**-**	**-**	**-**	**64**	**37**
Foreign exchange losses							
- definable as hedges pursuant to IAS 39	(26)	-	-	-	-	(26)	-
- not definable as hedges pursuant to IAS 39	(23)	(4)	(4)	(3)	1	(22)	(37)
Total foreign exchange losses (G)	**(49)**	**(4)**	**(4)**	**(3)**	**1**	**(48)**	**(37)**
Margin on foreign exchange hedging transactions (F+G)= (H)	**15**	**(4)**	**(4)**	**(3)**	**1**	**16**	**-**
TOTAL INCLUDED IN NET FINANCIAL INCOME (EXPENSE) (E+H) (see Note 8 to the Income Statement)	**13**	**56**	**7**	**58**	**2**	**15**	**26**

(*) 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 positive for 3 million euros at 09.30.2013

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)	09.30.2013		12.31.2012	
	Receivables	**Payables**	Receivables	Payables
Foreign exchange transactions	8	(142)	10	(121)
Interest rate transactions	75	(14)	89	(29)
Commodity transactions	430	(332)	264	(177)
Fair value recognized as current assets or current liability	**513**	**(488)**	**363**	**(327)**
Broken down as follows:				
- recognized as "Trade receivables and payables"	277	(224)	120	(107)
- recognized as "Other receivables and payables"	161	(250)	154	(191)
- recognized as "Current financial assets" and "Short-term financial debt"	75	(14)	89	(29)
Broken down on fair value hierarchy:				
- Level 1	16	(29)	2	(3)
- Level 2	493	(448)	253	(314)
- Level 3 (*)	4	(11)	8	(10)

(*) The fair value classified at Level 3 is recognized in the amount of -7 million euros as part of the physical trading margin included in Sales Revenue (4 million euros of revenues and 11 million euros of costs),.

With regard to these items, please note that a negative Cash Flow Hedge reserve amounting to 41 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 September 30, 2013 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.

The Board of Directors of Edison Spa approved a Procedure Governing Related-Party Transactions, which went into effect on January 1, 2011 compliant with CONSOB Resolution No. 17221 of March 12, 2010.

(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	51	-	-	**51**	**51**	**100.0%**
Trade receivables	1	-	84	**85**	**3,082**	**2.8%**
Other receivables	-	44	2	**46**	**521**	**8.8%**
Trade payables	1	-	44	**45**	**2,400**	**1.9%**
Other payables	-	90	1	**91**	**638**	**14.3%**
Long-term financial debt and other fin. Liab.	-	199	795	**994**	**1,085**	**91.6%**
Short-term financial debt	16	-	10	**26**	**287**	**9.1%**
Cash and cash equivalents	-	181	-	**181**	**653**	**27.7%**
Income Statement transactions:						
Sales revenues	1	-	318	**319**	**9,136**	**3.5%**
Other revenues and income	-	-	4	**4**	**580**	**0.7%**
Raw materials and services used	7	13	167	**187**	**8,709**	**2.1%**
Financial expense	-	2	11	**13**	**151**	**8.6%**
Net foreign exchange translation gains (losses)	-	7	-	**7**	**9**	**77.8%**

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 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 for the years up to 2012 and with WGRM from 2013;
- 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 September 30, 2013 showed a debt of 8 million euros.

Consolidated IRES Return

Starting in 2013 and for the three-year period from 2013 to 2015, Edison Spa and its main subsidiaries opted to join the consolidated IRES return filed by WGRM. Special agreements govern transactions between the companies included in the consolidated tax return and WGRM, the controlling company.

The companies that agreed to be included in the consolidated IRES return will determine their IRES liability in coordination with the parent company, taking also into account estimated payments due during the year.

Group companies subject to the IRES surcharge (the "Robin Hood Tax"), even if included in the consolidated IRES return, are required to pay independently any surcharge due, in terms both of estimated payments and final payment. Please keep in mind that the surcharge was unchanged at 10.5% in 2013.

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 September 30, 2013, the current account established with EDF Sa has a positive balance for 181 million euros.

Loan by EDF Sa

It is worth mentioning that in April EDF Sa granted to Edison Spa a credit line, for a face amount of 600 million euros and with maturity on April 9, 2015, against which 200 million euros had been drawn at September 30, 2013. 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 13 million euro.

B) Transactions with other EDF Group Companies

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

1) Commercial Transactions

EDF Group

Transactions executed are the following:

- With Fenice Spa, sales revenues of about 28 million euros, mainly from sales of natural gas.
- With EDF Trading Ltd, energy and gas sales revenues of 246 million euros and costs of 160 million euros stemming from sales and purchases of commodities.
- With EDF Trading Ltd revenues of 255 million euros and costs of 211 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 1 million euros as revenues and 8 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 outstanding financial transaction with another EDF Group company is reviewed below.

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 September 30, 2013. 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 following disclosure is being provided pursuant to the CONSOB Communication No. DEM/6064293 of July 28, 2006:

- in April 2013 the Court of Arbitration of the ICC – International Chamber of Commerce - has decided the award related to the dispute between Edison and Sonatrach for the revision of the price of the long term gas contract from Algeria;
- in July 2013 an agreement was signed with Ras Laffan for the revision of the long-term contract to import natural gas from Qatar.

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 nine months of 2013, as defined in the CONSOB Communication No. DEM/6064293 of July 28, 2006.

Milan, November 6, 2013

The Board of Directors
By Bruno Lescoeur
Chief Executive Officer

SIGNIFICANT EVENTS OCCURRING AFTER SEPTEMBER 30, 2013

No significant events requiring disclosure occurred since September 30, 2013.

SCOPE OF CONSOLIDATION

at September 30, 2013

SCOPE OF CONSOLIDATION AT SEPTEMBER 30, 2013
List of equity investments

Company name	Head office	Currency	Share capital	Consolidated Group interest (a) 09.30.2013	Consolidated Group interest (a) 12.31.2012	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	09.30.2013	12.31.2012	% (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	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)
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	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	-
Edison Idrocarburi Sicilia Srl (single shareholder)	Ragusa (IT)	EUR	10,000	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)

List of Equity Investments (continued)

Company name	Head office	Currency	Share capital	Consolidated Group interest (a) 09.30.2013	Consolidated Group interest (a) 12.31.2012	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 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	73,500,000	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) 09.30.2013	Consolidated Group interest (a) 12.31.2012	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											
Elpedison Energy Sa	Marousi Athens (GR)	EUR	1,435,600	50.00	50.00	100.00	Elpedison Bv	-	-	JV	-
Elpedison Power Sa	Marousi Athens (GR)	EUR	98,198,000	37.89	37.89	75.78	Elpedison Bv	-	-	JV	-
Ibiritermo Sa	Ibirité - Estado de Minas Gerais (BR)	BRL	7,651,814	50.00	50.00	50.00	Edison Spa	-	-	JV	-
Kinopraxia Thisvi	N. Kiffissia (GR)	EUR	20,000	65.00	65.00	65.00	Edison Engineering Sa	-	-	JV	(iii)
Parco Eolico Castelnuovo Srl	Castelnuovo di Conza (SA) (IT)	EUR	10,200	50.00	50.00	50.00	Edison Energie Speciali Spa (single shareholder)	-	-	JV	-
Sel Edison Spa	Castelbello (BZ) (IT)	EUR	84,798,000	42.00	42.00	42.00	Edison Spa	-	-	JV	-
Hydrocarbons Operations											
Abu Qir Petroleum Company	Alexandria (ET)	EGP	20,000	50.00	50,00	50.00	Edison International Spa (single shareholder)	-	-	JV	-
Ed-Ina D.o.o.	Zagreb (HR)	HRK	20,000	50.00	50.00	50.00	Edison International Spa (single shareholder)	-	-	JV	-
Fayoum Petroleum Co - Petrofayoum	Cairo (ET)	EGP	20,000	30.00	30.00	30.00	Edison International Spa (single shareholder)	-	-	JV	-
ICGB AD	Sofia (BG)	BGL	12,517,320	25.00	25.00	50,00	IGI Poseidon Sa - Nat. Gas Subm. Interc. Gre-Ita-Poseidon	-	-	JV	-
IGI Poseidon Sa-Nat. Gas Subm. Interc. Gre-Ita-Poseidon	Herakleio Attiki (GR)	EUR	26,400,000	50.00	50.00	50.00	Edison International Holding Nv	-	-	JV	-
Corporate Activities											
Elpedison Bv	Amsterdam (NL)	EUR	1,000,000	50.00	50.00	50.00	Edison International Holding Nv	-	-	JV	-

List of Equity Investments (continued)

Company name	Head office	Currency	Share capital	Consolidated Group interest (a) 12.31.2012	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											
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	-	-	0.5	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	-	-	3.0	AC	-
Energia Senales Scarl - Es Srl	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	-	-	3.2	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	-	-	20.0	AC	-
Soc. Svil. Rea. Gest. Gasdot. Alg-ITA V. Sardeg. Galsi Spa	Milan (IT)	EUR	37419,179		20.82	Edison Spa	-	-	17.5	AC	-
Total investments in companies valued by the equity method									**48.5**		

List of Equity Investments (continued)

C) Investments in companies in liquidation or subject to permanent restrictions

Company name	Head office	Currency	Share capital	Consolidated Group interest (a) 12.31.2012	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
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	-
Compagnia Elettrica Lombarda Spa (in liquidation)	Milan (IT)	EUR	408,000		60.00	Sistemi di Energia Spa	-	-	-	S	(iv)
Coniel Spa (in liquidation)	Rome (IT)	EUR	1,020		35.25	Edison Spa	-	-	-	AC	-
Ecofuture Srl (in liquidation) (single shareholder)	Milan (IT)	EUR	10,200	100.00	100.00	Edison Spa	-	-	-	S	(i)
Groupement Gambogi - Cisa (in liquidation)	Dakar (SN)	XAF	1,000,000		50.00	Nuova C.I.S.A. Spa (in liq.) (single shareholder)	-	-	-	AC	-
Inica Soc. de Iniciativas Mineiras e Industriais Sa	Lisbon (PT)	PTE	1,000,000		20.00	Edison Spa	-	-	-	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) 09.30.2013	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
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	-	-	1.4	NG	-
Amsc-American Superconductor	Devens (US)	USD	631,248		0.25	Edison Spa	-	-	0.3	NG	-
Hera Spa	Bologna (IT)	EUR	1,342,876,078		0.22	Edison Spa	-	-	4.4	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	5.8	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	-	-	174.5	NG	-
Total investments in other companies valued at fair value									**191.3**		
Total equity investments									**242.2**		

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 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) Company subject to the oversight and coordination of Sistemi di Energia Spa.

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

BGL Bulgarian lev	HRK Croatian kuna
BRL Brazilian real	PTE Portuguese escudo
CHF Swiss franc	RON Romanian leu
EGP Egyptian pound	USD U.S. dollar
EUR Euro	XAF Central African franc
GBP British pound	

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 September 30, 2013, is consistent with the data in documents, accounting records and other records.

Milan, November 6, 2013

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