QUARTERLY REPORT
AT SEPTEMBER 30, 2009

EDISON

QUARTERLY REPORT AT SEPTEMBER 30, 2009

CONTENTS

REPORT ON OPERATIONS

at September 30, 2009

SIMPLIFIED STRUCTURE OF THE GROUP AT SEPTEMBER 30, 2009

Organization and activities of the Business Units and main consolidated companies[1]

EDISON Spa[2]

Electric Power Operations

Management of facilities to generate thermoelectric and hydroelectric energy

- Edipower Spa[3]
- Hydros Srl
- Dolomiti Edison Energy Srl

Renewable Sources

Development and management of facilities to generate energy from wind power and other renewable sources in Italy and outside Italy

- Edison Energie Speciali Spa

Energy Management

Dispatching and sales on the Power Exchange and to wholesalers and Trading activities

- Edison Trading Spa

Hydrocarbons Operations

Hydrocarbon exploration and production in Italy and outside Italy and natural gas storage, transmission and distribution

- Edison International Spa
- Abu Qir Petroleum Co
- Edison Stoccaggio Spa
- Edison D.G. Spa

Gas Supply & Logistics

Procurement management, logistics and sales to wholesalers and thermoelectric power plants

Marketing & Distribution

Sales of electric power and nataural gas to end users

- Edison Energia Spa

Electric Power Business Units

Hydrocarbons Business Units

Main consolidated companies

(1) The Corporate Department for International Development, Renewable Sources and Special Projects, which functions transversally within the organization depicted above, is responsible for the Group's international development in the areas of production of electric power from fossil and renewable fuels, development of transnational natural gas interconnection infrastructures and research and preparatory activities for the development of nuclear energy in Italy. The main consolidated companies through which these activities are being pursued include the following: Edison Hellas Sa, Elpedison Bv, Igi Poseidon Sa and Galsi Spa.

(2) 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.

(3) Edipower is consolidated at 50% by the proportional method.

KEY EVENTS OF THIRD QUARTER 2009

Growing Our Business

Edison, BEH and DEPA Sign an Agreement to Build the Greece - Bulgaria Natural Gas Pipeline

On July 14, 2009, meeting in Sofia, BEH (Bulgarian Energy Holding), DEPA (The Greek Public Gas Corporation) and Edison signed a Memorandum of Understanding concerning the construction of the IGB (Interconnector Greece-Bulgaria) natural gas pipeline.

IGB is a natural gas pipeline of 160 km that will run between Komotini (Greece) and Dimitrovgrav (Bulgaria). With an annual capacity of 3 to 5 billion cubic meters, it will provide Bulgaria with access to new supply sources through Greece. Planned investments will total 120 billion euros and the project is expected to have access (application in the approval phase) to about 45 million euros in funding under the EU's Economic Recovery Plan. The effectiveness of the Memorandum is subject to the approval of the relevant governance bodies of the companies involved.

Pursuant to the agreement, the pipeline will be built by an asset company owned in equal shares by BEH and Poseidon, a 50-50 joint venture of Edison and Depa. Poseidon is currently building a natural gas pipeline between Greece and Italy (ITGI) that will be used to import into Europe natural gas from the Caspian Sea Basin and the Middle East.

With the signing of this agreement Edison reaffirms its presence in the Balkans as the reference operator in the energy sector and strengthens the regional significance of the ITGI project.

Edison: The First LNG Tanker Docks at the Adriatic LNG Terminal

On August 10, 2009, the first LNG tanker docked at Adriatic LNG's regasification terminal in the Northern Adriatic, located offshore Porto Levante, in the province of Rovigo. Special unloading hoses will transfer the liquefied gas from to the ship to pipes leading to the terminal's storage tanks, where it will be cooled to the temperature required for storage prior to regasification. Once the cooling process is completed, the terminal, which is expected to be fully operational later this year, will be ready to feed the natural gas into the national distribution network. The Adriatic LNG terminal will increase Italy's LNG importation capacity, thereby contributing to the diversification of energy supply sources. When fully operational, this facility will be capable of delivering to the national network up to 8 billion cubic meters of natural gas a year, equal to about 10% of Italy's natural gas needs. Qatar Terminal Limited, a subsidiary of Qatar Petroleum, and ExxonMobil Italiana Gas each own 45% of Terminale GNL Adriatico, with Edison holding the remaining 10% interest. Pursuant to a supply contract signed with Laffan Liquefied Natural Gas Company Limited II (RasGas II), Edison will have access to 80% of the terminal's capacity for 25 years, which it will use to regasify LNG imported from the North Field in Qatar. Other operators will have access to the remaining 20% of capacity, 12% of which has already been allocated in accordance with procedures defined by the Ministry of Economic Development and the Italian Electric Power and Natural Gas Authority (abbreviated as AEEG in Italian).

Edison Launches a Natural Gas Sales Campaign for the Residential Market

One year after the introduction of its first electric power sales package for residential customers, Edison launches its *Edison Luce&Gas* sales campaign. On September 27, 2009, with an intense advertising campaign on the main media, Edison entered the residential market with a broad range of affordable solutions for all levels of consumption requirements, equally available throughout Italy, from large cities to small towns.

Strengthening Our Balance Sheet

Edison Successfully Completes the Placement of a 700-million-euro Bond Issue

On July 16, 2009, with demand exceeding 7 billion euros, Edison Spa completed the placement of a five-year bond issue, listed on the Luxembourg Exchange, for a total amount of 700 million euros, sold exclusively to qualified investors.

The bonds, which were offered at a 99.841 issue price with a minimum denomination of 50,000 euros,

mature on July 22, 2014 and carry a gross annual coupon of 4.25%.
This bond issue is part of a European Medium-Term Note Program of up to 2 billion euros, approved by the Board of Directors on June 25, 2009, as announced to the market.

Other Key Events

Moody's and Standard & Poor's Affirm Edison's Rating

On July 7, 2009, Moody's Investors Services, at the end of its annual review, affirmed its Baa2 rating for Edison's long-term debt securities. Subsequently, on September 29, 2009, Standard & Poor's affirmed its BBB+ rating for Edison's long-term debt securities. In view of the competitive environment that developed in Italy following a significant drop in demand for electric power and natural gas and the possibility of a slower economic recovery in 2010, both rating agencies changed their outlook from "stable" to "negative."

Significant Events Occurring Since September 30, 2009

Information about events occurring after the end of the three month period covered by this Report is provided in the section of the Operating Performance, Financial Results and Financial Position of the Group entitled "Significant Events Occurring Since September 30, 2009"

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 below contain alternative performance indicators that are not included among those provided in the IFRS-EU 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

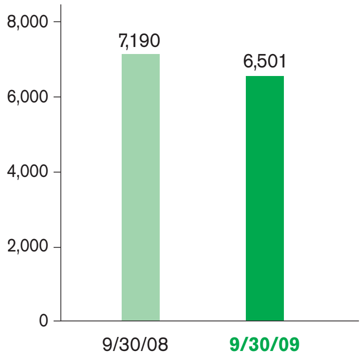
2008 full year (*)	(in millions of euros)	9 months 2009 (*)	9 months 2008 (*)	% change	3rd quarter 2009 (*)	3rd quarter 2008 (*)	% change
11,064	Sales revenues	6,501	7,190	(9.6%)	1,912	2,277	(16.0%)
1,643	EBITDA	1,128	1,209	(6.7%)	396	400	(1.0%)
16.3%	*as a % of sales revenues*	*17.4%*	*16.8%*		*20.7%*	*17.6%*	
861	EBIT	562	673	(16.5%)	208	231	(10.0%)
8.6%	*as a % of sales revenues*	*8.6%*	*9.4%*		*10.9%*	*10.1%*	
730	Profit before taxes	448	526	(14.8%)	171	189	(9.5%)
346	Group interest in net profit	203	219	(7.3%)	81	117	(30.8%)
582	Capital expenditures	1,464	340	n.m.	132	138	(4.3%)
62	Investments in exploration	63	39	61.5%	8	(1)	n.m.
10,993	Net invested capital (A + B)(1)	12,381	10,896	12.6%			
2,920	Net financial debt (A)(1)(2)	4,222	2,821	44.6%			
8,073	Shareholders' equity before minority interest (B)(1)	8,159	8,075	1.1%			
7,909	Group interest in shareholders' equity(1)	7,980	7,959	0.9%			
8.08%	ROI(3)	6.60%	8.45%				
4.35%	ROE(4)	3.41%	3.66%				
0.36	Debt/Equity ratio (A/B)	0.52	0.35				
27%	Gearing (A/A+B)	34%	26%				
2,961	Number of employees(1)(5)	3,897	3,645	31.6%			
	Stock market prices (in euros)						
0.9518	- common shares	1.1888	1.2294				
1.1732	- savings shares	1.3372	1.3695				
	Earnings per share (in euros)						
0.0647	- basic earnings per common share	0.0378	0.0408				
0.0947	- basic earnings per savings share	0.0678	0.0708				
0.0647	- diluted earnings per common share	0.0378	0.0408				
0.0947	- diluted earnings per savings share	0.0678	0.0708				

(1) End-of-period data. The changes are computed against the data at December 31, 2008.
(2) A breakdown of this item is provided in the "Net Financial Debt" section of the Operating Performance, Financial Results and Financial Position of the Group.
(3) Annualized EBIT/Average net invested capital. Net invested capital does not include the value of equity investments held as fixed assets and is computed as the arithmetic average of the net invested capital at the end of the period and at the end of the previous year.
(4) Annualized Group interest in net profit/Average Group interest in shareholders' equity. Average Group interest in shareholders' equity is the arithmetic average of the Group interest in shareholders' equity at the end of the period and at the end of the previous year.
(5) Simple arithmetic mean of the prices for the last calendar month of the period.
(*) Sales revenues reflect a new presentation of trading activities that recognizes only the resulting "trading margin" (net presentation).

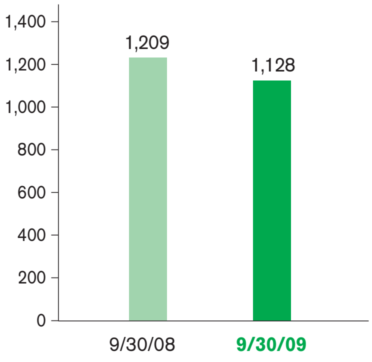
Key Group Data

(in millios of euros)

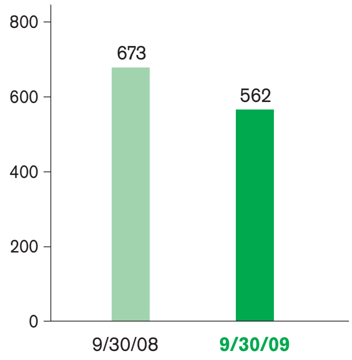
Sales Revenues



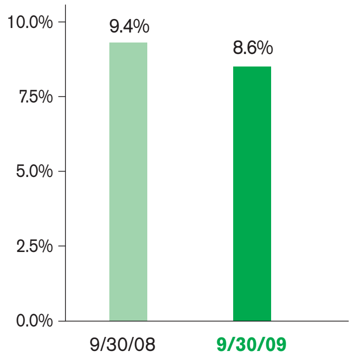
EBITDA



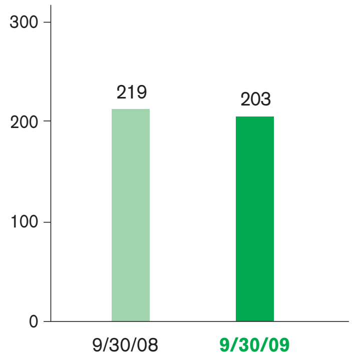
EBIT



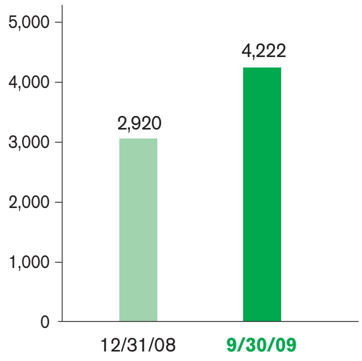
EBIT/Sales Revenues



Group Interest in net Profit



Net Financial Debt



Sales Revenues and EBITDA by Business Segment

2008 full year (*)	(in millions of euros)	9 months 2009 (*)	9 months 2008 (*)	% change	3rd quarter 2009 (*)	3rd quarter 2008 (*)	% change
	Electric Power Operations(1)						
7,687	Sales revenues	4,824	5,663	(14.8%)	1,592	1,891	(15.8%)
1,326	EBITDA	930	996	(6.6%)	374	360	3.9%
17.2%	*as a % of sales revenues*	*19.3%*	*17.6%*		*23.5%*	*19.0%*	
	Hydrocarbons Operations(2)						
5,093	Sales revenues	3,002	3,470	(13.5%)	660	1,026	(35.7%)
405	EBITDA	274	268	2.2%	51	59	(13.6%)
8.0%	*as a % of sales revenues*	*9.1%*	*7.7%*		*7.7%*	*5.8%*	
	Corporate Activities and Other Segments(3)						
77	Sales revenues	38	57	(33.3%)	12	19	(36.8%)
(88)	EBITDA	(76)	(55)	(38.2%)	(29)	(19)	(52.6%)
n.m.	*as a % of sales revenues*	*n.m.*	*n.m.*		*n.m.*	*n.m.*	
	Eliminations						
(2,793)	Sales revenues	(1,363)	(2,000)	31.9%	(352)	(659)	46.6%
-	EBITDA	-	-			-	
	Edison Group	-					
11,064	**Sales revenues**	**6,501**	**7,190**	**(9.6%)**	**1,912**	**2,277**	**(16,0%)**
1,643	**EBITDA**	**1,128**	**1,209**	**(6.7%)**	**396**	**400**	**(1.0%)**
16.3%	***as a % of sales revenues***	***17.4%***	***16.8%***		***20.7%***	***17.6%***	

(1) Activities carried out by the following Business Units: Electric Power, Energy Management and Marketing & Distribution.
(2) Activities carried out by the following Business Units: Hydrocarbons Operations,, Gas Supply & Logistics and Marketing & Distribution.
(3) 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.
(*) Sales revenues reflect a new presentation of trading activities that recognizes only the resulting "trading margin" (net presentation).

PERFORMANCE AND RESULTS OF THE GROUP

Operating Performance

In the third quarter of 2009, Group revenues totaled 1,912 million euros, or 16% less than in the same period last year. An analysis by business segment shows decreases both for the electric power operations and the hydrocarbons operations, with revenues down 15.8% and 35.7%, respectively, due mainly to the impact of lower benchmark prices and a reduction in unit sales by the electric power operations.
EBITDA totaled 396 million euros at September 30, 2009, about the same as in the third quarter of 2008.
A more detailed description of the developments that characterized the third quarter of 2009 is provided in the section of this Report that reviews the performance of the individual business segments.

Cumulative revenues for the first nine months of the year were down 9.6%, falling from 7,190 million euros in 2008 to 6,501 million euros in 2009, due to a reduction in unit revenues that resulted from changes in benchmark energy prices and a decrease in unit sales. This sales shortfall, which occurred in both business segments, reflects the impact of the challenging market environment that has developed in the Italian economy, with across-the-board cutbacks in domestic consumption of natural gas and energy. Nevertheless, it is worth noting that, even though total sales volumes declined, the Group successfully pursued a strategy designed to increase sales to end customers, achieving important growth targets in both of its business segments: +19.7% for the electric power operations and +16.3% for the hydrocarbons operations.

EBITDA decreased from 1,209 million euros to 1,128 million euros (-6.7%). This reduction, the entire amount of which is attributable to the electric power operations, reflects primarily the effect of a weaker performance by the CIP6/92 operations, which last year benefited from 51 million euros in extraordinary and non-recurring income resulting from refunds for green certificates and CO_2 charges incurred in previous years, and this year were penalized by the expiration of contracts and incentives (about 33 million euros) and by the absence of the EBITDA generated by the seven power plants sold in April of last year. Other factors include lower results generated by sales in the deregulated markets, caused by the decrease in volumes produced and sold on the Power Exchange (IPEX) that resulted from a contraction in national demand for energy, and a reduction in the margins available in the Dispatching Services Market.

Consolidated EBIT, which are net of about 30 million euros in increased depreciation and amortization attributable to a large extent to the Abu Qir concession, totaled 562 million euros. The reasons explained above account for the 16.5% decrease compared with the 673 million euros earned in 2008.

The Group's interest in profit before taxes amounted to 448 million euros, for a 14.8% decrease compared with the amount reported at September 30, 2008 (526 million euros).

The year-over-year decrease is significantly smaller at the bottom-line level, as the net profit for the first nine months of the year totaled 203 million euros, compared with 219 million euros in 2008 (-7.4%).
This is because, while on the one hand the current tax burden reflects the impact of Decree Law No. 99 of July 23, 2009, which increased the corporate income tax (IRES) surcharge (the so-called Robin Hood Tax) from 5.5% to 6.5%, producing a negative impact of 17 million euros (11 million euros in deferred taxes and 6 million euros in current taxes), on the other hand, the introduction of the Robin Hood Tax during the first nine months of 2008 required an adjustment to deferred taxes of 65 million euros.

At September 30, 2009, net financial debt totaled 4,222 million euros (2,821 million euros at September 30, 2008), up significantly compared with the 2,920 million euros owed at December 31, 2008. The acquisition of the Abu Qir concession in Egypt, at a cost of 1,011 million euros, accounts for most of this increase. More detailed information about the individual components of this item is provided in the "Net Financial Debt" chapter found within the section of this Report entitled Operating Performance, Financial Results and Financial Position of the Group.

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

(in millions of euros)

2008 full year		9 months 2009	9 months 2008
(2,687)	**A. Net Financial Debt at January 1**	**(2,920)**	**(2,687)**
1,643	EBITDA	1,128	1,209
(465)	Change in operating working capital	(119)	(427)
(396)	Income taxes paid (-)	(194)	(239)
(169)	Change in other assets (liabilities)	(38)	26
613	**B. Cash Flow from Operating Activities**	**777**	**569**
(644)	Investments in property, plant and equipment and intangibles (-)[1]	(1,527)	(379)
(232)	Investments in non-current financial assets (-)	(128)	(209)
421	Proceeds from the sale of property, plant and equipment, intangibles and non-current financial assets	24	282
2	Dividends received	1	-
160	**C. Free Cash Flow**	**(853)**	**263**
(100)	Financial income (expense), net	(117)	(104)
3	Contributions of share capital and reserves	-	3
(281)	Dividends paid (-)	(278)	(281)
(218)	**D. Cash Flow after Financing Activities**	**(1,248)**	**(119)**
(15)	Change in the scope of consolidation	(54)	(15)
(233)	**E. Net Cash Flow for the Period**	**(1,302)**	**(134)**
(2,920)	**F. Net Financial Debt at end of Period**	**(4,222)**	**(2,821)**

[1] The amount for 2009 includes an outlay of 1,011 million euros incurred to purchase the Abu Qir concession.

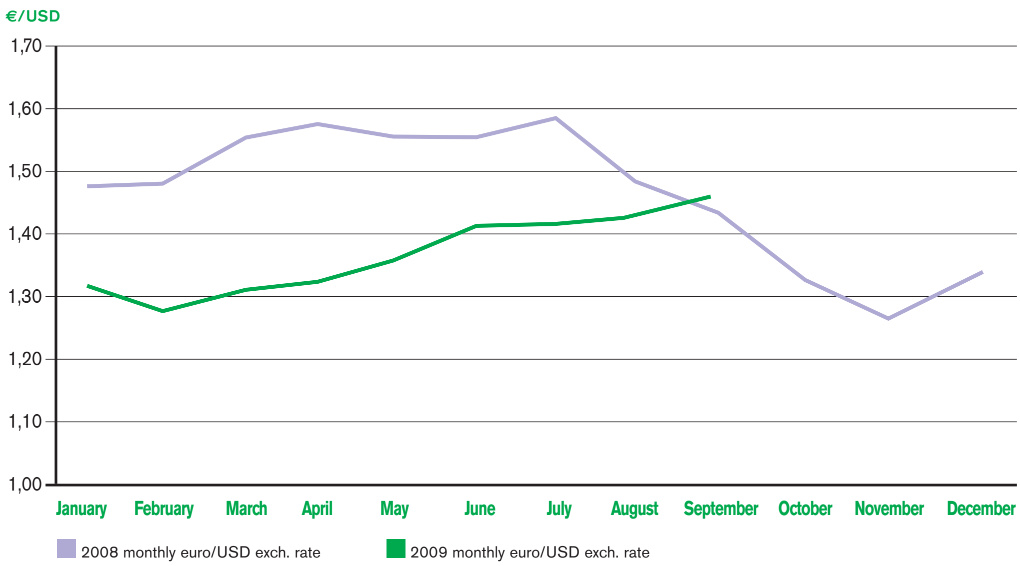
Outlook and Expected Year-end Results

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

ECONOMIC FRAMEWORK

As of September 2009, the global economy was still in the midst of a serious crisis. However, recent macroeconomic data show that the recession is easing and point to the start of a recovery, which, however, will be very slow, due to several hindering factors, especially in the industrialized countries. The most worrisome among these factors include the persistent weakness of banks, high unemployment rates and growing public deficits.
Specifically, the unemployment rate rose to 9.8% in the United States in September, the highest since June 1983, and reached 9.6% in Europe in August, the highest since March 1999. As a result, continued weakness in employment levels, which adversely affects consumer confidence and spending, threatens to hamper economic recovery in the coming months.
In the United States, smaller cutbacks in business investments and consumer spending seem to indicate that the economy is improving and manufacturing sector data are showing tentative signs of progress.
Indications that the contraction is slowing are apparent in Europe as well: the Eurozone Composite Index, which measures performance both in the service and manufacturing sectors, rose to 16-month high in September, with particularly strong showings in Germany and France. Further confirmation that economic conditions are improving is provided by European data on industrial orders, an area where Italy outperformed France and Germany.
The recovery is being driven by the emerging economies, beginning with China, which, thanks to a mix of expansionary fiscal and monetary policies, successfully supported its internal economy after experiencing a slower growth rate between the end of 2008 and the beginning of 2009. In response to weaker foreign demand, the Chinese government focused its efforts on repositioning the economy on domestic demand, implementing a large stimulus package to support both investments in infrastructures and retail sales.

The euro/dollar exchange rate, which averaged US$1.47 for one euro for all of 2008, shifted in favor of the U.S. dollar during the first nine months of 2009 to an average of USD1.36 for one euro, 10.3% lower than in the same period last year.
However, in the three months ended September 30, 2009, the euro continued on the upward trend that started in the second quarter of the year, reaching an average exchange rate of USD1.43 for one euro, or 4.9% less than the third quarter of 2008 (USD 1.50 for one euro).



THE ITALIAN ENERGY MARKET

Demand for Electric Power in Italy and Market Environment

2008 full year	TWh	9 months 2009	9 months 2008	% change	3rd quarter 2009	3rd quarter 2008	% change
307.1	Net production	207.4	232.7	(10.8%)	72.2	80.0	(9.0%)
40.0	Imports	34.5	29.8	15.5%	10.6	9.3	13.0%
(7.6)	Surges	(4.2)	(5.6)	(25.9%)	(1.2)	(1.9)	(36.1%)
339.5	**Total demand**	**237.7**	**256.9**	**(7.4%)**	**82.1**	**87.4**	**(6.0%)**

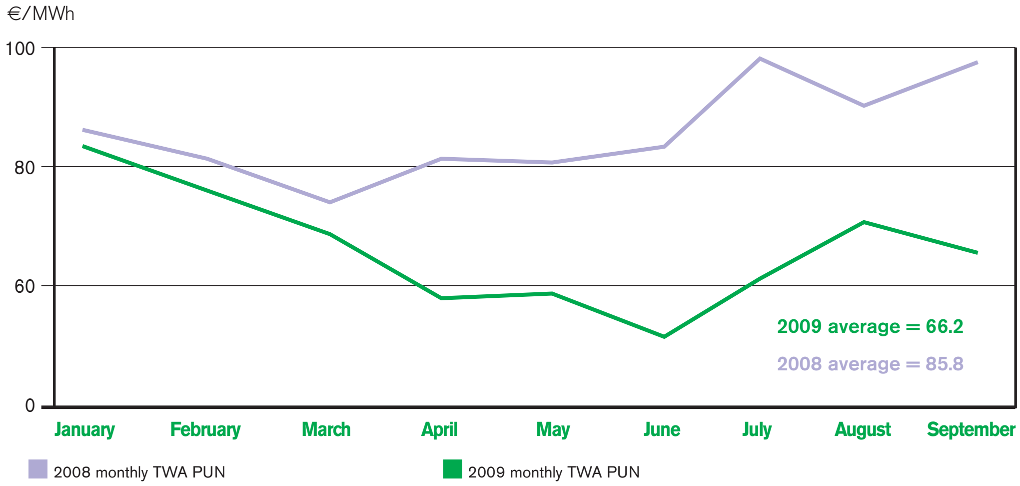
Source: Analysis of official 2008 data and preliminary 2009 Terna and AU data, before line losses.

In the third quarter of 2009, gross total demand for electric power from the Italian grid totaled 82.1TWh (1 TWh = 1 billion kWh), or 6% less than in the same period last year. On a seasonally adjusted basis (i.e., eliminating the impact of changes in average temperature and the number of business days), the year-over-year decrease is 6.1%.

The combination of a significant contraction in demand for energy (-5.3 TWh), an increase of 1.3 TWh in net imports and a slight reduction in energy absorbed by surges (-0.7 TWh) resulted in a sharp reduction (-7.3 TWh) in net domestic production. Net of the impact of surges, domestic production for the period covered 87.1% of demand, down from 89.3% in the third quarter of 2008, while the percentage supplied by net imports grew from 10.7% to 12.9%.
The gain of 1.3 TWh in net imports is the combined result of an increase of 1 TWh in imports and a decrease of 0.3 TWh in exports. Specifically, net imports from the Northeast (borders with Austria and Slovenia) were up by a sizable percentage (+18.2%, or 0.2 TWh), while those from the Northwest (borders with France and Switzerland) showed only a modest percentage gain (+6.4%, or 0.5 TWh). Moreover, there was a reversal in the net flow between Italy and Greece, which was a net importer in 2008 and became a net exporter in the third quarter of 2009. This reversal added 0.8 TWh to the import balance.
The substantial reduction of 7.3 TWh in net domestic production, along with a slight decrease of 0.5 TWh (-3.1%) in production from renewable sources translated into a significant decrease of 6.8 TWh (-10.1%) in the gross output of thermoelectric power plants.
As for the main renewable energy sources, hydroelectric production was down slightly (-1.2 TWh; -8.3%), despite an increase in the availability of water resources early in the year; wind farm output grew strongly (+0.8 TWh) and the output of geothermal facilities held relatively steady.
Cumulative gross demand for electric power for the first nine months of 2009 totaled 237.7 TWh, or 7.4% less than in the same period last year. On a seasonally adjusted basis, the year-over-year decrease is 7.2%.
In the first nine months of 2009, reflecting the impact of the complete deregulation of the energy markets, demand continued to decrease steadily in the market served by the Single Buyer (market for customers with greater protection status), falling to 72.4 TWh (75.9 TWh in the same period last year), a level equal to 30.5% of domestic demand. The market served by private suppliers, including suppliers of last resort, was affected to a more significant extent by the decrease in demand. As a result, it contracted from 64.4% of total consumption in the first nine months of 2008 to 63.0% in the same period this year. Internal consumption by producers, which was virtually unchanged, accounts for the remaining 6.6% of domestic consumption.

Insofar as price trends are concerned, the time-weighted average for the Single National Price (abbreviated as PUN in Italian) decreased to 66.2 euros per MWh at September 30, 2009, or about 22.8% less than in the first nine months of 2008 (85.8 euros per MWh). The competitive pressure resulting from the reduction in demand for energy discussed above is the main reason for this decrease.

The chart below provides a monthly comparison of the PUN trend in the first nine months of 2008 and 2009:



Demand for Natural Gas in Italy and Market Environment

2008 full year	billions of m³	9 months 2009	9 months 2008	% change	3rd quarter 2009	3rd quarter 2008	% change
30.1	Services and residential customers	20.6	19.6	5.0%	2.5	2.1	16.7%
18.4	Industrial users	11.1	14.2	(21.6%)	3.2	4.0	(20.0%)
34.0	Thermoelectric power plants	20.7	25.9	(19.9%)	7.6	8.8	(13.3%)
0.7	Transportation	0.5	0.4	7.2%	0.2	0.2	-
1.5	System usage and leaks	1.0	1.0	-	0.6	0.4	50,0%
84.7	**Total demand**	**53.9**	**61.1**	**(11.8%)**	**14.1**	**15.5**	**(8.9%)**

Source: Official 2008 data and preliminary 2009 data provided by the Ministry of Economic Development and Edison estimates.

In the third quarter of 2009, reflecting the impact of current economic conditions, Italian demand for natural gas was down by about 9%, compared with the same period last year, totaling about 14.1 billion cubic meters for an overall decrease of about 1.4 billion cubic meters.
This negative trend is chiefly the result of lower demand from thermoelectric power plants (down about 1.2 billion cubic meters) and industrial users (down about 0.8 billion cubic meters), which were affected to a more significant extent by the economic recession. On the other hand, the trend was up for residential users, as demand rose by 0.4 billion cubic meters (+16.7%) compared with 2008 in response to the hotter weather experienced this year.
With regard to supply sources, the following developments characterized the third quarter of 2009:
- a steady reduction in domestic production (6.8% less than in the third quarter of 2008), consistent with the downward trend of recent years, which is expected to continue in the future;
- a decrease in imports (-3.1%) and an increase in natural gas held in storage, caused by the reduction in consumption.

In the first nine months of 2009, demand for natural gas totaled about 53.9 billion cubic meters, or 7.2 billion cubic meters less (-11.8%) than in the same period in 2008.

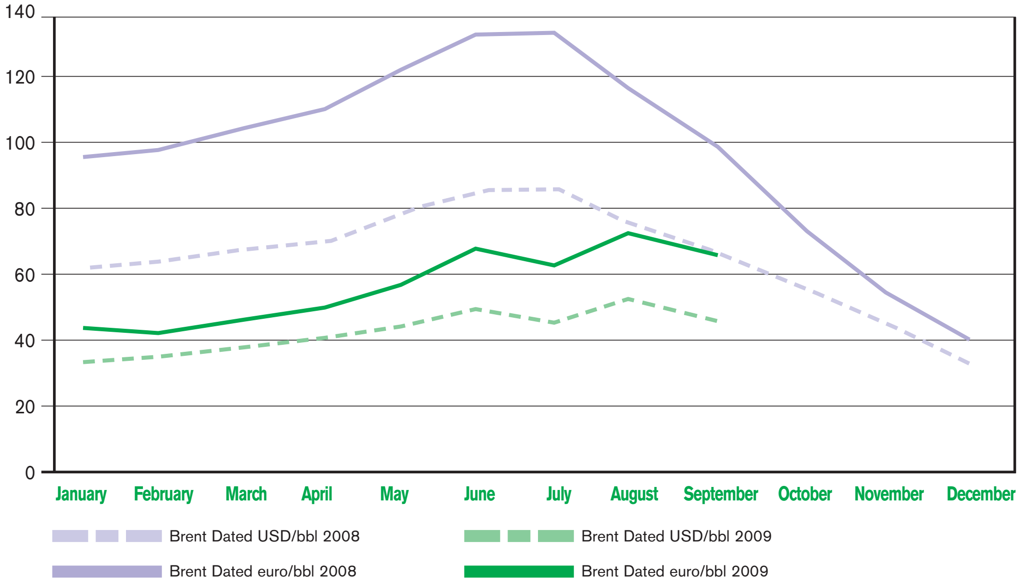
In the benchmark oil market, the average price for crude oil for the third quarter of 2009 was USD 68.30 per barrel, an amount that, while consistent with the upward trend that started earlier in the year, was 40.5% lower than in the same period a year ago, when it reached a record level of USD114.80 per barrel. The average price for the first nine months of 2009 was USD 57.20 per barrel, significantly below (-48.5%) the level achieved in the same period last year, before the bursting of the real estate and financial speculative bubble that started in the United States and quickly spread to the rest of the global economy.

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

2008 full year		9 months 2009	9 months 2008	% change	3rd quarter 2009	3rd quarter 2008	% change
97.0	Oil price in USD/bbl(1)	57.2	111.0	(48.5%)	68.3	114.8	(40.5%)
1.47	USD/euro exchange rate	1.36	1.52	(10.3%)	1.43	1.50	(4.9%)
66.0	Oil price in euro/bbl	41.9	72.9	(42.6%)	47.7	76.3	(37.5%)
317.9	CCI euro/000 cm(2)	301.2	301.6	(0.1%)	239.3	328.9	(27.2%)

(1) Brent Dated

(2) CCI: Wholesale Distribution Charge as set by Resolution No. 134/06 and updated by Resolution ARG/gas No. 192/08



It is important to keep in mind that, because of the time gap with which the changes in the crude oil market discussed above are reflected in the natural gas pricing formula, the trend of natural gas prices can be significantly different. The rate component that corresponds to the Wholesale Distribution Charge (CCI) that is equal to 301.60 euros per thousand cubic meter in the nine months of 2008 and 301.20 euros per thousand cubic meters in the nine months of 2009, showing virtually no change, in the third quarter reports a decrease of 27.2%.

LEGISLATIVE AND REGULATORY FRAMEWORK

The main legislative and regulatory measures enacted in the third quarter of 2009 that had an impact on the energy industry, both in Italy and at the E.U. level, are reviewed below.

Electric Power

Production

Edison challenged Resolution No. 50/09 with regard to the method used to compute the provisional equalization payment for the avoided fuel cost for 2008, based on the AEEG's failure to comply with the decisions by which the Regional Administrative Court of Lombardy ruled in favor of the appeal filed against Resolution ARG/gas No. 154/08.
An appeal to the Council of State against the other decisions of the Regional Administrative Court regarding Resolution No. 154/08 is currently being prepared, based on an inadequate interpretation by the Regional Administrative Court of the principle of "reflecting the existing cost structure in the natural gas market" (excessive discretion given to the AEEG in quantifying the amounts of avoided fuel cost components).

Retail Market

The benchmark pricing parameters were lowered further in the third quarter of 2009, falling by 1% for electric power (see Resolution ARG/elt No. 78/09) and by 7.7% for natural gas (see Resolution ARG/gas No. 82/09). It was the third reduction since the beginning of year, for an average weighted decrease of 13.1%.
In addition, Resolution ARG/elt No. 112/09 extended to April 1, 2010 the start of billing based on hourly segmentation for low voltage residential customers with available power of less than 16.5 KW and introduced new disclosure obligations for distributors to customers with greater protection status designed to make residential customers aware of the implementation of billing based on two separate hourly segments.
Lastly, the AEEG launched several consultation procedures, the most significant of which included consultation DCO 13/09, by which the AEEG is seeking to harmonize the rules governing the transparency of electric power and natural gas billing documents, and consultation DCO 23/09, by which the AEEG is proposing several tools to help sellers of electric power minimize credit risk.

Hydrocarbons

Rates

In the third quarter of 2009, the AEEG published Resolution ARG/gas No. 88/09, by which it introduced a system to subsidize the cost incurred by economically disadvantaged residential customers to purchase natural gas (so-called Gas Bonus) that incorporates the implementation methods successfully tested for electric power. The amount of the bonus, which is different depending on the climate zone, the type of gas usage and the number of family members, ranges from 25 euros to 160 euros (for up to four family members) and from 40 euros to 230 euros (for more than 4 family members). In addition, Resolution ARG/gas No. 169/09 established rules for offsetting charges incurred by sellers of natural gas due to the implementation of Articles 1 and 2 of Resolution ARG/gas No. 192/08 that are not otherwise recoverable.

Infrastructures

Transmission: The completion of the consultation process for the definition of transmission rates for the third regulatory period (2010-2013), which started in March 2009 with the publication of DCO 4/09, ended on September 15, 2009 with the submission of answers to consultation document DCO 24/09. The salient points of the second consultation document include continued adoption of the principle of return on invested capital (probably at a rate slightly below the current level), the implementation of a system of incentives for new investments and further use of an adjustment factor ensuring that operators receive the portion of revenues generated from the rate component based on capacity.

The most significant new development is a proposal to revise the method used to handle batches of natural gas that are not metered directly, as set forth in Resolution VIS No. 8/09, by which the AEEG began a process to modify the method used to handle unaccounted for natural gas (i.e., the result of the commercial balance equation of the transmission network, which is computed daily by Snam Rete Gas, so that the amount of gas added to the system is equal to the amount withdrawn) that included *ex ante* allocation to shippers of a portion of the unaccounted for natural gas and the introduction of incentives for transmission companies designed to reduce unaccounted for natural gas within the framework of balancing services.

Issues Affecting Multiple Business Segments

Development Law: On July 31, 2009, Law No. 99 of July 23, 2009, setting forth "Provisions Dealing with the Development and Internationalization of Business Enterprises and with Energy Issues," was published in Issue No. 176 of the *Official Gazette of the Italian Republic.*
The new law contains provisions concerning the following:

- Programs benefiting consumers and price transparency: Operators of electric power, natural gas and telecommunication services will be required to provide users with transparent information for the purpose of comparing sales offers (Article 21).
- Delegation of authority to the Government to deal with nuclear issues: The Government must define within six months the legislative framework for resumption of nuclear-based power generation (Article 25), with responsibility for defining the types of nuclear power plants assigned to the Interministerial Committee for Economic Planning (Article 26). Articles 25 and 26 are being challenged before Constitutional Court by 11 regional administrations, who allege that they violate Articles 117, 118 and 120 of the Constitution.
- Programs concerning the safety and development of the energy sector: The law lists different types of programs. For example, the Ministry of Economic Development must develop a special energy efficiency and conservation plan by December 31, 2009 and define within one year criteria and standardized procedures for the issuance by the relevant public administrations of permits to build and operate renewable-source power generating facilities. In addition, starting in 2011, the mandatory quota of production from renewable sources will be computed on energy delivered and no longer on energy produced.
- Redefinition of the powers of the AEEG: In order to protect end customers and ensure that markets are truly competitive, the jurisdiction of the AEEG is being expanded to include all activities of the energy sector (Article 28).
- Nuclear Safety Agency: The law sets forth the bylaws and tasks of the Nuclear Safety Agency (Article 29);
- Programs for the efficiency of the energy sector.
- Incentives for the establishment of a single market for electric power through the development of interconnectors and the involvement of end customers who use electric power (Article 32).
- Definition of the regulations governing internal user networks (Article 33).
- Establishment of a national agency for new technologies, energy and sustainable economic development (called ENEA) as an entity under public law, the purpose of which is the pursuit of research and technological innovation and the provision of leading-edge services concerning energy, with special emphasis on the nuclear area, and sustainable development (Article 37).
- Establishment of the Regional Administrative Court of Latium as the court of venue for energy related disputes concerning the production of electric power from nuclear fuel, regasification facilities, importation natural gas pipelines, thermoelectric power plants with a thermal capacity of more than 400 MW and transmission infrastructures that are part of or will be included in the national transmission grid or the national network of natural gas pipelines (Article 41).
- Increase of the incentives for offshore wind farms for the production of electric power and definition of incentives for the production of electric power using biomasses as fuel (Article 42).
- Introduction of an annual market and competition law with the goal of removing regulatory obstacles (statutory or administrative) to the opening of markets, promoting the development of competition and protecting consumers (Article 47).
- Amendment of the provisions governing class actions, with elimination of the retroactivity mechanism (Article 49).
- Increase from 5.5% to 6.5% of the corporate income tax surcharge on energy companies (the so-called Robin Hood Tax) to finance subsidies for the publishing industry (Article 56).

Decree Law to Comply with E.U. Obligations: Decree Law No. 135 of September 25, 2009 concerning "Compliance with E.U. Obligations and Decisions by the Court of Justice" went into effect on September 26, 2009. This Decree was then forwarded to the Senate for conversion into law, which is expected to occur on November 25, 2009.
The following provisions of this decree law are particularly significant:

- Urgent measures to incorporate Directive No. 2008/101/CE into the Italian legal system and promote environmental compliance by business enterprises and the development of technological innovations designed to protect the environment and reduce emissions (Article 4).
- Provisions concerning metering systems installed in national and regional natural gas transmission networks and the elimination of obstacles to the use and commerce of such systems - Infraction Procedure No. 2007/4915 (Article 7).
- Provisions to achieve compliance with E.U. regulations governing local public services with a significant economic impact (Article 15).
- Recovery of government subsidies to public service companies with majority public-sector ownership - European Commission Decision No. 2003/193/CE of June 5, 2002 (Article 19).

European Energy Policies

Internal Market Package: The Internal Market Package was published in the *Official Journal of the European Union* on August 14, 2009, pursuant to which each member state has 18 months, counting from September 3, 2009, to implement five statutes: Natural Gas Regulation No. 715_2009, Electric Power Regulation No. 714_2009, Regulation No. 713_2009 Governing the Agency for Cooperation Among National Energy Regulators, and two new Directives concerning electric power (No. 72_2009) and natural gas (No. 73_2009). Changes introduced by these statutes include provisions concerning the separation of the transmission operations from production and/or sales activities in the energy sector, new rules concerning applications for exemptions from the obligation to provide access to third parties to transmission capacity, and stronger consumer protection provisions.

Implementation of the New ETS Directive, CO_2 Auction Regulations: The public consultation process promoted by the European Commission regarding regulations, to be adopted by Committee procedure by June 2010, defining the mechanisms of auctions held to allocate for consideration emissions permits in the third phase of the European Emissions Trading Scheme ended in August. The abovementioned regulations must establish uniform, transparent and non-discriminatory auction procedures; means of accessing the market and relevant information that are coordinated in accordance with the principle of non discrimination; and the calendar, frequency and volumes of market offerings. This new mechanism will govern the European CO_2 market starting in 2013.

Carbon Leakage/Dedicated Facilities: The European Commission has provided all member countries with a list of 164 industries exposed to the risk of delocalization, which, within the framework of the third phase of the European ETS, can benefit (new Directive No. 29/2009/CE) from free emissions permits, which they can trade on the open market, so that they are not penalized when competing in the international markets against companies from countries without environmental compliance obligations. Currently, the list includes the steel and paper industries, which entails the possibility of obtaining free allocations for Edison power plants dedicated to manufacturers that operate in the abovementioned industries. In the coming months, the abovementioned list will be reviewed by the European Parliament and Council, with the objective of achieving adoption by the Commission before the end of the year.

PERFORMANCE OF THE GROUP'S BUSINESSES

Electric Power Operations

Quantitative Data

Sources

2008 full year	GWh (*)	9 months 2009	9 months 2008	% change	3rd quarter 2009	3rd quarter 2008	% change
50,151	**Net production of the Edison Group:**	**31,048**	**38,480**	**(19.3%)**	**10,696**	**12,144**	**(11.9%)**
44,606	- Thermoelectric power plants	26,034	34,157	(23.8%)	8,999	10,345	(13.0%)
5,021	- Hydroelectric power plants	4,635	3,929	18.0%	1,589	1,710	(7.1%)
524	- Wind farms	379	394	(3.8%)	108	89	22.2%
15,040	**Other purchases[1]**	**13,445**	**9,937**	**35.3%**	**5,196**	**4,895**	**6.1%**
65,191	**Total sources**	**44,493**	**48,417**	**(8.1%)**	**15,892**	**17,039**	**(6.7%)**

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

Uses

2008 full year	GWh (*)	9 months 2009	9 months 2008	% change	3rd quarter 2009	3rd quarter 2008	% change
13,137	**CIP 6/92 dedicated**	**8,201**	**10,188**	**(19.5%)**	**2,657**	**2,789**	**(4.7%)**
4,472	**Captive and other customers**	**1,919**	**3,350**	**(42.7%)**	**530**	**1,159**	**(54.2%)**
47,582	**Deregulated market:**	**34,373**	**34,879**	**(1.4%)**	**12,705**	**13,091**	**(3.0%)**
20,054	End customers[1]	18,340	15,319	19.7%	6,473	5,104	26.8%
9,541	Power Exchange	1,008	7,104	(85.8%)	176	1,492	(88.2%)
6,075	Wholesales and industrial Portfolio	5,377	3,892	38.2%	2,444	1,749	39.7%
11,912	Other sales[2]	9,648	8,564	12.7%	3,612	4,746	(23.9%)
65,191	**Total uses**	**44,493**	**48,417**	**(8.1%)**	**15,892**	**17,039**	**(6.7%)**

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

Financial Highlights

(in millions of euros)

2008 full year (*)		9 months 2009 (*)	9 months 2008 (*)	% change	3rd quarter 2009 (*)	3rd quarter 2008 (*)	% change
7,687	**Sales revenues**	**4,824**	**5,663**	**(14.8%)**	**1,592**	**1,891**	**(15.8%)**
1,326	EBITDA	930	996	(6.6%)	374	360	3.9%
17.2%	*as a % of sales revenues*	*19.3%*	*17.6%*		*23.5%*	*19.0%*	
311	Capital investments	271	157	72.6%	82	61	34.4%
1,849	Number of employees[1]	1,935	1,841	4.7%			

(1) End-of-period data. The changes are computed against the data at December 31, 2008.
(*) Sales revenues reflect a new presentation of trading activities that recognizes only the resulting "trading margin" (net presentation).

Production and Procurement

In the three months ended September 30, 2009, the Group's net production decreased to 10,696 GWh, or 11.9% less than in the third quarter of 2008. The downward trend in thermoelectric production continued in the third quarter of 2009, due to a nationwide reduction in demand, but the rate of decrease slowed compared with the first half of the year, as warmer average temperatures in July, August and September resulted in an increased use of air conditioners. For the first time this year, hydroelectric output was lower than in the same quarter in 2008 (-7.1%). This decrease, which is consistent with the national trend, is due to a reduction in the availability of water resources.

Production for the first nine months of 2009 totaled 31,048 GWh. The decrease of 19.3%, compared with the same period last year, reflects a drop of 23.8% in thermoelectric output, offset in part by an increase in hydroelectric production. This decrease is due in part (about 0.9 TWh) to a change in the scope of consolidation that resulted from the divestment of seven CIP/6 thermoelectric power plants in April 2008 and, for the balance, to the unfavorable economic conditions that existed in Italy, which severely curtailed electric power consumption and forced operators to cut thermoelectric production. Other purchases carried out to round out the sources portfolio increased by more than 35% compared with the same period in 2008. 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 low unit margins.

Sales and Marketing

Sales of electric power amounted to 15,892 GWh in the third quarter of 2009, or 6.7% less than in the same period last year (17,039 GWh). Most of the decrease occurred in the CIP 6 and Captive segments, due, respectively, to the expiration of contracts and lower sales by steel-mill dedicated power plants.

Cumulative sales at September 30, 2009 totaled 44,493 GWh, for a decrease of 8.1% compared with the first nine months of 2008.
The developments explained above account for the reduction in cumulative sales reported in the CIP 6 and Captive segments.
The deregulated market was characterized by opposing sales trends, depending on the business segment. Given the extreme scenario volatility, the Group opted for reducing its exposure to the risk of fluctuations in commodity prices, focusing on sales to end customers (+19.7%) and wholesalers and reducing the volumes it offered on the Power Exchange. Other sales in the deregulated market were up by 12.7%. However, as mentioned above in the section on procurement, the unit margins earned in these business segments are quite small.

Operating Performance

Sales revenues totaled 1,592 million euros in the third quarter of 2009, or 15.8% less than in the same period last year, reflecting the impact of the decrease in unit sales and of lower pricing benchmarks for electric power.

EBITDA grew to 374 million euros, or 3.9% more than the 360 million euros earned in the third quarter of 2008. An increase in unit sales to end customers and wholesalers and the higher margins generated by fixed-price sales booked during a sales campaign at the end of 2008, the positive effects of which are being felt mainly in the third and fourth quarters of this year, account for this improvement. These positive factors more than offset the decrease in the margins earned in the IPEX segment and the reduced profitability of dispatching services.
It is also worth mentioning that, since earlier this year, the effect of transactions executed to hedge fixed-price sales is being recognized by the hydrocarbons operations, because the underlying commodity is the natural gas used to generate electric power.

Reflecting the impact of the sales trend discussed above, cumulative revenues for the first nine months of 2009 totaled 4,824 million euros, or 14.8% less than in the same period last year.
At 930 million euros, EBITDA were 6.6% lower than in the first nine months of 2008 (996 million euros). The effect of the developments commented above was magnified by a reduction in EBITDA generated by the CIP6/92 segment, which were penalized by the expiration of contracts and incentives, the absence of non-recurring events that boosted performance in 2008 (refunds of CO_2 and green certificate costs incurred in years prior to 2008) and the change in scope of consolidation caused by the divestment of seven CIP6/92 thermoelectric power plants.

Capital Investments

In the third quarter of 2009, capital expenditures amounted to 82 million euros, or 34.4% more than in the same period last year.
Capital expenditures for the first nine months of 2009, which totaled 271 million euros, were allocated as follows: about 88 million euros for thermoelectric power plants; about 83 million euros for the development of wind power operations in Italy, including the Melissa/Strongoli and Mistretta wind farms; about 44 million euros to streamline and renovate the portfolio of hydroelectric facilities; and about 56 million euros for the development of the Thisvi power plants, in Greece.

Hydrocarbons Operations

Quantitative Data

Sources of Natural Gas

2008 full year	in millions of m³ of natural gas	9 months 2009	9 months 2008	% change	3rd quarter 2009	3rd quarter 2008	% change
1,014	**Total net production:**	**1,374**	**729**	**88.5%**	**501**	**264**	**89.5%**
662	- Production in Italy	461	493	(6.6%)	150	176	(15.2%)
352	- Production outside Italy[1]	913	236	n.m.	351	88	n.m.
7,554	**Pipeline imports**	**6,523**	**5,362**	**21.7%**	**1,931**	**1,081**	**78.6%**
-	**LNG imports**	**184**	**-**	**n.m.**	**143**	**-**	**n.m.**
5,281	**Domestic and other purchases[2]**	**1,648**	**4,084**	**(59.6%)**	**303**	**1,344**	**(77.5%)**
13,849	**Total sources**	**9,729**	**10,175**	**(4.4%)**	**2,878**	**2,689**	**7.0%**

(1) Counting volumes withheld as production tax.
(2) Includes inventory changes and pipeline leaks.

Uses of Natural Gas

2008 full year	in millions of m³ of natural gas	9 months 2009	9 months 2008	% change	3rd quarter 2009	3rd quarter 2008	% change
2,598	Residential use	1,998	1,604	24.5%	221	152	45.8%
1,336	Industrial use	930	913	1.9%	281	255	9.8%
8,669	Thermoelectric fuel use	5,442	6,617	(17.7%)	1,856	2,011	(7.7%)
352	Sales of production outside Italy	913	236	n.m.	351	88	n.m.
894	Other sales	446	805	(44.6%)	169	183	(7.4%)
13,849	**Total uses**	**9,729**	**10,175**	**(4.4%)**	**2,878**	**2,689**	**(7.0%)**

Crude oil production

2008 full year	in thousands of barrels	9 months 2009	9 months 2008	% change	3rd quarter 2009	3rd quarter 2008	% change
1,729	Production in Italy	1,255	1,312	(4.4%)	391	431	(9.4%)
-	Production outside Italy[1]	709	-		305	-	
1,729	**Total**	**1,963**	**1,312**	**49.6%**	**695**	**431**	**61.3%**

(1) Counting volumes withheld as production tax.

Financial Highlights

(in millions of euros)

2008 full year		9 months 2009	9 months 2008	% change	3rd quarter 2009	3rd quarter 2008	% change
5,093	**Sales revenues**	**3,002**	**3,470**	**(13.5%)**	**660**	**1,026**	**(35.7%)**
405	EBITDA	274	268	2.2%	51	59	(13.6%)
8.0%	*as a % of sales revenues*	*9.1%*	*7.7%*		*7.7%*	*5.8%*	
250	Capital investments	1,186	167	n.m.	47	71	(33.8%)
62	Investments in exploration	63	39	61.5%	8	(1)	n.m.
507	Number of employees [1]	1,348	504	n.m.			

(1) End-of-period data. The changes are computed against the data at December 31, 2008. 2009 data includes 780 employees connected to the Abu Qir concession.

Production and Procurement

Net production of natural gas rose to 501 million cubic meters in the third quarter of 2009, almost double the volume produced in the same period last year, thanks to an increase in production outside Italy, which benefited from the output provided by the new Abu Qir concession (257 million cubic meters) and by six new wells in the Rosetta concession, in Egypt. In Italy, on the other hand, output continued to decline consistent with the natural depletion of the existing gas fields.

Production of crude oil totaled 695,000 barrels, up from 431,000 barrels in the third quarter of 2008. In this case as well, production was down significantly in Italy (-9.4%), due to the normal depletion of the oil fields, but grew outside Italy thanks to the contribution of the Abu Qir concession (305,000 barrels).

In the third quarter of 2009, in response to the decrease in demand for natural gas described earlier in this Report, the Group continued to reduce the use of short-term purchases to meet its procurement needs. The opposite was true for imports of natural gas under long-term contracts, which grew to 1,931 million cubic meters, up from 1,081 million cubic meters in the third quarter of 2008 (+78.6%.). This increase reflects the impact of imports from Algeria through the TTPC pipeline under a supply contract signed with Sonatrach, which went into effect in October 2008, and the arrival of the first shipments of LNG from Qatar, which was regasified at the Rovigo offshore terminal.
A similar trend applies to the cumulative data for the first nine months of the year, with the Group's long-term procurement activities producing an increase in natural gas imports (6,707 million cubic meters in 2009, compared with 5,362 million cubic meters in the same period last year) and a decrease of 59.6% in domestic purchases, which accounts for virtually the entire reduction that occurred in natural gas sources as a result of the across-the-board drop in natural gas demand that occurred in Italy.

Sales and Marketing

Unit sales of natural gas grew to 2,878 million cubic meters, for an increase of 7% compared with the third quarter of 2008 (2,689 million cubic meters), as gains in sales to residential and industrial users more than offset a decrease in deliveries to thermoelectric users, which were down 7.7%.
Cumulative unit sales for the first nine months of 2009 totaled 9,729 million cubic meters (10,175 million cubic meters in the same period last year). More specifically, sales were up 24.5% and 1.9%, respectively, for residential and industrial users, but decreased by 17.7% in the thermoelectric segment, due to a nationwide drop in demand for electric power.
Other sales to wholesalers and volumes traded on the virtual exchange facility totaled 446 million cubic meters (805 million cubic meters in 2008).

Operating Performance

In the third quarter of 2009, sales revenues amounted to 660 million euros, or 35.7% less than in the same period last year. As explained above, this decrease is largely the result of a sharp reduction in the average unit price of natural gas produced by the pricing mechanisms explained earlier in this Report, offset in part by an increase in unit sales.
EBITDA totaled 51 million euros, or 13.6% less than the 59 million euros earned in the same period a year ago. This decrease reflects the impact of a reduction in volume and prices for natural gas and oil produced in Italy, offset in part by the incremental EBITDA generated by the investment in the Abu Qir concession.

Sales revenues for the first nine months of 2009 amounted to 3,002 million euros. The decrease of 13.5% compared with the same period last year is due to the reduction in unit sales mentioned above and to the lower average unit prices charged for natural gas.
At 274 million euros, EBITDA were 2.2% higher than the 268 million euros earned in the first nine months of 2008.

Capital Investments

In the third quarter of 2009, capital investments totaled 47 million euros, or about 24 million euros less than in the same period last year. The amount for the first nine months of the year (about 1,186 million euros) includes 1,011 million euros invested to acquire the Abu Qir concession in Egypt.
The main investments in Italy included 15 million euros for the development of new storage fields in S. Potito and Cotignola (RA), 6 million euros for a work-over of the Giovanna field in the Adriatic Sea, 7 million euros to expand the Collalto and Cellino field, 4 million euros for the hookup of the Accettura 2 (MT) well, 2 million euros for the development of a new field in Capparuccia (AP) and 5 million euros to refit the Vega ship.
Investment projects in Egypt focused on the Rosetta concession (29 million euros), where six new wells were brought on stream, and the Abu Qir concession (38 million euros), where the NAQ PII-2 and NAQ 8 wells were drilled and successfully tested and the preparatory work required for the hookup of these wells with the existing WAQ_PI platform got under way.
In Algeria, 22 million euros were used to develop and bring into production the Reggane and Azrafil fields and, in Croatia, work on the offshore platforms needed to begin production from six wells continued, at a cost of 35 million euros.

Exploration Activities

Exploration investments totaled 8 million euros in the third quarter of 2009, for a net increase of about 9 million euros compared with the same period last year. In the first nine months of 2009, the Group invested about 63 million euros in exploration. Virtually the entire amount was allocated to projects outside Italy, which included completing five wells in the Reggane block in Algeria (22 million euros), drilling activity in the WWER and SAER blocks and developing a 3D seismic map of the SAER block in Egypt (20 million euros), and drilling the AQB4-1 and AQB4-2 wells in Block 4 in Qatar (15 million euros).

Corporate Activities and Other Segments

Financial Highlights

(in millions of euros)

2008 full year		9 months 2009	9 months 2008	% change	3rd quarter 2009	3rd quarter 2008	% change
77	**Sales revenues**	**38**	**57**	**(33.3%)**	**12**	**19**	**(36.8%)**
(88)	EBITDA	(76)	(55)	(38.2%)	(29)	(19)	(52.6%)
n.m.	*as a % of sales revenues*	*n.m.*	*n.m.*		*n.m.*	*n.m.*	
21	Capital investments	7	16	(56.3%)	3	6	(50.0%)
605	Number of employees (1)	614	1,300	1.5%			

(1) End-of-period data. The changes are computed against the data at December 31, 2008.

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. The Water Distribution and Treatment operations (IWH), which were included in Corporate Activities at the beginning of 2008, were divested in November 2008.

Consequently, the data for the third quarter of 2008 and the cumulative data for 2008 include the contribution of the divested operations.

In the first nine months of 2009, cumulative revenues totaled 38 million euros and reported EBITDA were negative by 76 million euros.

RISKS AND UNCERTAINTY MANAGEMENT

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

INTERCOMPANY AND RELATED PARTY TRANSACTIONS

Please consult the section of the *Operating Performance*, Financial Results and Financial Position of the Group entitled Intercompany and Related Party Transactions, which provides information on material transactions with related parties.

OPERATING PERFORMANCE, FINANCIAL RESULTS AND FINANCIAL POSITION OF THE GROUP

at September 30, 2009

Balance Sheet

09.30.2008	(in millions of euros)	See Note	09.30.2009	12.31.2008
	ASSETS			
7,451	Property, plant and equipment	1	7,509	7,416
11	Investment property	2	14	14
3,521	Goodwill	3	3,538	3,521
282	Hydrocarbon concessions	4	1,241	273
33	Other intangible assets	5	41	47
48	Investments in associates	6	48	51
231	Available-for-sale investments	6	306	248
140	Other financial assets	7	97	92
78	Deferred-tax assets	8	83	84
63	Other assets	9	33	63
11,858	**Total non-current assets**		**12,910**	**11,809**
396	Inventories		342	304
2,204	Trade receivables		1,994	2,330
7	Current-tax assets		7	14
571	Other receivables		468	422
29	Current financial assets		44	26
217	Cash and cash equivalents		316	188
3,424	**Total current assets**	10	**3,171**	**3,284**
-	**Assets held for sale**		**-**	**-**
15,282	**Total assets**		**16,081**	**15,093**
	LIABILITIES AND SHAREHOLDERS' EQUITY			
5,292	Share capital		5,292	5,292
655	Equity reserves		647	480
1,176	Other reserves		1,124	1,171
(6)	Reserve for currency translations		3	(3)
623	Retained earnings (Loss carryforward)		711	623
219	Profit (Loss)		203	346
7,959	**Total Group interest in shareholders' equity**		**7,980**	**7,909**
116	Minority interest in shareholders' equity		179	164
8,075	**Total shareholders' equity**	11	**8,159**	**8,073**
67	Provision for employee severance indemnities and provisions for pensions	12	65	65
566	Provision for deferred taxes	13	581	519
1,002	Provisions for risks and charges	14	773	777
1,196	Bonds	15	1,899	1,198
1,067	Long-term financial debt and other financial liabilities	16	2,242	1,101
30	Other liabilities	17	34	30
3,928	**Total non-current liabilities**		**5,594**	**3,690**
39	Bonds		37	9
845	Short-term financial debt		482	899
1,663	Trade payables		1,242	1,659
78	Current taxes payable		55	54
654	Other liabilities		512	709
3,279	**Total current liabilities**	18	**2,328**	**3,330**
-	**Liabilities held for sale**		**-**	**-**
15,282	**Total liabilities and shareholders' equity**		**16,081**	**15,093**

An analysis of transactions with related parties is discussed in a separate disclosure provided in the section of this Report entitled "Intercompany and Related-Party Transactions."

Income Statement

2008 full year (*)	(in millions of euros)	See Note	9 months 2009 (*)	9 months 2008 (*)	3rd quarter 2009 (*)	3rd quarter 2008 (*)
10,064	Sales revenues	19	6,501	7,190	1,912	2,277
665	Other revenues and income	20	348	450	122	132
10,729	**Total net revenues**		**6,849**	**7,640**	**2,034**	**2,409**
(8,863)	Raw materials and services used (-)	21	(5,543)	(6,268)	(1,576)	(1,956)
(223)	Labor costs (-)	22	(178)	(163)	(62)	(53)
1,643	**EBITDA**	23	**1,128**	**1,209**	**396**	**400**
(782)	Depreciation, amortization and writedowns (-)	24	(566)	(536)	(188)	(169)
861	**EBIT**		**562**	**673**	**208**	**231**
(100)	Net financial income (expense)	25	(117)	(104)	(37)	(41)
-	Income from (Expense on) equity investments	26	2	-	1	-
(31)	Other income (expense), net	27	1	(43)	(1)	(1)
730	**Profit before taxes**		**448**	**526**	**171**	**189**
(379)	Income taxes	28	(233)	(299)	(83)	(65)
351	**Profit (Loss) from continuing operations**		**215**	**227**	**88**	**124**
(4)	Profit (Loss) from discontinued operations		-	(4)	-	(1)
347	**Profit (Loss)**		**215**	**223**	**88**	**123**
	Broken down as follows:					
1	Minority interest in profit (loss)		12	4	7	6
346	**Group interest in profit (loss)**		**203**	**219**	**81**	**117**
	Earnings per share (in euros) (**)	29				
0.0647	Basic earnings per common share		0.0378	0.0408		
0.0947	Basic earnings per savings share		0.0678	0.0708		
0.0647	Diluted earnings per common share		0.0378	0.0408		
0.0947	Diluted earnings per savings share		0.0678	0.0708		

(*) Net revenues and raw materials and services used reflect a new presentation of trading activities that recognizes only the resulting "trading margin" (net presentation).
(**) Computed only on the Group's interest in the profit for the corresponding period.

An analysis of transactions with related parties is discussed in a separate disclosure provided in the section of this Report entitled "Intercompany and Related-Party Transactions."

Other Components of the Comprehensive Income Statement

2008 full year	(in millions of euros)	See Note	9 months 2009	9 months 2008	3rd quarter 2009	3rd quarter 2008
347	**Profit (Loss) (Minority and Group interest)**		**215**	**223**	**88**	**123**
	Other components of comprehensive income:					
(268)	- Change in the cash flow hedge reserve	11	206	14	(13)	18
(16)	- Profit (loss) from available-for-sale financial assets	11	3	(12)	4	-
-	- Differences on the translation of assets in foreign currencies		6	(1)	1	-
2	- Pro rata interest in other components of comprehensive income of investee companies		-	-	-	-
99	Income taxes attributable to other components of comprehensive income (-)		(76)	(4)	5	(7)
(183)	**Total other components of comprehensive income net of taxes**		**139**	**(3)**	**(3)**	**11**
164	**Total comprehensive profit (loss)**		**354**	**220**	**85**	**134**
	Broken down as follows:					
1	Minority interest in comprehensive profit (loss)		12	4	7	6
163	**Group interest in comprehensive profit (loss)**		**342**	**216**	**78**	**128**

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 2009 compared with the corresponding data for the same period in 2008. 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.

2008 full year	(in millions of euros)	9 months 2009	9 months 2008
350	Profit (Loss) from continuing operations	203	223
(4)	Profit (Loss) from discontinued operations	-	(4)
1	Minority interest in profit (loss) from continuing operations	12	4
347	**Profit (Loss)**	**215**	**223**
782	Amortization, depreciation and writedowns	566	536
(1)	Interest in the result of companies valued by the equity method (-)	-	-
2	Dividends received from companies valued by the equity method	1	-
(5)	(Gains) Losses on the sale of non-current assets	(2)	(10)
(3)	Change in the provision for employee severance indemnities	-	(1)
(584)	Change in other operating assets and liabilities	(174)	(267)
538	**A. Cash flow from continuing operations**	**606**	**481**
(644)	Additions to intangibles and property, plant and equipment (-)	(1,527)	(379)
(232)	Additions to non-current financial assets (-)	(128)	(209)
48	Proceeds from the sale of intangibles and property, plant and equipment	24	39
373	Proceeds from the sale of non-current financial assets	-	243
(1)	Other current assets	(18)	(4)
(456)	**B. Cash used in investing activities**	**(1,649)**	**(310)**
386	Receipt of new medium-term and long-term loans	2,074	196
(161)	Redemption of new medium-term and long-term loans (-)	(478)	(27)
3	Capital contributions provided by controlling companies or other shareholders	-	3
(281)	Dividends paid to controlling companies or minority shareholders (-)	(278)	(281)
71	Change in short-term debt	(143)	67
18	**C. Cash used in financing activities**	**1,175**	**(42)**
-	**D. Liquid assets from changes in the scope of consolidation**	**(4)**	**-**
-	**E. Net currency translation differences**	**-**	**-**
(15)	**F. Net cash flow from operating assets of discontinued operations**	**-**	**(15)**
85	**G. Net cash flow for the period (A+B+C+D+E+F)**	**128**	**114**
103	**H. Cash and cash equivalents at the beginning of the period**	**188**	**103**
188	**I. Cash and cash equivalents at the end of the period (G+H)**	**316**	**217**
188	**L. Total cash and cash equivalents at end of period (I)**	**316**	**217**
-	**M. (-) Cash and cash equivalents of discontinued operations**	**-**	**-**
188	**N. Cash and cash equivalents of continuing operations (L-M)**	**316**	**217**

An analysis of transactions with related parties is discussed in a separate disclosure provided in the section of this Report entitled "Intercompany and Related-Party Transactions."

Changes in Consolidated Shareholders' Equity

(in millions of euros)	Share capital	Statutory reserve	Other reserves and retained earnings (loss carry-forward)	Differences on the translation of assets in foreign currency	Cash flow hedge reserve	Reserve for available-for-sale investments	Profit (Loss)	Group interest in shareholders' equity	Minority interest in shareholders' equity	Total shareholders' equity
Balance at December 31, 2007	**5,292**	**49**	**2,161**	**(5)**	**(1)**	**11**	**497**	**8,004**	**147**	**8,151**
Share capital increase	-	-	-	-	-	-	-	-	3	3
Appropriation of the previous year's profit	-	23	474	-	-	-	(497)	-	-	-
Dividends distributed	-	-	(268)	-	-	-	-	(268)	(13)	(281)
Change in the scope of consolidation	-	-	-	-	-	-	-	-	(25)	(25)
Adjustments required by IAS 32 and IAS 39	-	-	-	-	9	(11)		(2)	-	(2)
Difference from translation of financial statements in foreign currencies and sundry items	-	-	7	(1)	-	-	-	6	-	6
Net profit from 01.01.2008 to 09.30.2008	-	-	-	-	-	-	219	219	4	223
Balance at September 30, 2008	**5,292**	**72**	**2,374**	**(6)**	**8**	**-**	**219**	**7,959**	**116**	**8,075**
Change in the scope of consolidation	-	-	-	-	-	-	-	-	51	51
Adjustments required by IAS 32 and IAS 39	-	-	-	-	(179)	(4)	-	(183)	-	(183)
Difference from translation of financial statements in foreign currencies and sundry items	-	-	3	3	-	-	-	6	-	6
Net profit from 10.01.2008 to 12.31.2008	-	-	-	-	-	-	127	127	(3)	124
Balance at December 31, 2008	**5,292**	**72**	**2,377**	**(3)**	**(171)**	**(4)**	**346**	**7,909**	**164**	**8,073**
Appropriation of the previous year's profit	-	19	327	-	-	-	(346)	-	-	-
Dividends distributed	-	-	(268)	-	-	-	-	(268)	(12)	(280)
Change in the scope of consolidation	-	-	(2)	-	-	-	-	(2)	15	13
Adjustments required by IAS 32 and IAS 39	-	-	-	-	130	3	-	133	-	133
Difference from translation of financial statements in foreign currencies and sundry items	-	-	(1)	6	-	-	-	5	-	5
Net profit from 01.01.2009 to 09.30.2009	-	-	-	-	-	-	203	203	12	215
Balance at September 30, 2009	**5,292**	**91**	**2,433**	**3**	**(41)**	**(1)**	**203**	**7,980**	**179**	**8,159**

NOTES TO THE QUARTERLY REPORT AT SEPTEMBER 30, 2009

Content and Presentation

The Edison Group's Quarterly Report at September 30, 2009 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 complies 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.).*

The principles of consolidation, the criteria used to translate financial statements denominated in foreign currencies, the accounting principles and the valuation criteria and estimates used to prepare this report are consistent with those applied in the preparation of the Annual Report at December 31, 2008, which should be consulted for more detailed information. Recent revisions of international accounting principles and interpretations have been applied as of January 1, 2009. None of these revisions had a material impact on the consolidated financial statements of the Group. The most significant new pronouncements, applied by Edison Group, are reviewed below:

- IAS 23 revised, which no longer allows the alternative treatment of borrowing costs (method used by Edison until December 31, 2008). As a result, effective January 1, 2009, borrowing costs directly attributable to the acquisition, construction or production of an asset must be capitalized when a significant period of time is required before the asset can be ready for its intended use or for sale.
- IAS 1 revised, which introduces new disclosure requirements provided by means of a schedule showing "Other Components of the Comprehensive Income Statement." This schedule, which supplements the income statement, lists the profit components provisionally recognized in equity, such as the change in the cash flow hedge reserve, the translation reserve and the result from available-for-sale financial assets. Earlier, information about any changes in these components could only be gleaned by analyzing the respective equity reserves.
- IFRS 8 "Operating Segments," which replaces IAS 14 "Segment Reporting." The required disclosure has been expanded to include an analysis of the products and services supplied by the enterprise and, if applicable, about major customers.
- Amendment to IFRS 2 "Share-based Payments," which introduces changes regarding plan vesting conditions and the accounting treatment of cancellations.
- Certain amendments to IAS 39 "Eligible Hedged Items" and to IAS 39 and IFRS 7 "Reclassification of Financial Assets - Effective Date and Transitional Provisions."
- IFRIC 13 "Customer Loyalty Programs" and IFRIC 14 "The Limit on a Defined Benefit Plan Asset, Minimum Funding Requirements and their Interaction."

In addition, the following international accounting principles and interpretations published in the *O.J.E.U.* during the first nine months of 2009 will go into effect in 2010:

- IFRS 3 revised, which introduces changes on how goodwill from business combinations carried out in multiple phases should be valued.
- IAS 27 revised, pursuant to which minority interest in comprehensive profit must be recognized even if this produces a loss.
- IFRIC 12 "Service Concession Arrangements," which introduces changes to the accounting treatment of regulated activities operated under a concession arrangement with regulated rate.
- IFRIC 15 "Agreements for the Construction of Real Estate."
- IFRIC 16 "Hedges of a Net Investment in a Foreign Operation."

Moreover, starting with the 2009 semiannual financial statements, the amounts shown in the income statement for revenues and raw materials and services used reflect a new presentation of trading activities that recognizes only the resulting "trading margin" (net presentation). The corresponding amounts for the first nine months of 2008, the third quarter of 2008 and the 2008 full year were restated accordingly.

The Quarterly Report at September 30, 2009 has not been audited.

Presentation Format of the Financial Statements Adopted by the Group

The presentation format of the Quarterly Report at September 30, 2009 adopted by the Group is the same as in the annual financial statements, except for the additional disclosures required by the adoption of IAS 1 revised. More specifically:

- in the Statement of Changes in Consolidated Shareholders' Equity, flows affecting the cash flow hedge reserve, the reserve for available-for-sale equity investments and the translation reserve are shown separately;
- a disclosure about "Other Components of the Comprehensive Income Statement" has been added.

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

Changes in the Scope of Consolidation Compared with December 31, 2008

The changes in the scope of consolidation that occurred in the first nine months of 2009 are reviewed below:

Electric Power Operations

- In March, Edison and Hellenic Petroleum entered into a joint venture agreement, establishing a company called Elpedison Bv (consolidated at 50% by the proportional method). Pursuant to the agreements between the parties, Edison International Holding Nv conveyed to Elpedison Bv a 65% interest in Thisvi Sa and 55 million euros, while Helpe, the Greek joint venture partner, conveyed a 50% interest in Energiaki Thessalonikis Sa (T-Power). Subsequently, Elpedison Bv purchased the remaining 50% of T-Power for 55 million euros. This transaction had no impact on the income statement. Elpedison Bv, a 50-50 joint venture of Edison International Holding Nv and Hellenic Petroleum, is consolidated at 50% by the proportional method.
  Moreover:
  - Thisvi Sa, formerly consolidated line by line at 65%, is consolidated at 50% by the proportional method as of March 31, 2009.
  - Energiaki Thessalonikis Sa (T-Power) has been added to the scope of consolidation and is consolidated at 50% as of March 31, 2009.

  The merger by absorption of Thisvi Sa into Energiaki Thessalonikis Sa (T-Power) was completed in September 2009. According to the agreements, Elpedison Bv (the main shareholder) on October sold the 21.13% of Energiaki Thessalonikis Sa (T-Power) share capital to third parties, as a result, the interest held by the Edison Group in the new company decreased to 37.5%.
- In July, a new company called Elpedison Commercial Sa was established in Greece. This company, which is a wholly owned by Elpedison Bv, is consolidated at 50% by the proportional method.
- In July, Edison Group, acting within the framework of a demerger transaction and an even exchange of equity investments, acquired 86.12% control of the Sistemi di Energia Group, in which it previously held a 40.57% interest valued by the equity method.

Hydrocarbons Operations

- In January 2009, the Edison International Spa subsidiary completed the acquisition of the line of business that includes essentially the Abu Qir concession, north of Alexandria, in Egypt, at a price of 1,011 million euros. In connection with this transaction, Abu Qir Petroleum Company, an operating company 50% owned, was established.
- On March 10, 2009, the Group closed the purchase of an 80% interest in AMG Gas Srl at a price of 25 million euros. AMG Gas Srl, which distributes natural gas to customers in the Palermo metropolitan area, is being consolidated line by line as of March 31, 2009. Goodwill totaling 16 million euros was recognized in connection with this acquisition.
- Volta Spa, which is being liquidated, was deconsolidated as of April 30, 2009.

The table below provides a preliminary overview of the impact on the Group's balance sheet of the business combinations completed in the first nine months of 2009:

(in millions of euros)	Abu Qir acquisition	AMG Gas Srl	JV Elpedison	Sistemi di Energia Group	Total Edison Group
Fair value of net acquired assets	**1,011**	**11**	**116**	**7**	**1,145**
% acquired	100%	80%	50%	86.12%	n.a.
Pro rata amount acquired by Edison	**1,011**	**9**	**58**	**6**	**1,084**
Cash outlay	1,011	25	55	-	1,091
Conveyance of a 32.5% interest in Thisvi	-	-	3	-	3
Total acquisition cost	**1,011**	**25**	**58**	**-**	**1,094**
Effects of the acquisition:					
- recognition of goodwill	-	16	-	-	16
- recognition of gain(1)	-	-	-	2	2
Effects on net financial debt:					
Cash outlay	1,011	25	55	-	1,091
Change in scope of consolidation(2)	-	(7)	47	14	54
Total effects on net financial debt	**1,011**	**18**	**102**	**14**	**1,145**

(1) The effect is determined taking into account the value of the 40.5% interest in the Sistemi di Energia Group, which was carried at 4 million euros at the time of acquisition.
(2) The effect is determined net of the change resulting from the deconsolidation of 50% of Thisvi Sa's net financial debt.

These transactions are reflected in the financial statements in accordance with IFRS 3 "Business Combinations," recognizing the acquired assets and liabilities at fair value. The resulting allocation should be viewed as temporary because, as allowed under IFRS 3, the valuation amounts will be finalized within 12 months from the date of purchase.

RISK MANAGEMENT

This chapter describes the policies and principles adopted by 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 certificates, green certificates and white certificates) and other risks related to financial instruments (foreign exchange risk, interest rate risk, credit risk and liquidity risk).
In accordance with IFRS 7 and consistent with the disclosures provided in the Report on Operations, 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 Foreign Exchange Risk Related to Commodity Transactions

Consistent with its Energy Risk Policies, the Group manages this type of risk within the limit of Economic Capital - measured in terms of Profit at Risk (PaR[1]) - approved each year by the Board of Directors for the Industrial Portfolio, which includes transactions to hedge commodity buy and sell contracts, production and assets. Therefore, the Economic Capital represents the risk capital, stated in millions of euros, allocated to cover such risks.
A simulation is carried out for the financial derivatives that hedge the Industrial Portfolio to assess the potential impact that fluctuations in the market prices of the underlying assets could have on the fair value of outstanding derivatives.
The table below shows the maximum expected negative change (amounting to 102.3 million euros) in the fair value of outstanding financial derivatives, compared with the fair value determined at September 30, 2009, over the length of the current year with a level of probability of 97.5%. In other words, compared with the fair value determined for the financial contracts outstanding at September 30, 2009, the probability of a negative variance greater than 102.3 million euros by the end of 2009 is limited to 2.5% of the scenarios.

Profit at Risk (PaR)	9 months 2009		9 months 2008	
	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%**	**102.3**	**97.5%**	**133.7**

The decrease compared with the level measured at September 30, 2008 is due to the different structure of the existing financial hedges and to a decrease in market volatility.
The hedging strategy deployed during the first nine months of 2009 enabled the Group to comply with its risk management objectives, lowering the Industrial Portfolio's commodity price risk profile within the approved limits of Economic Capital. Without hedging, the amount of Economic Capital absorbed at September 30, 2009 by the Industrial Portfolio would have been equal to 41% of the approved limit, with an average absorption for the first nine months of the year of 111%. With hedging, the amount of Economic Capital absorbed at September 30, 2009 by the Industrial Portfolio was equal to 23.5% of the approved limit, with an average absorption of 46% in the first nine months of the year.

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, separate from the Group's Industrial Portfolio. Trading Portfolios are monitored based on strict risk ceilings. As is the case for the Industrial Portfolio, compliance with these ceilings is monitored by an organizational unit independent of the trading unit. The daily VaR[2] limit with a 95% probability on the Trading Portfolios is 2.6 million euros, with a stop loss of 26.6 million euros. The VaR limit was 22% utilized at September 30, 2009 (40% at September 30, 2008) and the average utilization was 26% for the third quarter of 2009 (42% for the third quarter of 2008) and 29% for the first nine months of 2009.
As is the case for the Industrial Portfolio, an amount of Economic Capital that represents the total risk capital available to cover the commodity price risk is allocated to the entire set of Trading Portfolios.

1. Profit at risk is a statistical measurement of the maximum potential negative variance in the expected margin in response to unfavorable market moves, within a given time horizon and confidence interval.
2. 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.

In this case, the Economic Capital limit takes into account the risk capital associated with the VaR of the portfolios and the risk capital estimated by means of stress tests for possible structured or illiquid positions. The Economic Capital limit for the entire set of Trading Portfolios is 40.9 million euros. This limit was 40% utilized at September 30, 2009 (46% at September 30, 2008) and the average utilization was 39% for the third quarter of 2009 (42% for the third quarter of 2008) and 33% for the first nine months of 2009.

2. Foreign Exchange Risk Not Related to Commodity Risk

Except for the issues mentioned above in connection with commodity risk, the Group has no significant exposure to foreign exchange risk, the remaining portion of which arises mainly from the translation of the financial statements of certain foreign subsidiaries and cash flows in foreign currencies of limited amount concerning purchases of equipment. As a rule, foreign subsidiaries use the same currencies in the invoices they issue and the invoices they pay.

3. Interest Rate Risk

The Edison Group is exposed to fluctuations in interest rates specifically with regard to the measurement of debt service costs. The Group is mainly indexed to the Euribor.

Gross Financial Debt:	09.30.2009			12.31.2008		
(in millions of euros)	without derivatives	with derivatives	% with derivatives	without derivatives	with derivatives	% with derivatives
- fixed rate portion	1,420	1,149	25%	731	1,558	49%
- variable rate portion	3,240	3,511	75%	2,476	1,649	51%
Total gross financial debt	**4,660**	**4,660**	**100%**	**3,207**	**3,207**	**100%**

As shown by the breakdown in the preceding table, the Group's exposure to the risk of fluctuations in interest rates can be quantified at about 75% of its total gross exposure at September 30, 2009 (51% at December 31, 2008). The remaining 25% at fixed rates (49% at December 31, 2008) reflects both indebtedness originally at a fixed rate and derivatives executed to hedge bank borrowings and bonds payable contractually indexed to variable rates.

The interest rate risk hedging policy is based on the following approach: the Group does not execute derivative contracts for speculative purposes. On the contrary, the main objective is to minimize any volatility affecting debt service costs. The transactions in question are hedging transactions, including both transactions that qualify for hedge accounting, in accordance with IAS 39 (cash flow hedges and fair value hedges), and transactions executed as economic hedges. In both cases, the aim is to mitigate the impact of increases in the Euribor rate on borrowing costs, while continuing to benefit from any rate reductions. This objective is achieved by using hedges to establish an optimum mix of fixed and variable rates in the composition of the Group's indebtedness.

The main transactions in Edison Group's portfolio are perfect examples of the implementation of these principles. In the case of Edison Spa, most of the hedges concerned bond issues, because bonds are the most stable funding source (for a capsule description of the outstanding bond issues, see the table provided below in the section entitled "Default Risk and Debt Covenants"). For a portion of the 700-million-euro bond issue amounting to 350 million euros, derivatives were used to change the original 5.125% fixed rate into a variable rate. As for the new 700-million-euro bond issue, floated with a fixed rate, a portion equal to 500 million euros was converted to a variable rate using interest rate swaps.

The transaction executed to hedge a 500-million-euro bond issue maturing on December 10, 2010 expired on July 20, 2009. A portion of the bond issue, equal to 200 million euros, had been converted to a fixed rate, and a structure preventing the contractual rate to rise above 3.95% had been negotiated for the remaining 300 million euros.

In the case of Edipower, which received a medium/long-term syndicated financing facility of 2 billion euros (original contract value) indexed to variable rates, utilized for 1.4 billion euros (700 million euros being the pro rata amount recognized by Edison) at September 30, 2009, hedging was carried out by means of an interest rate swap that caps the interest rate at 4.20% (the hedged amount is equal to 73% of the utilized portion of the facility at September 30, 2009).

The table below provides a sensitivity analysis that shows the impact on the income statement and shareholders' equity of a hypothetical shift of the forward curve of plus or minus 50 basis points from the rates actually applied in the first nine months of 2009 and a comparison with the corresponding data for 2008.

Sensitivity analysis	**9 months 2009**			**09.30.2009**		
(in millions of euros)	impact on financial expense (P&L)			impact on cash flow hedge reserve (S.E.)		
	+50 bps	base	-50 bps	+50 bps	base	-50 bps
Edison Group	118	106	93	(21)	(25)	(29)

Sensitivity analysis	9 months 2008			12.31.2008		
(in millions of euros)	impact on financial expense (P&L)			impact on cash flow hedge reserve (S.E.)		
	+50 bps	base	-50 bps	+50 bps	base	-50 bps
Edison Group	101	105	99	(12)	(19)	(24)

4. Credit Risk

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

To control this risk (a task specifically assigned to the Credit Management Office, which is part of the Central Finance Department), the Group has implemented procedures and programs designed to evaluate customer credit worthiness (using specially designed scoring grids) and subsequently monitor the expected cash flows and any collection actions.

A program for the assignment of trade receivables without recourse on a monthly revolving basis got under way last year.

The receivables assigned without recourse totaled 1,907 million euros in the first nine months of 2009. At September 30, 2009, assigned receivables that were still exposed to recourse risk did not represent a material amount.

When it comes to choosing counterparties for transactions to manage temporary excess liquidity or execute financial hedging contracts (derivatives), the Group deals only with entities with a high credit rating. At September 30, 2009, there was no significant exposure to risks related to a possible further deterioration of the overall financial environment.

The table below shows an overview of trade receivables, the corresponding allowance for doubtful accounts and the guarantees that the Group holds to secure its receivables. The sizable decrease in trade receivables that took place between December 31, 2008 and September 30, 2009 reflects the impact of the reduction in sales revenues that occurred in the first nine months of 2009, compared with the same period last year, compounded by the impact of seasonal factors on consumption of natural gas by residential users.

(in millions of euros)	**09.30.2009**	12.31.2008
Gross trade receivables	2,112	2,406
Allowance for doubtful accounts (-)	(118)	(76)
Trade receivables	**1,994**	**2,330**
Guarantees held	580	345
Receivables 9 to 12 months in arrears	39	16
Receivables more than 12 months in arrears	97	64

Trade receivables that are delinquent on the balance sheet date are offset by corresponding allowances.

Of the receivables in arrears listed in the preceding table, 36% (9 to 12 months in arrears) and 32% (more than 12 months) are owed by agencies of the Italian public administration that are supplied by Edison Energia Spa under CONSIP contracts.

5. Liquidity Risk

The liquidity risk represents 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 - showing undiscounted nominal future cash flows, both for principal and accrued interest, required for financial liabilities, including trade accounts payable and interest rate derivatives - in which 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	09.30.2009			12.31.2008		
(in millions of euros)	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	38	37	2,068	7	50	1,266
Financial debt and other financial liabilities	237	116	2,371	277	463	1,187
Trade accounts payable	1,199	43	-	1,606	53	-
Total	**1,474**	**196**	**4,439**	**1,890**	**566**	**2,453**

The strategic goal to ensure that the Group has access at all times to sufficient committed facilities to meet its financial obligations over the ensuing 12 months is pursued concurrently with the objective of lengthening the average life of its debt, thereby stabilizing and consolidating its sources of funds.
Short-term debt (428 million euros due within a year, offset by 316 million euros in liquid assets) included 120 million euros in financing owed by two companies established by Edison and the autonomous provinces of Trent and Bolzano for the purpose of operating jointly hydroelectric power plants. In addition, about 132 million euros were owed by the Greek joint venture Energiaki Thessalonikis Sa, which absorbed Thisvi Sa in September. The Group expects that all of the abovementioned facilities, owed both by the two Italian companies and the Greek company, will be consolidated into medium-term debt. The remaining indebtedness due within one year consists mainly of amortization installments and accrued interest on medium- and long-term debt.
Lastly, at September 30, 2009, the Edison Group had access to unused committed lines of credit amounting to 966 million euros, consisting mainly of the balance of a syndicated standby credit line of 1,500 million euros that expires in 2013. At September 30, 2009, a total of 650 million euros had been drawn against this facility and recognized as financial debt due after one year. Because of the features of this credit line, additional drawdowns may be executed to lengthen the average maturity of the Group's debt.
As shown by the increase in indebtedness due after one year, compared with December 31, 2008, the Group is continuing to pursue the objective of lengthening its debt maturities. Accordingly, it secured a 600-million-euro credit line provided on a Club-Deal basis, which was discussed in the Semiannual Report at June 30, 2009. The Group will also benefit from the effect of the new 700-million-euro bond issue floated on July 22, 2009, which matures in July 2014 (see below in the next section).

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" section above).
At September 30, 2009, in addition to the two issues of Euro Medium-term Notes with a total face value of 1,200 million euros that were already outstanding at June 30, 2009 (see table below), debt securities issued by the Group included 700 million euro in new notes maturing on July 22, 2014, reserved for institutional investors, which were issued as part of a new Euro Medium-term Notes program launched on July 14, 2009.

Description	Issuer	Market where traded	ISIN Code	Term (years)	Maturity	Face value (millions of euros)	Coupon	Current rate
EMTN 12/2003	Edison Spa	Luxembourg Stock Exchange	XS0181582056	7	12.10.2010	700	Fixed, annual	5.125%
EMTN 12/2003	Edison Spa	Luxembourg Stock Exchange	XS0196762263	7	07.19.2011	500	Variable, quarterly	1.569%
EMTN 07/2009	Edison Spa	Luxembourg Stock Exchange	XS0441402681	5	07.22.2014	700	Fixed, annual	4..250%

In addition, considering the pro rata consolidation of Edipower's debt, the Group is a party to non-syndicated loan agreements totaling 374 million euros in face value and syndicated loan agreements with a total face value of 3,007 million euros, 966 million euros of which were unused at September 30, 2009.

Since nothing has changed with regard to the information provided in the Semiannual Financial Report, the Notes to the Semiannual Report at June 30, 2009 should be consulted for a detailed discussion of financial covenants. At present, there is no information available indicating that any Group company may be in a default situation or in violation of any financial covenant obligations undertaken pursuant to loan agreements.

Analysis of Forward Transactions and Derivatives

The Group engages in trading for its own account in physical energy commodities and financial derivatives based on such commodities, in a manner consistent with specific 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 included in reported EBITDA and are recognized in the income statement.
Whenever possible, the Group uses hedge accounting, provided the transactions comply with the requirements of IAS 39.

Derivative transactions can be classified as follows:

1) *Transactions that qualify as hedges in accordance with IAS 39*. They can be both transactions that hedge the risk of fluctuations in cash flow (cash flow hedges) and transactions that hedge the fair value of assets or liabilities carried on the balance sheet (fair value hedges):
   a. In the case of *cash flow hedges*, realized gains or losses are included in EBITDA for commodity transactions or recognized as financial income or expense for financial transactions. The effective portion of the projected value is reflected in a special shareholders' equity reserve. Changes that occur in this reserve during the period are analyzed in the disclosure entitled "Other Components of the Comprehensive Income Statement." The ineffective portion is recognized in the income statement.
   b. Currently, *fair value hedges* are used only for a portion of the bonds with fixed interest rate issued in July 2009. For these transactions, both the fair value of derivative (projected value) and the realized gains or losses are recognized in earnings.
2) *Transactions that do not qualify as hedges in accordance with IAS 39*. They can be:
   a. Management of interest rate risk, foreign exchange risk and energy commodities risk. For all hedging transactions that comply with internal risk policies and procedures, realized gains and losses and expected value are included in EBITDA, if they are attributable to the industrial portfolio, or recognized as financial income or expense, if they are attributable to financial transactions.
   b. Trading portfolios. As explained above, these portfolios include physical as well as financial energy commodity contracts. Both the realized results and projected value of these transactions are included in EBITDA.

Effects of Hedging and Trading Derivative Transactions on the Income Statement and Balance Sheet in the First Nine Months of 2009

The table below provides an analysis of the financial results generated by hedging and trading derivative transactions at September 30, 2009, including the impact of physical energy commodity contracts.

(in millions of euros)	Realized during the period (A)	Fair value recognized for contracts outstanding at 12.31.2008 (B)	Portion (B) realized during the period (B1)	Fair value recognized for contracts outstanding at 09.30.2009 (C)	Change in fair value during the period (D)=(C–B)	Amounts recognized in earnings (A+D)
Sales revenues and other revenues and income (see Notes 19 and 20 to the Income Statement)						
Price risk hedges for energy products						
- definable as hedges pursuant to IAS 39 (CFH)	52	-	-	1	1	53
- not definable as hedges pursuant to IAS 39	34	12	11	20	8	42
Exchange risk hedges for commodities						
- definable as hedges pursuant to IAS 39 (CFH)	-	-	-	-	-	-
- not definable as hedges pursuant to IAS 39	2	1	1	1	-	2
Margin on Trading Activities						
- Sales revenues from physical contracts included in the trading portfolios (***)	768	148	112	115	(33)	735
- Other revenues and income from derivatives included in the trading portfolios (****)	27	28	22	25	(3)	24
- Raw materials and services used from physical contracts included in the trading portfolio (***)	(766)	(144)	(111)	(100)	44	(722)
- Raw materials and services used from derivatives included in the trading portfolio (****)	(10)	(11)	8	(20)	(9)	(19)
Total margin on trading activities	*19*	*21*	*31*	*20*	*(1)*	*18*
Total (A)	**107**	**34**	**43**	**42**	**8**	**115**
Raw materials and services used (see Note 21 to the Income Statement)						
Price risk hedges for energy products						
- definable as hedges pursuant to IAS 39 (CFH)	(181)	(5)	(4)	(1)	4	(177)
- not definable as hedges pursuant to IAS 39	(27)	(20)	(14)	(8)	12	(15)
Exchange risk hedges for commodities						
- definable as hedges pursuant to IAS 39 (CFH) (*) (**)	8	1	1	-	(1)	7
- not definable as hedges pursuant to IAS 39	(5)	-	-	(6)	(6)	(11)
Total (B)	**(205)**	**(24)**	**(17)**	**(15)**	**9**	**(196)**
TOTAL INCLUDED IN EBITDA (A+B)	**(98)**	**10**	**26**	**27**	**17**	**(81)**
Interest rates hedges, broken down as follows:						
Financial income						
- definable as hedges pursuant to IAS 39 (CFH)	2	1	1	-	(1)	1
- definable as hedges pursuant to IAS 39 (FVH)	-	-	-	4	4	4
- not definable as hedges pursuant to IAS 39	15	16	5	27	11	26
Total financial income (C)	**17**	**17**	**6**	**31**	**14**	**31**
Financial expense						
- definable as hedges pursuant to IAS 39 (CFH)	(12)	-	-	-	-	(12)
- definable as hedges pursuant to IAS 39 (FVH)	-	-	-	-	-	-
- not definable as hedges pursuant to IAS 39	(21)	(10)	(2)	(5)	5	(16)
Total financial expense (D)	**(33)**	**(10)**	**(2)**	**(5)**	**5**	**(28)**
Margin on interest rate hedging transactions (C+D)=(E)	**(16)**	**7**	**4**	**26**	**19**	**3**
Foreign exchange rates hedges broken down as follows:						
Foreign exchange gains						
- definable as hedges pursuant to IAS 39	-	-	-	-	-	-
- not definable as hedges pursuant to IAS 39	3	-	-	-	-	3
Total foreign exchange gains (F)	**3**	**-**	**-**	**-**	**-**	**3**
Foreign exchange losses						
- definable as hedges pursuant to IAS 39	(10)	-	-	-	-	(10)
- not definable as hedges pursuant to IAS 39	(6)	(1)	-	(1)	-	(6)
Total foreign exchange losses (G)	**(16)**	**(1)**	**-**	**(1)**	**-**	**(16)**
Margin on foreign exchange hedging transactions (F+G)=(H)	**(13)**	**(1)**	**-**	**(1)**	**-**	**(13)**
TOTAL INCLUDED IN NET FINANCIAL INCOME (EXPENSE) (E+H) (see Note 25 to the Income Statement)	**(29)**	**6**	**4**	**25**	**19**	**(10)**

(*) Includes the effective portion included in Raw materials and services used (Note 21 to the Income Statement) for purchases of natural gas.
(**) Includes the ineffective portion.
(***) Amounts included in Sales revenues (Note 19 to the Income Statement) under margin on trading activities.
(****) Amounts included in Other revenues and income (Note 20 to the Income Statement) under margin on trading activities.

The table below provides a breakdown of the amounts recognized in the balance sheet following the measurement at fair value of the derivatives outstanding at September 30, 2009:

(in millions of euros)	09.30.2009		12.31.2008	
	Receivables	Payables	Receivables	Payables
Foreign exchange transactions	3	(66)	32	(56)
Interest rate transactions	32	(32)	11	(24)
Commodity transactions	219	(168)	201	(418)
Fair value recognized as current assets or current liability	**254**	**(266)**	**244**	**(498)**
Broken down as follows:				
- recognized as "Trade receivables and payables"	115	(100)	148	(144)
- recognized as "Other receivables and payables"	107	(134)	85	(329)
- recognized as "Current financial assets" and "Short-term financial debt"	32	(32)	11	(25)

With regard to the items listed above, please note that the receivables and payables shown are offset by a negative cash flow hedge reserve amounting to 64 million euros, before the corresponding deferred-tax assets and liabilities.

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 and reviewed by the Board of Directors to manage the Group's business activities and for management reporting, planning and control purposes.

With regard to information by geographic regions, it is important to note that the Edison Group began to significantly expand its international operations, making substantial investments in property, plant and equipment, including power plants acquired and under construction in Greece (with a net carrying value of 168 million euros at September 30, 2009) and infrastructural projects and mineral leases for hydrocarbon production in foreign countries (valued at 1,355 million euros at September 30, 2009). Currently, the contribution provided by the foreign operations is about 5% of the EBITDA.

As for the disclosure about major customers, two customers of the Electric Power Operations generate considerable revenues, which totaled 2,087 million euros in the first nine months of 2009.

INCOME STATEMENT	Electric Power		Hydrocarbons		Corporate activities and other segments		Disposal Group		Adjustments		Edison Group	
(in millions of euros)	9 months 2009	9 months 2008	9 months 2009	9 months 2008	9 months 2009	9 months 2008	9 months 2009	9 months 2008	9 months 2009	9 months 2008	9 months 2009	9 months 2008
Sales Revenues	**4,824**	**5,663**	**3,002**	**3,470**	**38**	**57**	**-**	**-**	**(1,363)**	**(2,000)**	**6,501**	**7,190**
- Intra-Group Revenues	5	3	1,329	1,970	29	27	-	-	(1,363)	(2,000)	-	-
EBITDA	**930**	**996**	**274**	**268**	**(76)**	**(55)**	**-**	**-**	**-**	**-**	**1,128**	**1,209**
as a % of revenues	19.3%	17.6%	9.1%	7.7%	n.m.	n.m.	-	-	-	-	17.4%	16.8%
Depreciation, amortization and writedowns	(391)	(412)	(168)	(115)	(7)	(9)	-	-	-	-	(566)	(536)
EBIT	**539**	**584**	**106**	**153**	**(83)**	**(64)**	**-**	**-**	**-**	**-**	**562**	**673**
as a % of revenues	11.2%	10.3%	3.5%	4.4%	n.m.	n.m.	-	-	-	-	8.6%	9.4%
Net financial income (expense)											(117)	(104)
Interest in result of companies valued by equity method											-	-
Income taxes											(233)	(299)
Profit (Loss) from continuing operations											**215**	**227**
Profit (Loss) from discontinued operations							**-**	**(4)**			**-**	**(4)**
Minority interest in profit (loss)											**12**	**4**
Group interest in profit (loss)											**203**	**219**

BALANCE SHEET (in millions of euros)	Electric Power		Hydrocarbons		Corporate activities and other segments		Disposal Group		Adjustments		Edison Group	
	09.30.09	12.31.08	09.30.09	12.31.08	09.30.09	12.31.08	09.30.09	12.31.08	09.30.09	12.31.08	09.30.09	12.31.08
Total assets	**11,559**	**11,948**	**3,986**	**3,366**	**5,212**	**3,302**	**-**	**-**	**(4,676)**	**(3,523)**	**16,081**	**15,093**
Total liabilities	**4,157**	**3,958**	**2,583**	**2,111**	**3,906**	**2,674**	**-**	**-**	**(2,724)**	**(1,723)**	**7,922**	**7,020**
Net Financial Debt											**4,222**	**2,920**

OTHER INFORMATION (in millions of euros)	Electric Power		Hydrocarbons		Corporate activities and other segments		Disposal Group		Adjustments		Edison Group	
	9 months 2009	9 months 2008	9 months 2009	9 months 2008	9 months 2009	9 months 2008	9 months 2009	9 months 2008	9 months 2009	9 months 2008	9 months 2009	9 months 2008
Capital expenditures	267	153	175	167	2	10	-	-	-	-	444	330
Investments in exploration	-	-	63	39	-	-	-	-	-	-	63	39
Investments in intangibles	4	4	1,011	-	5	6	-	-	-	-	1,020	10
Total capital investments	**271**	**157**	**1,249**	**206**	**7**	**16**	**-**	**-**	**-**	**-**	**1,527**	**379**

	Electric Power		Hydrocarbons		Corporate activities and other segments		Disposal Group		Adjustments		Edison Group	
	09.30.09	12.31.08	09.30.09	12.31.08	09.30.09	12.31.08	09.30.09	12.31.08	09.30.09	12.31.08	09.30.09	12.31.08
Number of employees	**1,935**	**1,849**	**1,348**	**507**	**614**	**605**	**-**	**-**	**-**	**-**	**3,897**	**2,961**

NOTES TO THE BALANCE SHEET

Assets

1. Property, Plant and Equipment

The table that follows shows the main changes that occurred in the first nine months of 2009:

(in millions of euros)	Land and buildings	Plant and machinery	Manufact. and distrib. equipment	Other assets	Constr. in progress and advances	Total
Balance at 12.31.2008 (A)	**853**	**6,114**	**12**	**4**	**433**	**7,416**
Changes in the first nine months of 2009:						
- Additions	3	60	1	-	380	444
- Disposals (-)	(7)	(18)	-	-	(2)	(27)
- Depreciation (-)	(31)	(412)	(2)	(1)	-	(446)
- Writedowns (-)	-	(6)	-	-	-	(6)
- Restatement of decommisioning costs	-	3	-	-	-	3
- Change in scope of consolidation	9	145	-	-	(21)	133
- Other changes	3	100	-	1	(112)	(8)
Total changes (B)	**(23)**	**(128)**	**(1)**	**-**	**245**	**(43)**
Balance at 09.30.2009 (A+B)	**830**	**5,986**	**11**	**4**	**678**	**7,509**

The changes that occurred in the first nine months of 2009 included:

- **Additions** of 444 million euros. A breakdown by business segment is as follows:

(in millions of euros)		9 months 2009	9 months 2008
Electric Power Operations		**267**	**153**
broken down as follows:	- thermoelectric area	140	92
	- hydroelectric area	44	32
	- renewable sources (wind power, photovoltaic, etc.)	83	29
Hydrocarbons Operations		**175**	**167**
broken down as follows:	- hydrocarbon fields in Italy	24	58
	- hydrocarbon fields outside Italy	123	83
	- transmission and storage facilities	28	26
Corporate Activities and Other Segments		**2**	**10**
Total for the Group		**444**	**330**

- **Disposals** of 27 million euros, which refer mainly to buildings belonging to the hydrocarbons operations and partly to facilities of the electric power operations. In the aggregate, these transactions generated a net gain of 2 million euros.
- The **change in the scope of consolidation,** which reflects primarily the impact of the joint venture transaction with Hellenic Petroleum and the acquisition of the Sistemi di Energia Group.
- **Writedowns** of 6 million euros, which refer to development investments by the hydrocarbons operations that failed to produce the expected production results.

The amount of financial expense capitalized as an addition to property, plant and equipment in accordance with IAS 23 (revised) was less than 1 million euros.

In addition, the net carrying amount of property, plant and equipment includes:

- **Assets transferable at no cost** with an aggregate value of 494 million euros (535 million euros at December 31, 2008) related mainly to concessions held by the Edison Group (71 hydroelectric concessions and 61 natural gas and water distribution concessions). In the third quarter of 2009, the number of hydroelectric concessions held by the Group increased by three, due to the acquisition of the Sistemi di Energia Group.
- **Assets acquired under finance leases** totaling 93 million euros (97 million euros at December 31, 2008), which are recognized in accordance with the IAS 17 (revised) method. The balance outstanding on finance leases, which amounted to 1 million euros, is shown under "Short-term financial debt."

2. Investment Property

The Group's investment property, which consists of land and buildings that are not used for production purposes, totaled 14 million euros, unchanged compared with December 31, 2008. The depreciation for the period amounted to less than 1 million euros.

3. Goodwill

Goodwill totaled 3,538 million euros, or 17 million euros more than at December 31, 2008. The most of this increase is due to the acquisition of an 80% interest in AMG Gas Srl.
The goodwill balance 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.

Allocation of goodwill

(in millions of euros)	09.30.2009	12.31.2008	Change
- Electric power operations	2,838	2,839	(1)
- Hydrocarbons operations	700	682	18
Total	**3,538**	**3,521**	**17**

No impairment indicators that affected the value of goodwill were detected in the first nine months of 2009.

4. Hydrocarbons Concessions

Concessions for the production of hydrocarbons, which include 84 mineral leases in Italy and abroad (including 3 storage concessions) for the extraction of hydrocarbon deposits, were valued at 1,241 million euros at September 30, 2009, for a net increase of 968 million euros over December 31, 2008 (the amortization for the period amounted to 43 million euros). The change is due mainly to the award to the Edison Group of a concession conveying exploration, production and development rights for the Abu Qir offshore field in Egypt, which required an investment of 1,011 million euros. During the period, the Group was also awarded a storage permit for the San Potito and Cotignola fields.

5. Other Intangible Assets

The balance of 41 million euros shown for patents, licenses and similar rights refers mainly to software licenses. Hydrocarbon research and exploration costs, which were charged in full to income, totaled 63 million euros in the first nine months of 2009. The increase of 24 million euros compared with the same period in 2008 reflects the growth of the Group's international exploration activities. In the first nine months of 2009, no amount was capitalized as a result of successful exploration and subsequent development activities, as required by IFRS 6.

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

The total includes 48 million euros in investments in companies valued by the equity method and 306 million euros in available-for-sale investments. The latter amount includes an investment in RCS Mediagroup Spa (11 million euros) and a 10% interest in Terminale GNL Adriatico Srl (278 million euros). The latter company owns the offshore regasification terminal located near Porto Viro (RO).
The table below shows the main changes that occurred in the first nine months of 2009:

(in millions of euros)	Investments in associates	Available-for-sale investments	Total
Balance at 12.31.2008 (A)	**51**	**248**	**299**
Changes in the first nine months of 2009:			
- Changes in share capital	2	46	48
- Revaluations and valuations at equity (-)	(1)	3	2
- Reclassifications and other changes (+/-)	(4)	9	5
Total changes (B)	**(3)**	**58**	**55**
Balance at 09.30.2009 (A+B)	**48**	**306**	**354**

An analysis of the changes that occurred during the first nine months of 2009 is provided below:

- **Changes in share capital** totaling 48 million euros refer to Terminale GNL Adriatico Srl (46 million euros) and Galsi Spa (2 million euros). The latter is working on the underwater natural gas pipeline linking Algeria, Sardinia and Tuscany.
- **Revaluations and valuations at equity,** positive on balance by 2 million euros, reflect for the most part the impact of marking to market the investment in RCS, with the resulting gain recognized in equity.

Reclassifications and other changes include a decrease of 4 million euros in investments in associates that reflects the acquisition of a controlling interest in the Sistemi di Energia Group, which is now consolidated line by line.

7. Other Financial Assets

Other financial assets, which totaled 97 million euros, consist of loans receivable due after one year. This item includes the following:

- a 78-million-euro receivable under a finance lease for the Ibiritermo power plant recognized as required by IFRIC 4;
- 14 million euros for an interest-bearing escrow deposit provided in connection with the sale of investments in associates, the disbursement of which depends on changes in CIP 6/92 regulations;
- 5 million euros for other long-term financial receivables, which include 4 million euros in bank deposits that secure project financing facilities.

8. Deferred-tax Assets

Deferred-tax assets, which were valued based on realistic assumptions that they would be realized and produce tax benefits within the limited time horizon covered by the industrial plans approved by Group companies, amounted to 83 million euros (84 million euros at December 31, 2008). They reflect:

- taxed provisions for risks for 30 million euros;
- differences in the valuation of property, plant and equipment for 28 million euros;
- a tax loss carryforward of 8 million euros;

with differences stemming from the adoption of IAS 39 accounting for the balance.

The increase of one percentage point in the corporate income tax surcharge (the so-called Robin Hood Tax) caused deferred-tax assets to grow by 10 million euros. However, the impact on income statements, keeping in mind the rise in deferred-tax liabilities, was negative for 11 million euros.

9. Other Assets

Other assets totaled 33 million euros (63 million euros at December 31, 2008). The components of this account are:

- tax refunds receivable of 17 million euros, net of an allowance for doubtful accounts of 1 million euros and including accrued interest through September 30, 2009;
- sundry receivables of 16 million euros, consisting mainly of security deposits.

10. Current Assets

A breakdown of current assets is provided below:

(in millions of euros)	09.30.2009	12.31.2008	Change
Inventories	342	304	38
Trade receivables	1,994	2,330	(336)
Current-tax assets	7	14	(7)
Other receivables	468	422	46
Current financial assets	44	26	18
Cash and cash equivalents	316	188	128
Total current assets	**3,171**	**3,284**	**(113)**

A review of the individual components is provided below:

- A breakdown of **inventories** by business segment is as follows:

(in millions of euros)	Engineering consumables	Stored natural gas	Fuel oil	Other materials	Total at 09.30.2009	Total at 12.31.2008	Change
Electric power operations	45	-	26	4	75	56	19
Hydrocarbons operations	12	250	5	-	267	248	19
Total for the Group	**57**	**250**	**31**	**4**	**342**	**304**	**38**

The increase compared with December 31, 2008 refers mainly to changes in the inventory of stored natural gas, that includes the Qatar natural gas, from August, due to the test activities of the Porto Viro regasification terminal, owned by Terminale LNG Adriatico Srl.
Inventories include strategic natural gas reserves, valued at 20 million euros, the use of which is restricted.

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

(in millions of euros)	09.30.2009	12.31.2008	Change
Electric power operations	1,751	1,739	12
Hydrocarbons operations	377	834	(457)
Corporate activities and other segments and eliminations	(134)	(243)	109
Total trade receivables	**1,994**	**2,330**	**(336)**
Allowance for doubtful accounts	**(118)**	**(76)**	**(42)**

Trade receivables stem from contracts to supply electric power and steam, contracts to supply natural gas, contracts to sell natural gas and Power Exchange transactions.
The decrease of 336 million euros is attributable mainly to hydrocarbons operations that reflects the impact of seasonal factors on consumption of natural gas by residential users.
The trade receivable balance includes 115 million euros for the fair value of physical energy commodity contracts included in the trading portfolios.
Moreover, during the first nine months of 2009, the Group executed transactions assigning without recourse trade receivables totaling 1,907 million euros.

- **Current-tax assets** of 7 million euros includes amounts owed by the tax authorities for overpayments of corporate income taxes (IRES) and local income taxes (IRAP) by companies that are not included in the consolidated income tax return filed by Transalpina di Energia Srl, the Group's controlling company.
- **Other receivables,** which totaled 468 million euros, include 107 million euros in receivables arising from the valuation of derivatives. The balance consists mainly of:
  - advances to suppliers for 60 million euros (including amounts paid under take-or-pay clauses for about 23 million euros);
  - amounts owed by partners and associates in hydrocarbon exploration projects (46 million euros);
  - receivables from public local entities (64 million euros);
  - amounts owed by the controlling company (Transalpina di Energia Srl) in connection with the filing of the consolidated income tax return (16 million euros).
- A breakdown of **current financial assets,** all of which are included in the computation of the Group's net financial debt, is provided below:

(in millions of euros)	09.30.2009	12.31.2008	Change
Equity investments held for trading	9	7	2
Loans receivable	3	8	(5)
Derivatives	32	11	21
Total current financial assets	**44**	**26**	**18**

A more detailed presentation of the overall effects of financial derivatives (32 million euros) is provided in a separate section of these Notes.

- **Cash and cash equivalents** of 316 million euros consist of short-term deposits in bank and postal accounts and other short-term investments. At September 30, 2009, the impact of the change in consolidation was negative by 4 million euros.

11. Group Interest and Minority Interest in Shareholders' Equity

The Group's interest in shareholders' equity amounted to 7,980 million euros. The increase of 71 million euros, compared with the beginning of the year, is the net result of the profit earned in the first nine months of 2009 (203 million euros), the distribution of dividends totaling 268 million euros (equal to a dividend of 0.05 euros per common share and 0.08 euros per savings share) and a reduction of 130 million euros in the negative balance of the cash flow hedge reserve.

Minority interest in shareholders' equity increased to 179 million euros, or 15 million euros more than at December 31, 2008 (164 million euros), due mainly to the impact of a change in the scope of consolidation resulting from the allocation of an interest in Energiaki Thessalonikis Sa (T-Power) to minority shareholders (15 million euros) and the profit for the period (12 million euros), offset in part by the distribution of dividends attributable to minority shareholders (12 million euros).

A breakdown of the 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	5,181,108,251	5,181
Savings shares	110,592,420	111
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 32 and IAS 39 for the accounting treatment of derivatives. The change refers mainly 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.

Cash flow hedge reserve

(in millions of euros)	Gross reserve	Deferred taxes	Net reserve
Reserve at December 31, 2008	(270)	99	(171)
Changes in the first nine months of 2009	206	(76)	130
Reserve at September 30, 2009	**(64)**	**23**	**(41)**

The table below shows the changes that occurred in the reserve for available-for-sale investments, which refers mainly to RCS Mediagroup Spa:

Reserve for available-for-sale investments

(in millions of euros)	Gross reserve	Deferred taxes	Net reserve
Reserve at December 31, 2008	(4)	-	(4)
Changes in the first nine months of 2009	3	-	3
Reserve at September 30, 2009	**(1)**	**-**	**(1)**

12. Provision for Employee Severance Indemnities and Provisions for Pensions

These provisions reflect the severance indemnities and other employee benefits accrued at September 30, 2009. A valuation in accordance with the actuarial criteria of IAS 19 was performed only for the liability corresponding to the provision for employee severance indemnities that is still held by the Company. The table below shows the changes that occurred in the first half of 2009:

(in millions of euros)	Provision for severance indemnities	Provisions for pensions	Total
Balance at December 31, 2008 (A)	**56**	**9**	**65**
Changes in the nine months of 2009:			
- Financial expense	1	1	2
- Actuarial (gains) losses (+/-)	-	-	-
- Utilizations (-)/Other changes	(2)	-	(2)
Total changes (B)	**(1)**	**1**	**-**
Total at September 30, 2009 (A+B)	**55**	**10**	**65**

13. Provision for Deferred Taxes

The balance of 581 million euros reflects mainly the deferred tax liability from the use during the transition to the IFRSs of fair value as deemed cost to value property, plant and equipment. During the first nine months of 2009, the increase of one percentage point in the corporate income tax surcharge (the so-called Robin Hood Tax) caused deferred taxes to rise by 21 million euros.
The following table shows a breakdown of this provision by type of underlying temporary difference, keeping in mind that certain Group companies that met the requirements of IAS 12 offset their deferred-tax liability against deferred-tax assets:

(in millions of euros)	09.30.2009	12.31.2008	Change
Deferred-tax liabilities:			
- Differences in the valuation of property, plant and equipment	589	609	(20)
- Adoption of standard on finance leases (IAS 17)	55	49	6
- Adoption of standard on financial instruments (IAS 39) with impact on:			
- the income statement	-	-	-
- shareholders' equity	2	8	(6)
- Other deferred taxes	7	8	(1)
Total deferred-tax liabilities (A)	**653**	**674**	**(21)**
Deferred-tax assets usable for offset purposes:			
- Taxed provisions for risks	52	50	2
- Adoption of standard on financial instruments (IAS 39) with impact on:			
- the income statement	-	2	(2)
- shareholders' equity	17	101	(84)
- Other prepaid taxes	3	2	1
Total deferred-tax assets (B)	**72**	**155**	**(83)**
Total provision for deferred taxes (A-B)	**581**	**519**	**62**

14. Provisions for Risks and Charges

The provisions for risks and charges, which are established to cover contingent liabilities, totaled 773 million euros, a decrease of 4 million euros compared with December 31, 2008.

The table below shows the changes that occurred in the first nine months of 2009:

(in millions of euros)	12.31.2008	Additions	Utilizations	Other changes and reclassification	09.30.2009
- Disputed tax items	71	3	(3)	1	72
- Risks for disputes, litigation and contracts	151	8	(2)	-	157
- Charges for contractual guarantees on sale of equity investments	82	-	(4)	-	78
- Provisions for decommissioning and site remediation	331	11	(2)	9	349
- Environmental risks	26	1	(3)	-	24
- Other risks and charges	116	13	(36)	-	93
Total for the Group	**777**	**36**	**(50)**	**10**	**773**

The main changes that occurred in the first nine months of 2009 are reviewed below:

- **Additions** of 36 million euros included 11 million euros for financial expense on decommissioning provisions, 6 million euros for accrued statutory and tax interest on some provisions and 5 million euros for advanced severance indemnities payable to sales agents, with environmental, legal and contractual risks accounting for the balance.
- The main **utilizations,** which totaled 50 million euros, included 29 million euros for the settlement of a dispute with savings shareholders and 7 million euros for charges incurred mainly for the

remediation or decommissioning of industrial sites and other environmental remediation projects, with the settlement of outstanding disputes, mainly involving tax issues, accounting for the balance.

- The increase in **other changes** reflects primarily the recognition of costs incurred to close mineral facilities in connection with natural gas storage facilities (6 million euros) and the impact of a revision of the estimated amount of the provisions for site decommissioning and remediation, offset by a corresponding increase in property, plant and equipment (3 million euros).

15. Bonds

The balance of 1,899 million euros represents the non-current portion of the bonds issued by the Group, valued at amortized cost. The increase in this account reflects the addition of 700 million euros in five-year bonds, sold exclusively to institutional investors, that Edison Spa issued on July 16, 2009 within the framework of a Euro Medium-term Loan Program of up to 2 billion euros. For the evaluation is used the fair value hedge.

The bonds, which were offered at a 99.841 issue price with a minimum denomination of 50,000 euros, mature on July 22, 2014 and carry a coupon of 4.25%. They are listed on the Luxembourg Stock Exchange.

The table below shows the balance outstanding at September 30, 2009 and indicates the fair value of each bond issue:

(in millions of euros)	Market where traded	Currency	Par value outstanding	Coupon	Rate	Maturity	Balance Sheet amounts Non-current portion	Current portion	Total	Fair value
Euro Medium Term Notes:										
Edison Spa	Luxembourg Exchange	EUR	700	Annual in arrears	5.125%	12.10.2010	700	29	729	756
Edison Spa	Luxembourg Exchange	EUR	500	Quarterly in arrears	1.569%	07.19.2011	502	-	502	501
Edison Spa	Luxembourg Exchange	EUR	700	Annual in arrears	4.250%	07.22.2014	697	8	705	716
Total for the Group			**1,900**				**1,899**	**37**	**1,936**	**1,973**

16. Long-term Financial Debt and Other Financial Liabilities

A breakdown of these liabilities is as follows:

(in millions of euros)	09.30.2009	12.31.2008	Change
Due to banks	2,225	1,086	1,139
Due to other lenders	17	15	2
Total for the Group	**2,242**	**1,101**	**1,141**

The increase compared with December 31, 2008 refers mainly to the disbursement, in January 2009, of 1,011 million euros to acquire the Abu Qir concession, in Egypt. In addition, a new 600-million-euro facility with a term of three years, provided to Edison Spa in May by a pool of banks on a "club deal" basis, and the new bond issue reviewed in Note 15 above helped the Group lengthen the average remaining life of its financial debt, strengthened its balance sheet and made available a portion of the existing backup credit lines (including a committed, syndicated line of 1,500 million euros).

Significant other changes included the following:

- Early repayment of a portion (150 million euros) of Edipower's facility.
- Consolidation of the long-term debt owed by the Sistemi di Energia Group (11 million euros).

17. Other Liabilities

Other liabilities of 34 million euros refer mainly to the deferral of the gain realized by Edison Spa on the sale of a 51% interest in Dolomiti Edison Energy Srl, a company consolidated on a line-by-line basis.

18. Current Liabilities

A breakdown of current liabilities is provided in the table below:

(in millions of euros)	09.30.2009	12.31.2008	Change
Bonds	37	9	28
Short-term financial debt	482	899	(417)
Trade payables	1,242	1,659	(417)
Current taxes payable	55	54	1
Other liabilities	512	709	(197)
Total current liabilities	**2,328**	**3,330**	**(1,002)**

The main current liability accounts are reviewed below:

- **Bonds,** amounting to 37 million euros, represent for the most part accrued interest at September 30, 2009 and the effect of applying a fair value hedge.
- **Short-term financial debt,** which totaled 482 million euros, includes 304 million euros due to banks (32 million euros of which represent the effect of measuring at fair value interest rates derivatives), the current portion of financial debt due to other lenders of Energiaki Thessalonikis Sa (T-Power) (33 million euros), 16 million euros owed to unconsolidated subsidiaries in liquidation, about 3 million euros in debt arising from the consolidation of the Sistemi di Energia Group and 1 million euros in short-term obligations owed to leasing companies.
- A breakdown of **trade payables** by business segment is provided below:

(in millions of euros)	09.30.2009	12.31.2008	Change
Electric power operations	1,005	1,081	(76)
Hydrocarbons operations	352	794	(442)
Corporate activities and other segments and eliminations	(115)	(216)	101
Total trade payables	**1,242**	**1,659**	**(417)**

  Trade payables reflect mainly purchases of electric power, natural gas and other utilities, as well as services related to plant maintenance.
  The decrease of 417 million euros compared with December 31, 2008 is attributable mainly to hydrocarbons operations and reflects the impact of seasonal factors on purchases of natural gas.
  This item also includes 100 million euros for the fair value of physical energy commodity contracts included in the trading portfolios. The entire amount is attributable to the electric power operations.
- **Current taxes payable** of 55 million euros represent the liability for income taxes owed by Group companies that are not included in the consolidated tax return filed by the controlling company (Transalpina di Energia Srl), including the additional tax liability resulting from the corporate income tax (IRES) surcharge (the so-called Robin Hood Tax), which will be paid separately by the individual companies upon which it is being levied.
- **Other liabilities** of 512 million euros include 134 million euros in liabilities stemming from the measurement at fair value of derivatives. The balance consists mainly of:
  - Amounts owed to joint holders of permits and concessions for the production of hydrocarbons (67 million euros);
  - The amount owed to the controlling company (Transalpina di Energia Srl) in connection with the filing of the consolidated tax return (74 million euros);
  - Payables to other consulting (59 million euros);
  - Payables owed to social security institutions (26 million euros);
  - Amounts owed to employees (35 million euros);
  - Payables owed to the Tax Administration other than current taxes payables (14 million euros);
  - Amounts owed to shareholders (21 million euros).

Net Financial Debt

At September 30, 2009, net financial debt totaled 4,222 million euros, or 1,302 million euros more than the 2,920 million euros owed at December 31, 2008.

The change that occurred during the first nine months of 2009 reflects the impact of a positive operating cash flow, which offset in part the period's outlays for investments in intangibles assets and property, plant and equipment (1,527 million euros, including 1,011 million euros for the Abu Qir), investments in financial assets (128 million euros, including 55 million euros for Energiaki Thessalonikis Sa (T-Power), 25 million euros for AMG Gas Srl, 46 million euros for share capital contributions to Terminale GNL Adriatico and 2 million euros for Galsi), net financial expense (117 million euros), dividend payments (278 million euros), income taxes (194 million euros) and the increase caused by a change in the scope of consolidation (about 54 million euros).

Consistent with the practice followed at the end of 2008, the table below provides a simplified breakdown of the Group's net financial debt:

(in millions of euros)	Balanc sheet note ref.	09.30.2009	12.31.2008	Change
Long-term financial debt				
Bonds - non-current portion	15	1,899	1,198	701
Non-current bank loans	16	2,225	1,086	1,139
Amounts due to other lenders - non current portion	16	17	15	2
Other non-current financial assets (*)	7	(78)	(73)	(5)
Total net long-term financial debt		**4,063**	**2,226**	**1,837**
Short-term financial debt				
Bonds - current portion	18	37	9	28
Current loans payable	18	482	899	(417)
Current financial assets	10	(44)	(26)	(18)
Cash and cash equivalents	10	(316)	(188)	(128)
Total net short-term financial debt		**159**	**694**	**(535)**
Net financial debt		**4,222**	**2,920**	**1,302**

(*) Includes the long-term portion of financial receivables, as required by the adoption of IFRIC 4.

Net financial debt includes 191 million euros stemming from transactions with related parties (174 million euros owed to Mediobanca and 17 million euros owed to Banca Popolare di Milano).

In addition, short-term financial debt includes 16 million euros owed to unconsolidated subsidiaries and affiliated companies.

NOTES TO THE INCOME STATEMENT

The first nine months of 2009 were characterized by a nationwide slump in demand for electric power (-7.4%) and natural gas (-12%), caused by the impact of negative economic conditions, and by steady decreases in prices both for benchmark oil-based commodities and power exchange sales transactions. In this environment, the Group, was able to contain the drop of the industrial results thanks to the commercial expansion on end customers and wholesales markets achieved in recent months and to the implementation of programs to reorganize its industrial portfolio and improve production efficiency.

Specifically, EBITDA totaled 1,128 million euros, compared with 1,209 million euros in the first nine months of 2008 (-6.7%), reflecting a different level of performance by the Group's two business segments:

- The **electric power operations**, which reported EBITDA of 930 million euros (6.6% less than in the same period last year), were penalized by a drop in national demand for electric power (-7.4% compared with the first nine months of 2008), particularly by industrial and thermoelectric users, the narrower margins available on Power Exchange transactions and a decrease in the EBITDA generated in the CIP 6/92 area due to the expiration of some contracts and incentives and a change in the scope of consolidation. At the same time, the electric power operations benefited from the lower prices it paid for raw materials, from the fixed-price sales policies implemented last fall (when market prices were high) and from the increased availability of water resources that had a positive impact on hydroelectric business segment. It is also worth noting that EBITDA for the first nine months of 2008 reflected the positive impact of 51 million euros in refunds for emissions rights and green certificates costs incurred in previous years.
- Despite a significant drop in national demand of natural gas (-12% compared with the first nine months of 2008) that was particularly severe in the case of thermoelectric and industrial users, the **hydrocarbons operations** reported EBITDA of 274 million euros, for a gain of about 2% compared with the first nine months of 2008 (268 million euros). This performance was made possible by the increase of profitability related to the lower average price paid for natural gas (due to the increased use of imports from Algeria and partially from Qatar with a concurrent reduction in domestic purchases) and to the increased focus on end customers. Moreover, the growing contribution provided by the exploration and production activities, largely due to the acquisition of Abu Qir.

The following items had a direct impact on the net profit:

- Compared with the first nine months of 2008, the Group recorded increases both in exploration investments (up about 24 million euros), which were charged in full to income during the period, and in net financial expense (up 13 million euros, due mainly to higher net foreign exchange transaction losses). However, a rise in net financial debt did not result in a significant increase in financial expenses due to a reduction in borrowing costs.
- The bottom line was also adversely affected by the approval of Law No. 99/2009, which increased by one percentage point the IRES (corporate income tax) surcharge (the so-called Robin Hood Tax), causing the Group's income tax liability to rise by 17 million euros. In the first half of 2008, the introduction of the IRES surcharge had a negative impact of 65 million euros of deferred taxes.

As a result of the items reviewed above, the Group's interest in net profit totaled 203 million euros, or 16 million euros less than the 219 million euros earned in the first nine months of 2008.

In order to provide a better understanding of the cumulative results at September 30, 2009, the table below shows the progression of the data quarter by quarter and provides a comparison with the corresponding periods in 2008:

	1st quarter			2nd quarter			3rd quarter			Total		
(in milioni di euro)	**2009**	2008	% ch.	**2009**	2008	% ch.	**2009**	2008	% ch.	**2009**	2008	% ch.
Sales revenues (*)	2,710	2,449	10.7%	1,879	2,464	(23.7%)	1,912	2,277	(16.0%)	6,501	7,190	(9.6%)
EBITDA	295	307	(3.9%)	437	502	(12.9%)	396	400	(1.0%)	1,128	1,209	(6.7%)
as a % of sales revenues	*10.9%*	*12.5%*	*(13.2%)*	*23.3%*	*20.4%*	*14.2%*	*20.7%*	*17.6%*	*17.9%*	*17.4%*	*16.8%*	*3.2%*

(*) Reflects a new presentation of trading activities that recognizes only the resulting "trading margin" (net presentation).

19. Sales Revenues

As shown below, sales revenues totaled 6,501 million euros, or 9.6% less than the 7,190 million euros reported at September 30, 2008.
The table below provides a breakdown of sales revenues, which were booked for the most part in Italy:

(in millions of euros)	9 months 2009 (*)	9 months 2008 (*)	Change	% change
Revenues from the sales of:				
- Electric power	4,175	5,119	(944)	(18.4%)
- Natural gas	1,541	1,383	158	11.4%
- Steam	78	114	(36)	(31.6%)
- Oil	60	89	(29)	(32.6%)
- Green certificates	65	2	63	n.m.
- Water and other utilities	5	26	(21)	(80.8%)
- Other sales revenues	32	3	29	n.m.
Total sales revenues	**5,956**	**6,736**	**(780)**	**(11.6%)**
Revenues from services provided	13	14	(1)	(7.1%)
Storage services	27	18	9	50.0%
Transmission revenues	472	383	89	23.2%
Margin on trading activities	13	23	(10)	(43.5%)
Other revenues from sundry services	20	16	4	25.0%
Total for the Group	**6,501**	**7,190**	**(689)**	**(9,6%)**

(*) Reflects a new presentation of trading activities that recognizes only the resulting "trading margin" (net presentation).

In addition to other factors, this item reflects the pro rata share attributable to the first nine months of 2009 of the benefit produced by AEEG Resolutions No. 77/08, No. 80/08 and No. 30/09, which defined the criteria for the recovery, through a rate change, of the costs incurred by companies with power plants operating under CIP 6/92 contracts to comply with emissions rights and green certificates requirements.

The table below shows the results from trading in physical and financial energy commodity contracts held in trading portfolios included in sales revenues and in other revenues and income:

(in millions of euros)	See Note	9 months 2009	9 months 2008
Margin on physical contract included in trading portfolios			
Sales revenues		735	666
Raw materials and services used		(722)	(643)
Total included in sales revenues	19	**13**	**23**
Margin on derivatives included in trading portfolios			
Other revenues and income		24	20
Raw materials and services used		(19)	(12)
Total included in other revenues and income	20	**5**	**8**
Total margin on trading activites		**18**	**31**

Breakdown of Sales Revenues by Business Segment

(in millions of euros)	9 months 2009 (*)	9 months 2008 (*)	Change	% change
Electric power operations	4,824	5,663	(839)	(14.8%)
Hydrocarbons operations	3,002	3,470	(468)	(13.5%)
Corporate activities and other segments	38	57	(19)	(33.3%)
Eliminations	(1,363)	(2,000)	637	31.9%
Total for the Group	**6,501**	**7,190**	**(689)**	**(9.6%)**

(*) Reflects a new presentation of trading activities that recognizes only the resulting "trading margin" (net presentation).

More specifically:

- The 14.8% decrease in sales revenues reported by the **electric power operations,** compared with the first nine months of 2008, is the result of the contraction in national demand for electric power, that determined a reduction on thermoelectric production (-24%) partially offset by the increase on hydroelectric production (+18%), and reflects the impact of lower average sales prices. In the CIP 6/92 segment, sales were down due to the change in the scope of consolidation mentioned earlier in this Report and the expiration of some contracts. As for unit sales, the decision to focus sales efforts on the more profitable markets produced a sharp drop in the volume sold on the Power Exchange and a rise in sales to end customers (+29% compared with the first nine months of 2008).
- The revenues reported by the **hydrocarbons operations** decreased by about 13.5% compared with the first nine months of 2008, despite the increased contribution provided by international production activities. This reduction was due mainly to a sharp drop in demand for natural gas, which was particularly pronounced in the case of thermoelectric and industrial users (down 19.9% and 21.6%, respectively), and reflects the impact of changes in unit sales prices, which, because of the time lag inherent in the formula used to adjust rates to fluctuations in benchmark oil prices, trended higher during the first half of 2009 but plummeted during the third quarter, producing an average unit price for the first nine months that was lower than in the same period last year.

20. Other Revenues and Income

Other revenues and income totaled 348 million euros. A breakdown is as follows:

(in millions of euros)	9 months 2009 (*)	9 months 2008 (*)	Change	% change
Commodity derivatives	97	86	11	12.8%
Margin on trading activites	5	8	(3)	(37.5%)
Recovery of costs from Edipower's Tollers	119	146	(27)	(18.5%)
Recovery of costs from partners in hydrocarbon exploration projects	10	17	(7)	(41.2%)
Out of period income	66	109	(43)	(39.4%)
Utilizations of provisions for risks	3	17	(14)	(82.4%)
Sundry items	48	67	(19)	(28.4%)
Total for the Group	**348**	**450**	**(102)**	**(22.7%)**

(*) Reflects a new presentation of trading activities that recognizes only the resulting "trading margin" (net presentation).

Out of period income, recorded for 66 million euros, reflects contract penalties earned as a result of delivery delays by suppliers of some thermoelectric plants and in part the portion attributable to previous years of the positive impact produced on power plants operating under CIP 6/92 contracts by AEEG Resolution No. 30/09, which changed the criteria for reimbursement of the costs incurred to purchase green certificates. In the first nine months 2008, this item included the positive impact of AEEG Resolutions No. 77/08 and No. 80/08 regarding CO_2 emissions quotas and green certificates.

The main components of **sundry items** are insurance settlements of 10 million euros for accidents that occurred at thermoelectric power plants in previous years, gains from the sale of property, plant and equipment amounting to 8 million euros (including about 3 million euros for industrial buildings divested by the hydrocarbons operations) and recoveries of miscellaneous costs totaling 21 million euros).

21. Raw Materials and Services Used

Raw materials and services used totaled 5,543 million euros, or 11.6% less than in the first nine months of 2008 (6,268 million euros). To a large extent, the comments provided previously about volumes and prices, when reviewing sales revenue results, also apply to the decrease in raw materials and services used, which affected both the electric power operations (-17.4%) and the hydrocarbons operations (-15.4%).

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

(in millions of euros)	9 months 2009 (*)	9 months 2008 (*)	Change	% change
- Natural gas	2,228	3,076	(848)	(27.6%)
- Electric power	999	972	27	2.8%
- Dispatching and balancing market	134	97	37	38.1%
- Blast furnace, recycled and coke furnace gas	167	340	(173)	(50.9%)
- Oil and fuel	241	341	(100)	(29.3%)
- Demineralized industrial water	24	28	(4)	(14.3%)
- Green certificates	135	71	64	90.1%
- CO_2 emissions rights	14	133	(119)	(89.5%)
- Coal, utilities and other materials	80	108	(28)	(25.9%)
Total	**4,022**	**5,166**	**(1,144)**	**(22.1%)**
- Facilities maintenance	137	130	7	5.4%
- Transmission of electric power and natural gas	866	713	153	21.5%
- Professional services	79	69	10	14.5%
- Insurance services	20	20	-	n.m.
- Writedowns of trade and other receivables	38	21	17	81.0%
- Commodity derivatives	203	67	136	n.m.
- Additions to provisions for miscellaneous risks	17	12	5	41.7%
- Change in inventories	(34)	(146)	112	76.7%
- Use of property not owned	60	60	-	n.m.
- Sundry charges	135	156	(21)	(13.5%)
Total for the Group	**5,543**	**6,268**	**(725)**	**(11.6%)**

(*) Excluding raw materials and services used attributable to trading activities, which are presented recognizing only the 'trading margin" (net presentation), as shown in Note 19 Sales revenues and Note 20 Other revenues and income.

The decrease in the amount shown for **natural gas**, compared with the first nine months of 2008, is due mainly to a reduction in consumption by thermoelectric power plants, caused by a drop in demand for electric power, and to the lower average cost of the gas supply that resulted from an increase in imports, made possible by the full availability of the Algerian contract, and a concurrent reduction in domestic purchases. It also reflects the positive impact of the effective portion of derivatives that hedge foreign exchange risks on commodities (7 million euros).
The decrease in costs for CO_2 emissions rights, which fell from 133 million euros in the first nine months of 2008 to 14 million euros in the same period this year, reflects both a drop in the level of emissions generated during the first nine months of 2009, compared with the same period last year, and a reduction in the unit cost paid to purchase the certificates.

Change in inventories refers mainly to the increase of natural gas held in storage.

Sundry charges include losses on sales of property, plant and equipment (6 million euros), advertising expenses incurred mainly for corporate communication campaigns (13 million euros), and sundry professional services (about 55 million euros).

Breakdown of Raw Materials and Services Used by Business Segment

(in millions of euros)	9 months 2009 (*)	9 months 2008 (*)	Change	% change
Electric power operations	4,063	4,916	(853)	(17.4%)
Hydrocarbons operations	2,769	3,274	(505)	(15.4%)
Corporate activities and other segments	78	83	(5)	(6.0%)
Eliminations	(1,367)	(2,005)	638	31.8%
Total for the Group	**5,543**	**6,268**	**(725)**	**(11.6%)**

(*) Excluding raw materials and services used attributable to trading activities, which are presented recognizing only the 'trading margin" (net presentation), as shown in Note 19 Sales revenues and Note 20 Other revenues and income.

22. Labor Costs

Based on the average payroll for the period, labor costs totaled 178 million euros, or about 9% more than in the first nine months of 2008, when they totaled 163 million euros, due mainly to an increase in average size of the Group's staff during the reporting period.

Counting the staff attributable to companies consolidated by the proportional method, the Edison Group had 3,897 employees at September 30, 2009, up from 2,961 employees at December 31, 2008. This increase is due mainly to the acquisition of the Abu Qir concession in Egypt (784 employees) and the purchase of AMG Gas Srl (44 employees) and the Sistemi di Energia Group (37 employees).

23. EBITDA

EBITDA totaled 1,128 million euros, or 81 million euros less (-6.7%) than the 1,209 million euros earned in the first nine months of 2008.
A breakdown by business segment is provided in the table below:

(in millions of euros)	9 months 2009	as a % of sales revenues	9 months 2008	as a % of sales revenues	EBITDA % change
Electric power operations	930	19.3%	996	17.6%	(6.6%)
Hydrocarbons operations	274	9.1%	268	7.7%	2.2%
Corporate activities and other segments	(76)	n.m.	(55)	n.m.	n.m.
Total for the Group	**1,128**	**17.4%**	**1,209**	**16.8%**	**(6.7%)**

More specifically:

- In the first nine months of 2009, the **electric power operations** reported EBITDA that were 6.6% lower than in the same period last year. This decrease reflects the adverse effect of a drop in national demand, coupled with the negative impact that the expiration of some contracts and incentives and a change in the scope of consolidation produced on the CIP 6/92 segment. These negative effects were partially offset by an increase on sales to the end costumers, that have a higher margins, due to last fall's fixed-price sales campaign. Net production was down compared to the first nine months of 2008, due to significantly lower thermoelectric production (-24%), partially offset by a higher hydroelectric output (+18%).
- Despite a reduction in unit sales caused by the extremely poor conditions that characterized the manufacturing sector, the **hydrocarbons operations** reported a 2.2% EBITDA gain in the first nine months of 2009. This EBITDA improvement reflects the increased contribution provided by the international oil and gas production activities, made possible in part by the impact of the new Abu Qir concession, and the effect of the higher margins earned by containing the cost of natural gas inventories while focusing sales on the end-user segments of the market.

24. Depreciation, Amortization and Writedowns

A breakdown of this item, which totaled 566 million euros, is provided below:

(in millions of euros)	9 months 2009	9 months 2008	Change	% change
Depreciation of property, plant and equipment	446	453	(7)	(1.5%)
Amortization of hydrocarbon concessions	43	17	26	n.m.
Amortization of other intangible assets	71	48	23	47.9%
Writedowns of property, plant and equipment	6	18	(12)	n.m.
Total for the Group	**566**	**536**	**30**	**5.6%**

Breakdown by Business Segment

(in millions of euros)	9 months 2009	9 months 2008	Change	% change
Electric power operations	391	412	(21)	(5,1%)
Hydrocarbons operations	168	115	53	46,1%
Corporate activities and other segments	7	9	(2)	(22.2%)
Total for the Group	**566**	**536**	**30**	**5,6%**

More specifically:

- The most part of the decrease shown for the **electric power operations** is attributable to lower depreciation on CIP 6/92 segment: the sale of some thermoelectric power plants (5 million euros) and the expiration of some CIP 6/92 contracts (12 million euros) and to the absence this year of the accelerated depreciation booked in the first half of 2008. These effects were partially offset by the depreciation of new activities in Greece (5 million euros).
- The increase reported by the **hydrocarbons operations** at September 30, 2009 reflects mainly the amortization recognized upon the acquisition of the Abu Qir concession (about 23 million euros) and the impact of higher hydrocarbon exploration costs, amortized in full during the period, which rose to about 24 million euros, due mainly to an expansion of the Group's exploration activities, mainly in Egypt and Qatar.

Writedowns of property, plant and equipment recognized by the hydrocarbons operations refer to writedowns of assets pertaining to the offshore field in the Adriatic Sea, where drilling activity failed to confirm production expectations.

25. Net Financial Income (Expense)

Net financial expense increased to 117 million euros, or 13 million euros more than in the first nine months of 2008, due to:

- the increase in net foreign exchange translation losses;
- the increase in net financial debt, attributable mainly to the acquisition of the line of business of Abu Qir hydrocarbon concession for exploration and production activities;
- the significant reduction in reference interest rates, which benefited the Group because about 75% of its debt exposure at September 30, 2009 was indexed to market rates.

A breakdown of net financial expense is as follows:

(in millions of euros)	9 months 2009	9 months 2008	Change
Financial income:			
Financial income from financial derivatives	31	33	(2)
Interest earned on finance leases	10	7	3
Interest earned on bank and postal accounts	2	5	(3)
Other financial income	15	15	-
Total financial income	**58**	**60**	**(2)**
Financial expense:			
Interest paid on bond issues	(46)	(46)	-
Financial expense from financial derivatives	(28)	(29)	1
Interest paid to banks	(54)	(66)	12
Bank fees	(8)	(4)	(4)
Financial expense on decommissioning projects	(11)	(10)	(1)
Financial expense in connection with employee severance benefits	(2)	(2)	-
Interest paid to other lenders	(4)	(5)	1
Other financial expense	(4)	(6)	2
Total financial expense	**(157)**	**(168)**	**11**
Foreign exchange translation gains (losses):			
Foreign exchange translation gains	54	20	34
Foreign exchange translation losses	(72)	(16)	(56)
Net foreign exchange translation gain (loss)	**(18)**	**4**	**(22)**
Net financial income (expense) for the Group	**(117)**	**(104)**	**(13)**

26. Income from (Expense on) Equity Investments

The table that follows provides a breakdown of the net result from equity investments:

(in millions of euros)	9 months 2009	9 months 2008	Change
Income from equity investments:			
Dividends	1	1	-
Revaluations of trading securities	2	-	2
Gain on the sale of equity investments	-	14	(14)
Total income from equity investments	**3**	**15**	**(12)**
Expenses on equity investments:			
Writedowns and valuations of investments by the equity method	(1)	(15)	14
Total expenses on equity investments	**(1)**	**(15)**	**14**
Total Group income from (expenses on) equity investments	**2**	**-**	**2**

27. Other Income (Expense), Net

Net other income of 1 million euros reported at September 30, 2009 is the result of nonrecurring items that are not directly related to the Group's industrial or financial operations. The main items included in this account are:

- **Income** of 14 million euros, mainly from the settlement of claims with various insurance companies (8 million euros), compensation for contractual guarantees in connection with the acquisition of investments in associates (3 million euros) and the reversal in earnings of provisions set aside in previous years made possible by the expiration of guarantees provided.
- **Expense** of 13 million euros, including 4 million euros paid in a partial settlement of a dispute concerning the sale of some power plants. The accrual of statutory and tax interest on existing provisions for risks accounts for most of the balance.

28. Income Taxes

The tax burden for the first nine months of 2009 amounted to 233 million euros, compared with 299 million euros in the same period last year. Both periods were affected by nonrecurring tax items:

- In 2008, the introduction of a 5.5% income tax surcharge (the so-called Robin Hood Tax), which had a negative impact of 106 million euros (41 million euros in current taxes and 65 million euros in deferred-tax liabilities);
- In 2009, the approval of Law No. 99/2009, which increased the IRES surcharge (the so-called Robin Hood Tax) by one percentage point, from 5.5% to 6.5%, with a negative impact of 17 million euros (6 million euros in current taxes and 11 million euros in deferred-tax liabilities).

A breakdown of income taxes is provided below:

(in millions of euros)	9 months 2009	9 months 2008	Change
Current taxes	256	300	(44)
Net deferred-tax liabilities (assets)	(21)	2	(23)
Income taxes attributable to previous years	(2)	(3)	1
Total for the Group	**233**	**299**	**(66)**

Current taxes include 218 million euros for corporate income taxes (IRES), 39 million euros for regional taxes (IRAP), a benefit of 18 million euros generated by filing the consolidated income tax return and 17 million euros for foreign taxes.

The tax rate, restated without the effect of the extraordinary items described above, is about 48% against 44% in the first nine months of 2008.

29. Earnings per Share

Insofar as the computation of diluted earnings per share is concerned, differently from the previous year, there were no longer any shares reserved for the exercise of stock options in the first nine months of 2009.

2008 full year			9 months 2009		9 months 2008	
Common shares	Savings shares[1]	(in millions of euros)	Common shares	Savings shares[1]	Common shares	Savings shares[1]
346	346	Group interest in profit	203	203	219	219
336	10	Profit attributable to the different classes of shares (A)	196	7	211	8
		Weighted average number of shares outstanding (common and savings) determined for the purpose of computing profit per share:				
5,181,093,229	110,592,420	- basic (B)	5,181,108,251	110,592,420	5,181,088,185	110,592,420
5,181,090,583	110,592,420	- diluted (C)[2]	5,181,108,251	110,592,420	5,181,087,799	110,592,420
		Earnings per share (in euros)				
0.0647	0.0947	- basic (A/B)	0.0378	0.0678	0.0408	0.0708
0.0647	0.0947	- diluted (A/C)[2]	0.0378	0.0678	0.0408	0.0708

[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 net income.

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

OTHER INFORMATION

Commitments and Contingent Risks

(in millions of euros)	09.30.2009	12.31.2008	Change
Guarantees provided	1,364	1,238	126
Collateral provided	1,385	1,459	(74)
Other commitments and risks	453	1,617	(1,164)
Total for the Group	**3,202**	**4,314**	**(1,112)**

Guarantees provided totaled 1,364 million euros. This figure, which is equal to the undiscounted amount of potential commitments on the balance sheet date, includes 404 million euros in guarantees provided to the tax office on behalf of subsidiaries for offsetting VAT credits and in connection with the intra-Group assignment of tax credits. Guarantees provided by the Group's Parent Company to secure the performance of contractual obligations by its subsidiaries account for most of the balance.

Collateral provided, which amounted to 1,385 million euros, reflects the carrying amounts of the assets or rights pledged as collateral on the balance sheet date. This account includes collateral provided for liabilities listed on the balance sheet, including the value of Edipower shares (1,053 million euros) pledged to a pool of banks to secure a financing facility.
Additional collateral for liabilities listed on the balance sheet (332 million euros) consists for the most part of mortgages and encumbrances granted on facilities of the electric power operations to secure financing. The decrease compared with December 31, 2008 reflects the cancellation of mortgages totaling 84 million euros, following the repayment of loans used to build wind farms.

Other commitments and risks, which totaled 453 million euros, refer primarily to commitments undertaken to complete investment projects under construction in Italy and abroad.
The main reasons for the decrease compared with December 31, 2008 are the performance by Edison International Spa of its obligations with regard to the Abu Qir acquisition in Egypt and a change in the scope of consolidation concerning a thermoelectric power plant under construction in Thisvi, Greece.

Unrecognized Commitments and Risks

In the third quarter of 2009, material commitments and risks faced by the Group that are not included among those listed above did not change significantly compared with the disclosure provided in the Semiannual Report at June 30, 2009, which should be consulted for more detailed and exhaustive information.

Update on the Status of the Main Pending Legal and Tax Disputes Compared with the Semiannual Report at June 30, 2009

A review, based on information currently available, of the **developments that occurred in the third quarter of 2009** concerning the main legal and tax disputes currently outstanding is provided below, listing separately actions involving Edison Spa and actions involving other Group companies. A comprehensive disclosure is provided in the Semiannual Report at June 30, 2009. Legal disputes were subdivided further between probable liabilities, 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 contingent liabilities, which are 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.

Legal disputes involving a probable liability for which a provision for risks was recognized in the balance sheet are reviewed below:

A) Edison Spa

Industria Chimica Saronio Spa Factory - Municipal Administrations of Melegnano and Cerro al Lambro

Following the denial by the Council of State of the motions filed by Edison asking the court to suspend the enforcement of two separate implementable and urgent ordinances by which the municipal administrations of Cerro al Lambro and Melegnano ordered the Company to carry out the work required to prevent contaminants from a facility decommissioned in the 1960s and formerly owned by Industria Chimica Saronio Spa (of which Edison is the assign) from migrating from the higher to the deeper levels of the aquifer, the Regional Administrative Court of Lombardy also denied the challenges filed by the Company on the merit. In the meantime, Edison and the relevant municipal administrations continue to be engaged in negotiations to define the activities needed to ensure the safety of the aquifer used for human consumption and the scope of the work that the Council of State urged the parties to define with its protective order of March 2008.

Farmoplant - 1988 Accident at the Massa Plant
In the civil action filed against Farmoplant (now Edison) by the Province of Massa-Carrara and the Municipalities of Massa and Carrara for damages caused by an accident that occurred at Farmoplant's Massa facility in 1988, the Court of Genoa, having denied the motions filed by the plaintiffs asking that the Court request the opinion of a technical expert, is expected to hand down a decision in this lawsuit.

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The current status of the principal **legal disputes** that have arisen from past events which are dependent on the occurrence of events that are possible, but non probable, or are probable but their impact cannot be quantified reliably and that are likely to result in a cash outlay of an amount that cannot reasonably be estimated as a result of obligations that existed on the balance sheet date, based on available information, is reviewed below.

A) Edison Spa

Verbania Factory/1 - Criminal Proceedings for Injuries Caused by Exposure to Asbestos Dust
The defense attorneys for the defendants convicted of involuntary manslaughter in the proceedings pending before the Turin Court of Appeals in connection with events at a Verbania plant formerly owned by Montefibre Spa against some former Directors and executives of Montefibre Spa, some of whom were also Directors and executives of Montedison (now Edison), have filed an appeal with the Court of Cassation against the decision of the Court of Appeals.

Angelo Rizzoli/Edison et al.
By a summons served on September 25, 2009, Angelo Rizzoli sued Edison (as assign for Iniziativa Meta Spa), RCS Media Group, Mittel and Giovanni Arvedi in connection with the purchase in 1984 by the abovementioned parties of a controlling interest in Rizzoli Editore (owner of the *Corriere della Sera* newspaper). Intesa San Paolo is also being sued. The plaintiff alleging that the prohibition against covenants of forfeiture had been violated with regard to a highly complex series of instruments spanning a considerable length of time, demands that the contracts that resulted in the abovementioned purchase be found to be and declared null and void and that the defendants be ordered to make restitution by paying the financial equivalent of the rights and equity interests subject of the abovementioned contracts, quantified in an amount between 650 and 724 million euros, or the amount that will be determined in the proceedings, based on expert appraisals, if required. In addition, the plaintiff is demanding compensation for damages or compensation for unjustified enrichment.
The complexity of the legal arguments and the antiquity of the facts put forth to support Mr. Rizzoli's allegations require further study. However, at first glance, the reasonableness of the plaintiff's claims appears to be highly questionable, particularly with regard to the alleged existence of covenants of forfeiture in the contracts for the sale of a controlling equity interest in Rizzoli Editore. Consequently, no provision has been set aside at this point.

Torviscosa Power Plant - Cooperativa Fabbri Meccanici a r.l/Edison
With an application for arbitration notified in September 2009, Cooperativa Fabbri Meccanici a r.l., in composition with creditors proceedings, appointed its arbitrator and asked that Edison be ordered to pay about 950,000 euros for alleged receivables arising from a contract for the construction of a building at the Torviscosa power plant. Edison appointed its arbitrator, contesting the plaintiff's claims, and countersued asking that the plaintiff be ordered to pay about 560,000 euros. The parties are now waiting for a third arbitrator to be appointed so that a Board of Arbitrators may be officially empaneled.

B) Other Group Companies

Edison Energie Speciali (Edens) - VSV Arbitration

In July 2009, the sellers of an equity interest in VSV Srl, a company that owned wind power projects in Calabria, which Edison Energie Speciali (Edens) purchased in November 2008, served on Edens a notice by which it appointed its arbitrator and complained that Edens had failed to pay the second installment of the equity interest's purchase price, amounting to 1.5 million euros, the payment of which, pursuant to the terms of the sales contract, was subject to the condition precedent of ascertaining that the VSV wind farm projects would not suffer any harmful consequences as a result of the implementation of Law No. 15/2008 by which the Regional Administration of Calabria established a moratorium on the construction of new wind farms. Edens appointed its arbitrator and contested its alleged non-performance, due to the fact that the abovementioned condition precedent has not been satisfied, and asked to be held harmless from any damages that it may incur because of the violation of certain representations and warranties set forth in the sales contract. A Board of Arbitrators should be empaneled in the coming weeks.

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An update of the developments that affected the main **tax disputes,** compared with the information provided in the Semiannual Report at June 30, 2009, is provided below.

Old Edison Spa - Income Taxes for the 1994 to 1999 Fiscal Years

In September 2009, Edison was informed that the revenue administration had filed an appeal with the Court of Cassation against the ruling in the Company's favor, regarding the IRPEG and ILOR assessments for the 1997 fiscal year.

EDF Energia Italia Srl - Customs VAT Audit for 2001, 2002 and 2003

The decision handed down by the Milan Provincial Tax Commission with regard to the notice of assessment for VAT owed for 2001, 2002 and 2003 was filed at the end of July 2009. By this decision, the Provincial Commission denied the challenge filed by Edison Energia, as the assign for EDF Energia Italia. The Company will appeal this decision within the statutory deadline asking that the Provincial Commission's decision be reversed in its entirety.
At the same time, the decision favorable to the Company concerning the penalties levied by the Customs Administration for the abovementioned years has become final.
In any case, any charges that may be incurred as a result of the abovementioned audits are covered by special guarantees provided by the seller (EDF International Sa) in connection with the sale of its interest in EDF Energia Italia for the purpose of holding the Company totally harmless in such cases.

Intercompany and Related Parties Transactions

In the first nine months of 2009, Edison Spa and some of its subsidiaries executed commercial and financial transactions with some of its current shareholders and/or companies controlled by them. The table that follows provides an overview of these transactions, which were carried out in the normal course of business based on contractual terms mutually agreed upon by the parties that are consistent with market practice. A breakdown is as follows:

(in millions of euros)			Other related parties									
	With unconsolidated Group companies	With the controlling company	EDF Group	A2A Group	ENIA Group	SEL Group	Dolomiti Energia Group	Banca Popolare Milano	Mediobanca	**Total related parties**	**Total for financial statements line item**	**Impact %**
Balance sheet transactions												
Trade receivables	13	-	22	24	5	10	1	-	-	75	1.994	3,8%
Other receivables	1	17	4	-	-	-	-	-	-	22	468	4,7%
Trade payables	1	-	13	18	6	13	-	-	-	51	1.242	4,1%
Other payables	-	74	-	3	-	-	-	-	-	77	512	15,0%
Short-term financial debt	16	-	-	-	-	-	-	-	12	28	482	5,8%
Long-term financial debt and other financial liabilities	-	-	-	-	-	-	-	17	162	179	2.242	8,0%
Income statement transactions												
Sales revenues	41	-	148	122	7	22	6	-	-	346	6.501	5,3%
Other revenues and income	-	-	7	53	-	-	-	-	-	60	348	17,2%
Raw materials and services used	6	-	81	50	2	48	-	-	-	187	5.543	3,4%
Financial expense	-	-	-	-	-	-	-	1	3	4	157	2,5%
Other income	-	-	3	-	-	-	-	-	-	3	14	21,4%
Transactions with impact on cash flow												
Dividends paid	-	158	50	-	-	-	5	-	-	213	278	76,6%
Commitments and contingent risks												
Guarantees provided	-	-	-	-	-	-	-	12	-	12	1.364	0,9%
Collateral provided	-	-	-	-	-	-	-	-	42	42	1.385	3,0%

A) Intercompany Transactions

Transactions between Edison Spa and its subsidiaries and affiliated companies and its controlling company 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 and general) by headquarters staff;
- Financial transactions involving lending and current account facilities established within the framework of the Group's centralized cash management system;
- Transactions required to file a consolidated VAT return for the Group (so-called VAT Pool).

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 two 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.

Consolidated IRES Return

In June 2009, Transalpina di Energia Srl, the Group's controlling company, renewed the option of filing a consolidated income tax return for three years from 2009 to 2011. Bilateral agreements, with the same provisions for all companies, governing the relationships arising between the controlling company and the companies included in the consolidated tax return were executed on the same occasion.

Group companies that engage in the exploration for and production of hydrocarbons and in the production and distribution of electric power are subject to the 6.5% corporate income tax (IRES) surcharge and are required to pay this surcharge directly, even if they are included in the consolidated IRES return. The IRES surcharge was raised from 5.5% to 6.5% in 2009.

B) Other Related-party Transactions

An analysis of the main transactions with other related parties is provided below.

1) Commercial Transactions

EDF Group

Transactions executed with the EDF Group included the following:

- Revenues from the sale of electric power and transmission service costs totaling 12 million euros and electric power and transmission costs for about 15 million euros under contracts for the supply of electric power, mainly with ENBW;
- With Fenice Spa, sales revenues of about 41 million euros, mainly from sales of natural gas and electric power and recovery of maintenance costs;
- With EDF Trading, sales revenues of 95 million euros and costs of 61 million euros stemming from purchases and sales of commodities by the trading operations;
- With RTE EDF Transport, costs of 3 million euros for electric power transmission services;
- Other income of 3 million euros from EDF International from the settlement of contractual guarantee obligations related to the sale of an interest in EDF Italia to Edison Spa. Of the total transaction amount of 4 million euros, 1 million euros was applied to a restatement of the amount of goodwill recognized upon initial consolidation.

A2A Group

The transactions carried out with the A2A Group resulted in the following:

- Sales revenues of 122 million euros from contracts to supply electric power and natural gas;
- Other revenues and income of 53 million euros from A2A Trading Srl for managing fuel procurement for some production sites, pursuant to the Tolling Agreement;
- Materials and services used totaling 50 million euros, broken down as follows: 23 million euros for dispatching services, 10 million euros for purchases of electric power and 17 million euros for electric power and natural gas transmission services.

ENIA Group

Transactions with Enìa Energia Spa resulted in revenues of 7 million euros from sales of natural gas, electric power and transmission services and costs of 2 million euros for purchases of natural gas.

SEL Group

Transactions with the SEL Group resulted in revenues of about 22 million euros from the sale of electric power and costs of about 48 million euros for purchases of electric power.

Dolomiti Energia Group

Transactions executed pursuant to contracts for the supply of electric power resulted in revenues of 6 million euros.

2) Financial Transactions

The main financial transactions executed by Edison Spa in which its shareholder banks played a significant role are reviewed below:

- Banca Popolare di Milano was one of the lenders in a syndicated financing facility, originally totaling 2 billion euros, provided to Edipower in January 2007. At September 30, 2009, the portion of the

facility underwritten by Banca Popolare di Milano was 40 million euros (20 million euros attributable to Edison). At September 30, 2009, 35 million euros had been drawn against this credit line (17.5 million euros attributable to Edison). Banca Popolare di Milano also provided Edison Spa with a 70-million-euro revocable line of credit that accrues interest at market rates. At September 30, 2009, about 0.2 million euros in short-term borrowings and current account overdrafts and 12.3 million euros in sureties had been drawn against this credit line.
- In 2004, Mediobanca provided Edison Spa with 120 million euros in financing against EIB funds. A portion of this loan has been repaid in accordance with the amortization schedule and a balance of about 109 million euros was outstanding at September 30, 2009. Mediobanca was also one of the banks that provided Edipower with the abovementioned syndicated loan originally amounting to 2 billion euros. At September 30, 2009, Mediobanca's share of the loan was 135 million euros (67.5 million euros attributable to Edison). At September 30, 2009, Edipower's exposure toward Mediobanca was 118 million euros (59 million euros attributable to Edison). Gever, an Edison Group company, holds lines of credit in a financing pool totaling about 6.7 million euros, of which about 5.2 million euros have been drawn down. Lastly, Mediobanca is a party to interest risk hedging transactions executed by Group companies.

Significant Nonrecurring Events and Transactions

As required by the CONSOB Communication No. DEM/6064293 of July 28, 2006, a list of significant nonrecurring transactions executed by the Group in the first nine months of 2009, which are described in the section of this Report entitled "Changes in the Scope of Consolidation Compared with December 31, 2008," is provided below:
- Establishment of a joint venture with Hellenic Petroleum, using as a vehicle Elpedison Bv;
- Acquisition by Edison International Spa of the Abu Qir concession, located north of Alexandria, in Egypt, at a price of 1,011 million euros;
- Purchase for 25 million euros of an 80% interest in AMG Gas Srl, a company that distributes natural gas to customers in the Palermo metropolitan area;
- Purchase of a controlling interest in the Sistemi di Energia Group.

Changes Resulting from Atypical and/or Unusual Transactions

Edison Group declares that in the first nine months of 2009 it did not execute any atypical and/or unusual transactions, as defined in the abovementioned Communication.

SIGNIFICANT EVENTS OCCURRING AFTER SEPTEMBER 30, 2009

Edison Inaugurates a new Power Line Between Italy and Switzerland

On October 5, 2009, Edison inaugurated a new electrical infrastructure linking Italy with Switzerland. This facility was built and is managed by EL.IT.E, a company owned by Edison (48.45%), Raetia Energie (46.55%) and the Tirano municipal administration (5%).

This new power line, the construction of which required investments totaling 17 million euros, will increase Italy-Switzerland interconnection capacity by 150 MW, thereby making the connection between Italy and Northern Europe safer and more reliable.

Terminale GNL Adriatico Srl Becomes Operational

An event marking the inauguration of the Porto Viro offshore regasification terminal was held on October 19 and 20. With an annual capacity of 8 billion cubic meters of natural gas, this facility will cover 10% of Italy's total natural gas requirements.

Eighty percent of the terminal's regasification capacity, equal to 6.4 billion cubic meters of natural gas a year, has been reserved for the Edison Group, which currently holds a 10% interest in Terminale GNL Adriatico Srl, the company that built the terminal. The other partners in this company are Qatar Terminal Limited and ExxonMobil Italiana Gas, each with a 45% interest.

Edison: Elpedison joint venture in Greece fully operational

On October 15, 2009, Elpedison BV, the majority shareholder of Elpedison Power (previously named Energiaki Thessalonikis Sa) transferred shares representing 21% of Elpedison's share capital to the minority shareholders Hed and Halcor, in exchange for the payment of approximately 30.7 million euros.

Milan, October 30, 2009

The Board of Directors
By Giuliano Zuccoli
Chairman

SCOPE OF CONSOLIDATION

at September 30, 2009

SCOPE OF CONSOLIDATION AT SEPTEMBER 30, 2009

List of Equity Investments

Name	Head office	Currency	Share capital	Consolidated Group interest % (a) 09.30.2009	Consolidated Group interest % (a) 12.31.2008	Interest held in share capital % (b)	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											
Parent Company											
Edison Spa	Milan (IT)	EUR	5,291,700,671								
Electric Power Operations											
Electric Power Business Unit											
Dolomiti Edison Energy Srl	Trento (IT)	EUR	5,000,000	49.00	49.00	49.00	Edison Spa	-	-	SUB	-
Ecofuture Srl (Sole Shareholder)	Milan (IT)	EUR	10,200	100.00	100.00	100.00	Edison Spa	-	-	SUB	(i)
Edison Engineering Sa	Athens (GR)	EUR	260,001	100.00	100.00	100.00	Edison Spa	-	-	SUB	-
Gever Spa	Milan (IT)	EUR	10,500,000	51.00	51.00	51.00	Edison Spa	-	-	SUB	-
Hydro Power Energy Srl - Hpe Srl (Sole Shareholder)	Bolzano (IT)	EUR	50,000	100.00	100.00	100.00	Edison Spa	-	-	SUB	(i)
Hydros Srl - Hydros Gmbh	Bolzano (IT)	EUR	30,018,000	40.00	40.00	40.00	Edison Spa	-	-	SUB	-
Jesi Energia Spa	Milan (IT)	EUR	5,350,000	70.00	70.00	70.00	Edison Spa	-	-	SUB	(i)
Sarmato Energia Spa	Milan (IT)	EUR	14,420,000	55.00	55.00	55.00	Edison Spa	-	-	SUB	-
Sondel Dakar Bv	Rotterdam (NL)	EUR	18,200	100.00	100.00	100.00	Edison Internat. Holding Nv	-	-	SUB	-
Termica Cologno Srl	Milan (IT)	EUR	9,296,220	65.00	65.00	65.00	Edison Spa	-	-	SUB	(i)
Termica Milazzo Srl	Milan (IT)	EUR	23,241,000	60.00	60.00	60.00	Edison Spa	-	-	SUB	(i)
Renewable Sources											
Compagnia Energetica Bellunese CEB Spa (Sole Shareholder)	Milan (IT)	EUR	1,200,000	86.12	-	100.00	Sistemi di Energia	-	-	SUB	(i)
Edison Energie Speciali Spa (Sole Shareholder)	Milan (IT)	EUR	4,200,000	100.00	100.00	100.00	Edison Spa	-	-	SUB	(i)
Sistemi di Energia Spa	Milan (IT)	EUR	10,083,205	86.12	-	86.12	Edison Spa	-	-	SUB	(i) (iv)
Hydrocarbons Operations											
Hydrocarbons Business Unit											
Edison D.G. Spa (Sole Shareholder)	Selvazzano Dentro (PD) (IT)	EUR	460,000	100.00	100.00	100.00	Edison Spa	-	-	SUB	(i)
Edison Idrocarburi Sicilia Srl (Sole Shareh.) (ex ISE Srl) (Sole Shareholder)	Ragusa (IT)	EUR	10,000	100.00	100.00	100.00	Edison Spa	-	-	SUB	(i)
Edison International Spa	Milan (IT)	EUR	17,850,000	100.00	100.00	70.00 30.00	Edison Spa Selm Holding International Sa	-	-	SUB	(i)
Edison Stoccaggio Spa (Sole Shareholder)	Milan (IT)	EUR	81,497,301	100.00	100.00	100.00	Edison Spa	-	-	SUB	(i)
Euroil Exploration Ltd	London (GB)	GBP	9,250,000	100.00	100.00	0.00 100.00	Edison Spa Selm Holding International Sa	-	-	SUB	-
Energy Management											
Energy Management Business Unit											
Edison Trading Spa (Sole Shareholder)	Milan (IT)	EUR	30,000,000	100.00	100.00	100.00	Edison Spa	-	-	SUB	(i)

List of Equity Investments (continued)

Name	Head office	Currency	Share capital	Consolidated Group interest % (a) 09.30.2009	Consolidated Group interest % (a) 12.31.2008	Interest held in share capital % (b)	By	Voting securities held % (c)	Exercisable voting rights % (d)	Type of investment relationship (e)	Notes
Marketing and Sales											
Marketing and Sales Business Unit											
AMG Gas Srl	Palermo (I)	EUR	100,000	80.00	-	80,00	Edison Spa	-	-	SUB	(i)
Edison Energia Spa (Sole Shareholder)	Milan (IT)	EUR	22,000,000	100.00	100.00	100.00	Edison Spa	-	-	SUB	(i)
Eneco Energia Spa	Bolzano (IT)	EUR	222,000	100.00	100.00	90.00	Edison Spa	-	-	SUB	(i)
Corporate Activities											
Italian and Foreign Holding Companies											
Atema Limited	Dublino 2 (IE)	EUR	1,500,000	100.00	100.00	100.00	Edison Spa	-	-	SUB	-
Edison Hellas Sa	Athens (GR)	EUR	263,700	100.00	100.00	100.00	Edison Spa	-	-	SUB	-
Edison International Abu Qir Bv	Amsterdam (NL)	EUR	18,000	100.00	100.00	100.00	Edison International Holding Nv	-	-	SUB	-
Edison International Exploration & Production Bv	Amsterdam (NL)	EUR	18,000	100.00	100.00	100.00	Edison International Holding Nv	-	-	SUB	-
Edison International Finance Abu Qir Bv	Amsterdam (NL)	EUR	18,000	100.00	100.00	100.00	Edison International Holding Nv	-	-	SUB	-
Edison International Holding Nv	Amsterdam (NL)	EUR	4,582,803	100.00	100.00	100.00	Edison Spa	-	-	SUB	-
Selm Holding International Sa	Luxembourg (LU)	EUR	24,000,000	100.00	100.00	99.95 0.05	Edison Spa Montedison Srl (Sole Shareholder)	-	-	SUB	-
Real Estate											
Montedison Srl (Sole Shareholder)	Milan (IT)	EUR	2,583,000	100.00	100.00	100.00	Edison Spa	-	-	SUB	(i)
Nuova Alba Srl (Sole Shareholder)	Milan (IT)	EUR	2,016,457	100.00	100.00	100.00	Edison Spa	-	-	SUB	(i)

A.2) Companies Consolidated by the Proportional Method

Name	Head office	Currency	Share capital	Consolidated Group interest % (a) 09.30.2009	Consolidated Group interest % (a) 12.31.2008	Interest held in share capital % (b)	By	Voting securities held % (c)	Exercisable voting rights % (d)	Type of investment relationship (e)	Notes
Electric Power Operations											
Electric Power Business Unit											
Energiaki Thessalonikis Sa	Thessaloniki (Gr)	EUR	58,248,000	48.06	-	96.13	Elpedison Bv	-	-	JV	(v)
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	(vi)
Sel Edison Spa	Castelbello (BZ) (IT)	EUR	84,798,000	42.00	42.00	42.00	Edison Spa	-	-	JV	-
Seledison Net Srl (Sole Shareholder)	Castelbello Ciardes (BZ) (IT)	EUR	200,000	42.00	42.00	100.00	Sel Edison Spa	-	-	JV	-
Renewable Sources											
Parco Eolico Castelnuovo Srl	Castelnuovo di Conza (SA) (IT)	EUR	10,200	50.00	50.00	50.00	Edison Energie Speciali Spa (Sole Shareholder)	-	-	JV	-
Other Electric Power Assets											
Edipower Spa	Milan (IT)	EUR	1,441,300,000	50.00	50.00	50.00	Edison Spa	-	-	JV	-

List of Equity Investments (continued)

Name	Head office	Currency	Share capital	Consolidated Group interest % (a) 09.30.2009	12.31.2008	Interest held in share capital % (b)	By	Voting securities held % (c)	Exercisable voting rights % (d)	Type of investment relationship (e)	Notes
Hydrocarbons Operations											
Hydrocarbons Business Unit											
Abu Qir Petroleum Company	Alexandria (ET)	EGP	20,000	50.00	-	50.00	Edison International Spa	-	-	JV	-
Ed-Ina D.o.o.	Zagreb (HR)	HRK	20,000	50.00	50.00	50.00	Edison International Spa	-	-	JV	-
IGI Poseidon Sa-Nat. Gas Subm. Interc. Gre-Ita-Posei	Herakleio - Attiki (GR)	EUR	2,500,000	50.00	50.00	50.00	Edison Internat. Holding Nv	-	-	JV	-
Energy Management											
Energy Management Business Unit											
Elpedison Commercial Sa of Electricity Power Supply	Maroussi (Gr)	EUR	60,000	50.00	-	100.00	Elpedison Bv	-	-	JV	-
Marketing and Distribution											
Marketing and Distribution Business Unit											
Ascot Srl	Bressanone (BZ) (IT)	EUR	10,330	50.00	50.00	50.00	Eneco Energia Spa	-	-	JV	-
Corporate Activities											
Italian and Foreign Holding Companies											
Elpedison Bv	Amsterdam (NL)	EUR	20,000	50.00	60.00	50.00	Edison Internat. Holding Nv	-	-	JV	-
Water											
International Water (Uk) Limited	London (GB)	GBP	2,601,001	50.00	50.00	100.00	International Water Holdings Bv	-	-	JV	-
International Water Holdings Bv	Amsterdam (NL)	EUR	40,000	50.00	50.00	50.00	Edison Spa	-	-	JV	-

List of Equity Investments (continued)

Name	Head office	Currency	Share capital	Consolidated Group interest % (a) 12.31.2008	Interest held in share capital % (b)	By	Voting securities held % (c)	Exercisable voting rights % (d)	Carrying value (in millions of euros) (f)	Type of investment relationship (e)	Notes
B) Investments in Companies Valued by the Equity Method											
Electric Power Operations											
Electric Power Business Unit											
Centrale Elettrica Winnebach Società Consortile Arl	Terento (BZ) (IT)	EUR	100,000		30.00	Hydros Srl - Hydros Gmbh	-	-	-	ASS	-
Centrale Prati Società Consortile Arl	Val di Vizze (BZ) (IT)	EUR	300,000		30.00	Hydros Srl - Hydros Gmbh	-	-	-	ASS	-
Consorzio Barchetta	Jesi (AN) (IT)	EUR	2,000		50.00	Jesi Energia Spa	-	-	-	ASS	-
EL.IT.E Spa	Milan (IT)	EUR	3,888,500		48.45	Edison Spa	-	-	1,8	ASS	-
GTI Dakar Ltd	George Town Gran Caiman (GBC)	EUR	14,686,479		30.00	Sondel Dakar Bv	-	-	5,4	ASS	-
Kraftwerke Hinterrhein Ag	Thusis (CH)	CHF	100,000,000		20.00	Edison Spa	-	-	16,5	ASS	-
Hydrocarbons Operations											
Hydrocarbons Business Unit											
Soc. Svil. Rea. Gest. Gasdot. Alg-Ita.V. Sardeg. Galsi Spa	Milan (IT)	EUR	34,838,000		20.81	Edison Spa			13,8	ASS	-
Marketing and Distribution											
Marketing and Distribution Business Unit											
Eta 3 Spa	Arezzo (IT)	EUR	2,000,000		33.01	Edison Spa	-	-	2,2	ASS	-
Gasco Spa	Bressanone (BZ) (IT)	EUR	350,000		40.00	Edison Spa	-	-	0,2	ASS	-
Utilità Spa	Milan (IT)	EUR	2,307,692		35.00	Edison Spa	-	-	1,5	ASS	-
Corporate Activities											
Real Estate Companies											
Iniziativa Universitaria 1991 Spa	Varese (IT)	EUR	16,120,000		32.26	Montedison Srl (Sole Shareholder)	-	-	4,4	ASS	-
Total Equity Investments Valued by the Equity Method									**45,8**		

List of Equity Investments (continued)

C) Investments in Companies in Liquidation or Subject to Long-Term Restrictions

Name	Head office	Currency	Share capital	Consolidated Group interest % (a) 12.31.2008	Interest held in share capital % (b)	By	Voting securities held % (c)	Exercisable voting rights % (d)	Carrying value (in millions of euros) (f)	Type of investment relationship (e)	Notes
Electric Power Operations											
Renewable Sources											
Compagnia Elettrica Lombarda Spa (In liquid.)	Milan (IT)	EUR	408,000		60.00	Sistemi di Energia	-	-	-	SUB	-
Mario Zegna Gestioni Elettriche (In liquid.)	Milan (IT)	EUR	38,734		20.00	Compagnia Energetica Bellunese CEB (Sole Shareholder)	-	-	-	SUB	-
					80.00	Sistemi di Energia					
Hydrocarbons Operations											
Hydrocarbons Business Unit											
Auto Gas Company S.A.E. (In liquid.)	Cairo (EG)	EGP	1,700,000		30.00	Edison International Spa	-	-	0,1	ASS	-
Energy Management Business Unit											
Volta Spa (In liquid.)	Milan (IT)	EUR	130,000	51.00	51.00	Edison Spa	-	-	-	SUB	-
Corporate Activities											
Dormant Companies and other Companies											
Codest Srl	Pavia di Udine (UD) (IT)	EUR	15,600		33.33	Nuova C.I.S.A. Spa (In liquid.) (Sole Shareholder)	-	-	-	ASS	-
Finsavi Srl	Palermo (IT)	EUR	18,698		50.00	Edison Spa	-	-	-	ASS	-
Poggio Mondello Srl (Sole Shareh.)	Palermo (IT)	EUR	364,000		100.00	Nuova C.I.S.A. Spa (In liquid.) (Sole Shareholder)	-	-	-	SUB	(i)
In Liquidation and Subject to Restrictions											
C.F.C. Consorzio Friulano Costruttori (In liquid.)	Udine (IT)	LIT	100,000,000		20.00	Nuova C.I.S.A. Spa (In liquid.) (Sole Shareholder)	-	-	-	ASS	-
Cempes Scrl (In liquid.)	Roma (IT)	EUR	15,492		33.33	Nuova C.I.S.A. Spa (In liquid.) (Sole Shareholder)	-	-	-	ASS	-
C.I.FAR. Scarl (In bankruptcy)	Udine (IT)	LIT	20,000,000		60.00	Nuova C.I.S.A. Spa (In liquid.) (Sole Shareholder)	-	-	-	SUB	(ii)
Coniel Spa (In liquid.)	Rome (IT)	EUR	1,020		35.25	Edison Spa	-	-	-	ASS	-
Groupement Gambogi-Cisa (In liquid.)	Dakar (SN)	XAF	1,000,000		50.00	Nuova C.I.S.A. Spa (In liquid.) (Sole Shareholder)	-	-	-	ASS	-
Inica Sarl (In liquid.)	Lisbon (PT)	PTE	1,000,000		20.00	Edison Spa	-	-	-	ASS	-
Nuova C.I.S.A. Spa (In liquid.) (Sole Shareholder)	Milan (IT)	EUR	1,549,350		100.00	Edison Spa	-	-	2,4	SUB	(i)
Nuova I.S.I. Impianti Selez. Inerti Srl (In bankruptcy)	Vazia (RI) (IT)	LIT	150,000,000		33.33	Montedison Srl (Sole Shareholder)	-	-	-	ASS	-
Sistema Permanente di Servizi Spa (In bankruptcy)	Rome (IT)	EUR	154,950		12.60	Edison Spa	-	-	-	OC	-
Soc. Gen. per Progr. Cons. e Part. Spa (Under Extraordinary Administration)	Rome (IT)	LIT	300,000,000		59.33	Edison Spa	-	-	-	SUB	-
Sorrentina Scarl (In liquid.)	Rome (IT)	EUR	46,480		25.00	Nuova C.I.S.A. Spa	-	-	-	ASS	-
Water											
International Water Services Ltd (In liquid.)	Zug (CH)	CHF	100,000	50.00	100.00	International Water Holdings Bv	-	-	-	JV	-
Total Equity Investments in Liquidation or Under Permanent Restrictions									**2,5**		

List of Equity Investments (continued)

Name	Head office	Currency	Share capital	Consolidated Group interest % (a) 12.31.2008	Interest held in share capital % (b)	By	Voting securities held % (c)	Exercisable voting rights % (d)	Carrying value (in millions of euros) (f)	Type of investment relationship (e)	Notes
D) Investments in Other Companies Valued at Fair Value											
D.1) Trading Investments											
Corporate Activities											
Publicly Traded Securities											
Acegas-Aps Spa	Trieste (IT)	EUR	283,690,763		1.30	Edison Spa	-	-	3,2	OC	-
Acsm-Agam Spa (Ex Acsm Spa)	Monza (IT)	EUR	76,619,105		1.94	Edison Spa	-	-	1,8	OC	-
Amsc-American Superconductor Corp.	Westborough (US)	USD	19,128,000		0.84	Edison Spa	-	-	3,7	OC	-
D.2) Available-for-sale Investments											
Hydrocarbons Operations											
Hydrocarbons Business Unit											
Terminale GNL Adriatico Srl	Milan (IT)	EUR	200,000,000		10.00	Edison Spa	-	-	278,2	OC	-
Marketing and Distribution											
Marketing and Distribution Business Unit											
Prometeo Spa	Osimo (AN) (IT)	EUR	2,292,436		17.76	Edison Spa	-	-	0,4	OC	-
Corporate Activities											
Publicly Traded Securities											
RCS Mediagroup Spa	Milan (IT)	EUR	762,019,050		1.02	Edison Spa	1.06	1.06	11,1	OC	-
Not Publicly Traded											
Emittenti Titoli Spa	Milan (IT)	EUR	4,264,000		3.89	Edison Spa	-	-	0,2	OC	-
European Energy Exchange Ag - Eex	Leipzig (DE)	EUR	40,050,000		0.76	Edison Spa	-	-	0,7	OC	-
Istituto Europeo di Oncologia Srl	Milan (IT)	EUR	80,579,007		4.28	Edison Spa	-	-	3,5	OC	-
MB Venture Capital Fund I Partecipating Comp. e Nv	Amsterdam (NL)	EUR	50,000		7.00	Edison Spa	-	-	2,0	OC	-
Syremont Spa	Messina (IT)	EUR	750,000		40.00	Edison Spa	-	-	-	ASS	(iii)
Others minor									10,2		
Total Investments in Other Companies Valued at Fair Value									**315.0**		
Total									**363.3**		

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) SUB = subsidiary JV = joint venture ASS = associate OC = other company.

(f) The carrying value is shown only for companies valued by the equity method or at fair value, owned directly by the Parent Company. For other companies consolidated on a line-by-line basis or by the proportional method.

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

(ii) The deletion of this company from the Company Register is pending following a decision handed down by the Court of Udine on April 20, 2007, which closed the bankruptcy proceedings upon to total distribution of assets. However, on May 2, 2007, the Udine Company Register recorded the court decision as if the company was still active.

(iii) On January 30, 2007, Edison exercised its put option but the counterpart is currently in default.

(iv) The share participation at December 31, 2008 in the share capital was of the 40.57%. Company previously valued by the equity method.

(v) Company consolidated at 50%. The Group share is at 37.5% because after the merger of the company Thisvi in Energiaki Thessalonikis ("T-Power"), the main shareholder Elpedison Bv have to, due to agreement contract, sell the share of the 21.13%.

(vi) The Company is a contractual joint venture.

The currency codes used in the preceding schedules are those of the ISO 4217 Standard.

BRL Brazilian real
CHF Swiss franc
EGP Egyptian pound
EUR Euro
GBP British pound
HRK Croatian kuna
LIT Italian lira
PTE Portuguese escudo
USD U.S. dollar
XAF Central African franc

CERTIFICATION PURSUANT TO ARTICLE 154-BIS, SECTION 2, OF LEGISLATIVE DECREE NO. 58/1998

As required by Article 154-bis, Section 2, of the Uniform Finance Law (Legislative Decree No. 58/1998), Marco Andreasi, in his capacity as "Dirigente preposto alla redazione dei documenti contabili societari" of Edison Spa, declares that the accounting information contained in this Quarterly Report at September 30, 2009 is consistent with the data in documents, accounting records and other records.

Milan, October 30, 2009

"Il Dirigente Preposto alla redazione
dei documenti contabili societari"
Marco Andreasi

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