QUARTERLY REPORT
AT MARCH 31, 2010

EDISON

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at March 31, 2010

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

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

(*) Companies subject to functional unbundling requirements.

KEY EVENTS

Growing Our Business

Edison, BEH and DEPA Finalize an Agreement to Build the Greece-Bulgaria Gas Pipeline (IGB)

On March 4, 2010, at a meeting in Thessaloniki, BEH (Bulgarian Energy Holding) and IGI Poseidon Sa (a 50-50 joint venture of DEPA, Greece's national gas company, and Edison) finalized an agreement to establish an asset company (BEH 50% and IGI Poseidon Sa 50%) that will build the new IGB (Interconnector Greece-Bulgaria) natural gas pipeline.
The IGB pipeline will have a length of about 160 km, running between Komotini (Greece) and Stara Zagora (Bulgaria). With an annual capacity of 3 to 5 billion cubic meters of natural gas, it will provide Bulgaria with access to new supply sources by way of Greece. Planned investments will total 140 million euros and the project is expected to have access to about 45 million euros in funding under the EU's Economic Recovery Plan.
Engineering activities in preparation for construction will begin once the agreement is officially approved by the respective companies, with the pipeline expected to go on stream in 2013.

Strengthening Our Balance Sheet

Edison Successfully Completes the Placement of a 500-million-euro Bond Issue

On March 10, 2010, with demand in excess of 4 billion euros, Edison Spa completed the placement of a five-year bond issue, listed on the Luxembourg Exchange, for a total amount of 500 million euros, sold exclusively to qualified investors.
The bonds, which were offered at a 99.70 issue price with a minimum denomination of 50,000 euros, mature on March 17, 2015 and carry a gross annual coupon of 3.25%.

The bonds were issued within the framework of a Euro Medium-Term Note Program for an amount of up to 2 billion euros approved by the Board of Directors on June 25, 2009. An earlier bond issue totaling 700 million euros was placed with investors in July 2009, as communicated to the market at the time.

Significant Events Occurring After March 31, 2010

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 After March 31, 2010."

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

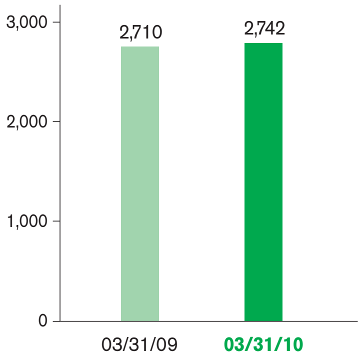
2009 full year	(in millions of euros)	1st quarter 2010	1st quarter 2009 (*)	% change
8,867	Sales revenues	2,742	2,710	1.2%
1,471	EBITDA	321	295	8.8%
16.6%	*as a % of sales revenues*	*11.7%*	*10.9%*	
699	EBIT	149	107	39.3%
7.9%	*as a % of sales revenues*	*5.4%*	*3.9%*	
529	Profit before taxes	131	71	84.5%
240	Group interest in net profit	67	35	91.4%
1,679	Capital expenditures	158	1,143	(86.2%)
66	Investments in exploration	3	30	(90.0%)
12,112	Net invested capital (A+B)(1)	12,086	12,143	(0.2%)
3,858	Net financial debt (A)(1)(2)	3,970	4,261	2.9%
8,254	Shareholders' equity before minority interest (B)(1)	8,116	7,882	(1.7%)
8,077	Group interest in shareholders' equity(1)	7,944	7,734	(1.6%)
6.22%	ROI(3)	5.07%	3.80%	
3.00%	ROE(4)	3.35%	1.79%	
0.47	Debt/Equity ratio (A/B)	0.49	0.54	
32%	Gearing (A/A+B)	33%	35%	
3,923	Number of employees(1)(5)	3,928	3,833	0.1%
	Stock market prices (in euros)(6)			
1.0463	- common shares	1.0812	0.7608	
1.2939	- savings shares	1.4253	1.1751	
	Earnings per share (in euros)			
0.0448	- basic earnings per common share	0.0121	0.0059	
0.0748	- basic earnings per savings share	0.0421	0.0359	
0.0448	- diluted earnings per common share	0.0121	0.0059	
0.0748	- diluted earnings per savings share	0.0421	0.0359	

(1) End-of-period data. The changes are computed against the data at December 31, 2009.
(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 non-current assets and is computed as the arithmetic average of the net invested capital at the end of the period and at the end of the previous year.
(4) Annualized Group interest in net 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) Companies consolidated line by line and Group interest in companies consolidated by the proportional method.
(6) Simple arithmetic mean of the prices for the last calendar month of the period.
(*) Sales revenues reflect a new presentation of trading activities that recognizes only the resulting "trading margin" (net presentation).

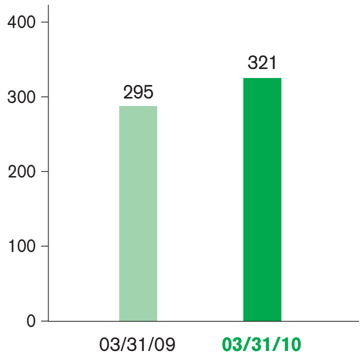
Key Group Data

(in millions of euros)

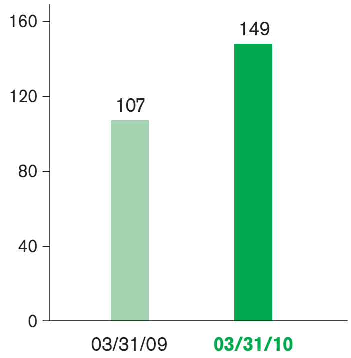
Sales Revenues



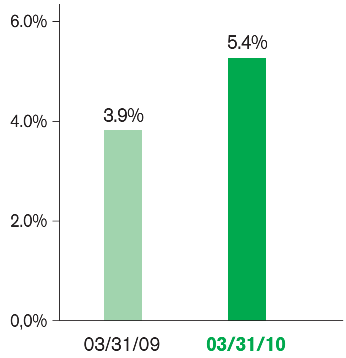
EBITDA



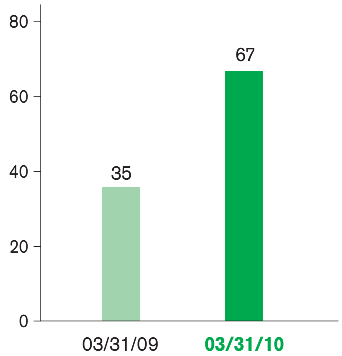
EBIT



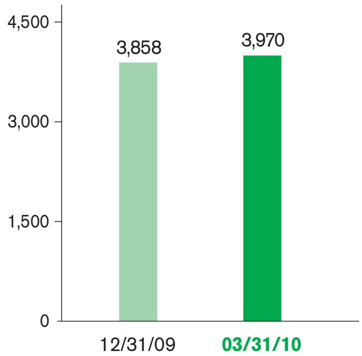
EBIT/Sales Revenues



Group Interest in Net Profit



Net Financial Debt



Sales Revenues and EBITDA by Business Segment

2009 full year	(in millions of euros)	1st quarter 2010	1st quarter 2009 (*)	% change
	Electric Power Operations (1)			
6,463	Sales revenues	1,746	1,733	0.8%
1,227	EBITDA	211	208	1.4%
19.0%	*as a % of sales revenues*	*12.1%*	*12.0%*	
	Hydrocarbons Operations (2)			
4,158	Sales revenues	1,503	1,621	(7.3%)
347	EBITDA	135	110	22.7%
8.3%	*as a % of sales revenues*	*9.0%*	*6.8%*	
	Corporate Activities and Other Segments (3)			
53	Sales revenues	12	12	-
(103)	EBITDA	(25)	(23)	(8.7%)
n.m.	*as a % of sales revenues*	*n.m.*	*n.m.*	
	Eliminations			
(1,807)	Sales revenues	(519)	(656)	20.9%
	EBITDA	-	-	
	Edison Group			
8,867	**Sales revenues**	**2,742**	**2,710**	**1.2%**
1,471	**EBITDA**	**321**	**295**	**8.8%**
16.6%	***as a % of sales revenues***	***11.7%***	***10.9%***	

(1) Activities carried out by the following Business Units: Electric Power Operations, Power International, Renewable Sources, Energy Efficiency and Sustainable Development, Energy Management and Marketing & Distribution.

(2) Activities carried out by the following Business Units: Hydrocarbons Operations, Natural Gas International, 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 first quarter of 2010, sales revenues increased by 1.2% compared with the same period in 2009, as sharply higher sales volumes of electric power and natural gas in Italy more than offset the negative impact of a decline in unit sales prices in both businesses that reflected conditions in the benchmark commodities markets. A surge in unit sales to end customers (up 18% for the electric power operations and 11% for the natural gas operations), consistent with the Group's downstream diversification strategy, was the main factor driving the rise in sales volumes, with gains of 24% for electric power and 28% for natural gas.

EBITDA totaled 321 million euros, up 8.8% compared with the first quarter of 2009. This improvement is the net result of the following developments:

- A modest 1.4% increase in EBITDA booked by the electric power operations (211 million euros compared with 208 million euros in the first quarter of 2009);
- A 22.7% EBITDA gain for the hydrocarbons operations, which reported EBITDA of 135 million euros in the first quarter of 2010, up from 110 million euros in the same period a year earlier, when, however, the figure was penalized by charges for hedging transactions executed at the Edison Group level;
- Negative EBITDA of 25 million euros for the Corporate Activities and other segments, compared with a loss of 23 million euros in the first three months of 2009.

EBIT, which in addition to the factors discussed above reflect the impact of a decrease of 27 million euros in amortization of investments in exploration, totaled 149 million euros, or 39.3% more than the 107 million euros earned in the first quarter of 2009.

The Group's interest in profit before taxes rose to 131 million euros, or 84.5% more than the 71 million euros earned in the first three months of 2009. In addition to the effect of the positive results achieved at the operating level, pretax income also benefited from gains on transactions to hedge EUR/USD exchange differentials, which were recognized as financial income.

Net of an income tax expense of 63 million euros (expense of 40 million euros in the first quarter of 2009), the Group's interest in net profit for the first three months of 2010 totaled 67 million euros, for an increase of 32 million euros (+91.4%) compared with the same period the previous year (35 million euros).

At March 31, 2010, net financial debt amounted to 3,970 million euros (4,261 million euros at March 31, 2009), up compared with the 3,858 million euros owed at December 31, 2009. 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)

2009 full year		1st quarter 2010	1st quarter 2009
(2,920)	**A. NET FINANCIAL DEBT AT BEGINNING OF PERIOD**	**(3,858)**	**(2,920)**
1,471	EBITDA	321	295
274	Change in operating working capital	(75)	(289)
(401)	Income taxes paid (-)	(8)	-
28	Change in other assets (liabilities)	(166)	(1)
1,372	**B. CASH FLOW FROM OPERATING ACTIVITIES**	**72**	**5**
(1,745)	Investments in property, plant and equipment and intangibles (-)	(161)	(1,173)
(56)	Investments in non-current financial assets (-)	(2)	(23)
(80)	Investments in business combinations (-)	-	(80)
58	Proceeds from the sale of property, plant and equipment, intangibles and non-current financial assets	-	6
1	Dividends received	-	-
(450)	**C. FREE CASH FLOW**	**(91)**	**(1,265)**
(156)	Financial income (expense), net	(25)	(31)
-	Contributions of share capital and reserves	6	-
(278)	Dividends paid (-)	(2)	-
(884)	**D. CASH FLOW AFTER FINANCING ACTIVITIES**	**(112)**	**(1,296)**
(54)	Change in the scope of consolidation	-	(45)
(938)	**E. NET CASH FLOW FOR THE PERIOD**	**(112)**	**(1,341)**
(3,858)	**F. NET FINANCIAL DEBT AT END OF PERIOD**	**(3,970)**	**(4,261)**

Outlook and Expected Year-end Results

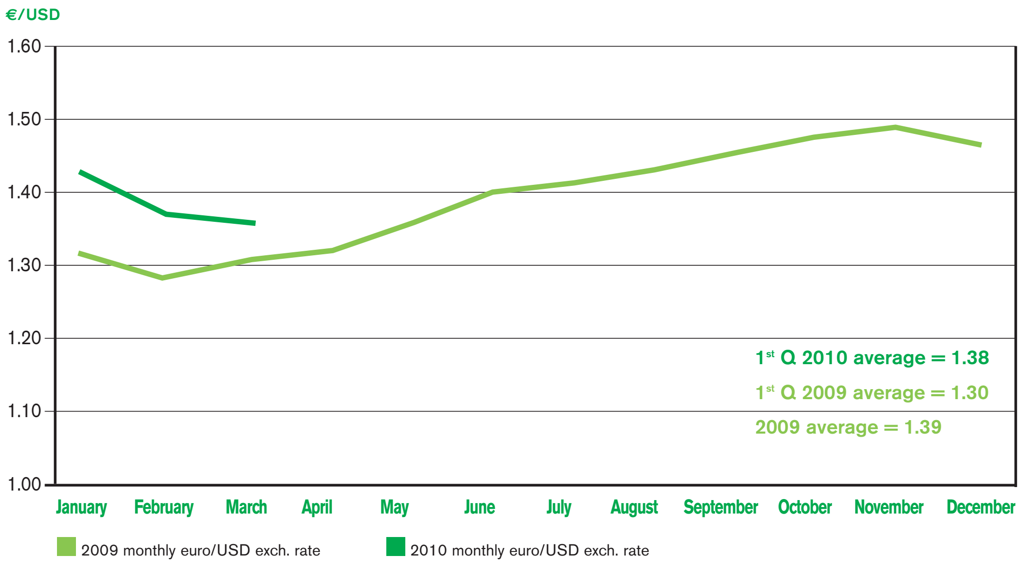
In 2010, the business environment will be characterized by a modest upturn in demand for electric power and natural gas, which, however, will remain well below pre-crisis levels, and by steady pressure on sales margins caused by the effect of heightened competition on benchmark prices. In response to this situation, Edison is renegotiating its long-term natural gas contracts.

The positive outcome of these re-negotiations, combined with the use of all the operational means which achieved positive results during the past year and the first quarter 2010, justifies to expect for this year results in line with those reported in 2009.

ECONOMIC FRAMEWORK

In the first quarter of 2010, the global economy and the European one in particular still appeared to be deeply shaken by the international crisis triggered by the bursting of the real estate and financial bubble at the end of 2008. The main concerns that are currently gripping the economy are the rising levels of unemployment and government and private-sector debt, which continues to increase virtually everywhere.
Specifically, the latest employment data for the United States and Europe show that the February unemployment rate was 9.7% in the United States, up 1.5% compared with February 2009, and 9.5% in the EU-27 (also an increase of 1.5% compared with February 2009) and an even higher 9.9% for the euro-zone countries. In Italy, the unemployment rate (8.5% in February, unchanged compared with the previous month) was lower than in the United States and, together with Germany (7.5% in January), among the lowest in Europe, where the highest rates were recorded in the Scandinavian countries, France (10.1% in January) and Spain (18.8% in January).
The other key source of imbalance, which first caused the crisis and now is hampering a recovery, is the presence of innumerable government and private-sector debt crisis situations that continue to fester virtually everywhere, with Greece and Ireland as prime examples, as a result of the gargantuan programs implemented to boost local economies.
In addition, internal demand is still very weak in the industrialized countries, despite expansionary fiscal policies, and there is growing uncertainty about growth rates in the emerging markets, China excluded, and about their role as the engines driving the global recovery.
As for international trade, which shrank by 11.9% in 2009, there were new signs of recovery in the first quarter of 2010, on the heels of those detected during the closing months of 2009. However, a quick return to the pre-crisis levels is still difficult to imagine at this point.

Insofar as the euro/U.S. dollar exchange rate is concerned, it averaged 1.38 U.S. dollars for one euro during the first quarter of 2010, about the same as the average rate for 2009, but up 6.3% compared with the same period a year earlier (1.30 U.S. dollars for one euro).



THE ITALIAN ENERGY MARKET

Demand for Electric Power in Italy and Market Environment

2009 full year	TWh	1st quarter 2010	1st quarter 2009	% change
278.9	Net production	70.6	68.3	3.3%
44.4	Net import/export balance	11.7	12.6	(7.0%)
(5.7)	Surges	(1.4)	(1.5)	(8.0%)
317.6	**Total demand**	**80.9**	**79.4**	**1.9%**

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

In the first quarter of 2010, total demand for electric power from the Italian grid totaled 80.9 TWh (TWh = 1 billion kWh), or 1.9% more than in the same period the previous year. On a seasonally adjusted basis (i.e., eliminating the impact of changes in the number of business days), the rate of increase is the same.

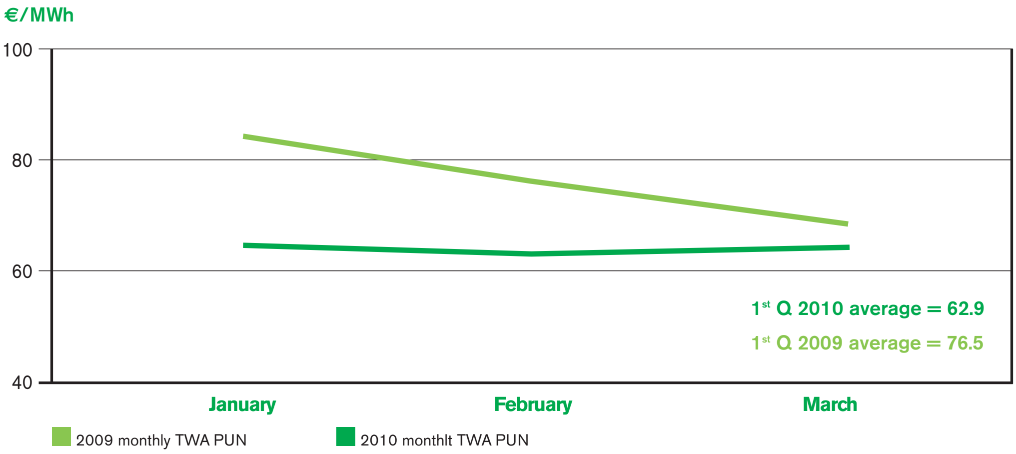
The increase of 1.5 TWh in demand for electric power, coupled with a 0.9 TWh decrease in net imports and a slight reduction in energy absorbed by surges (0.1 TWh), produced a gain of 2.3 TWh in domestic production. As a result, net of the impact of surges, domestic production for the period covered 85.5% of demand, up from 84.2% in the first three months of 2009, while the percentage supplied by net imports declined to 14.5%, down from 15.8% in 2009.

The reduction of 0.9 TWh in net imports is the combined result of a decrease of 1.0 TWh in imports and an increase of 0.1 TWh in exports. Specifically, net imports from the Northwest (borders with France and Switzerland) were down substantially (-1.4 TWh), while those from the Northeast (borders with Austria and Slovenia) grew by 0.4 TWh. In addition, the net import flow from Greece to Italy increased by 0.1 TWh compared with the first quarter of 2009.

The improvement of 2.3 TWh in net domestic production reflects substantial gains in production from thermoelectric power plants (up 3.2 TWh, or 5.9%) and from wind farms and photovoltaic facilities (up 0.6 TWh, or 32%), while the output of hydroelectric power plants decreased by 1.5 TWh (-13.2%) compared with the first three months of 2009, when it was boosted by a high level of available water resources.

Insofar as price trends are concerned, the time-weighted average for the Single National Price (abbreviated PUN in Italian) declined to 62.9 euros per MWh at March 31, 2010, or about 17.7% less than in the first quarter of 2009 (76.5 euros per MWh). One of the main reasons for this decrease is a reduction in the generating cost for gas-fired facilities resulting from the time lag with which changes in the benchmark oil market are reflected in changes to the gas-based formulas. Specifically, the gas-based cost for the first quarter of 2009 still reflected the record oil prices from the summer of 2008 (over USD 146/bbl).

The chart below provides a monthly comparison of the PUN trend in the first quarter of 2010 and 2009.



Demand for Natural Gas in Italy and Market Environment

2009 full year	in billions of m³	1st quarter 2010	1st quarter 2009	% change
31.8	Services and residential customers	16.1	15.3	5.4%
16.7	Industrial users	4.3	4.2	1.5%
28.2	Thermoelectric power plants	8.2	6.9	17.9%
1.4	System usage and leaks	0.3	0.3	-
78.1	**Total demand**	**28.9**	**26.7**	**8.1%**

Source: Preliminary 2009 and 2010 data provided by the Ministry of Economic Development and Edison estimates.

In the first quarter of 2010, Italian demand for natural gas increased compared with the same period a year earlier, totaling about 28.9 billion cubic meters, or about 2.2 billion cubic meters more (+8.1%) than in 2009.

The main changes in demand trends that occurred in the first three months of 2010 included the following:

- A rise in demand from residential customers (+5.4%) that reflects the effect of colder weather conditions than in 2009 and the historical average;
- Higher consumption by thermoelectric power plants (+17.9%) that reflects a reduction in imports and in the output of hydroelectric facilities;
- A modest gain in demand from industrial users (+1.5%) due to a slight improvement in macroeconomic conditions.

With regard to supply sources, the following developments characterized the first quarter of 2010:

- Domestic production in line with 2009 (+0.2%);
- An increase in imports (+20.7%) due to the commissioning of the Rovigo regasification terminal in the third quarter of 2009 and the pipeline transit dispute between Russia and the Ukraine in January 2009 (total underdelivery of about 1.1 billion cubic meters from January 6 to January 20);
- A reduction in the use of stored natural gas (-25% compared with 2009). The higher utilization in the first quarter of 2009, was caused by the downward trend that characterized natural gas prices ahead of the injection campaign, creating an incentive for operators to use stored natural gas and replace it with lower priced new gas.

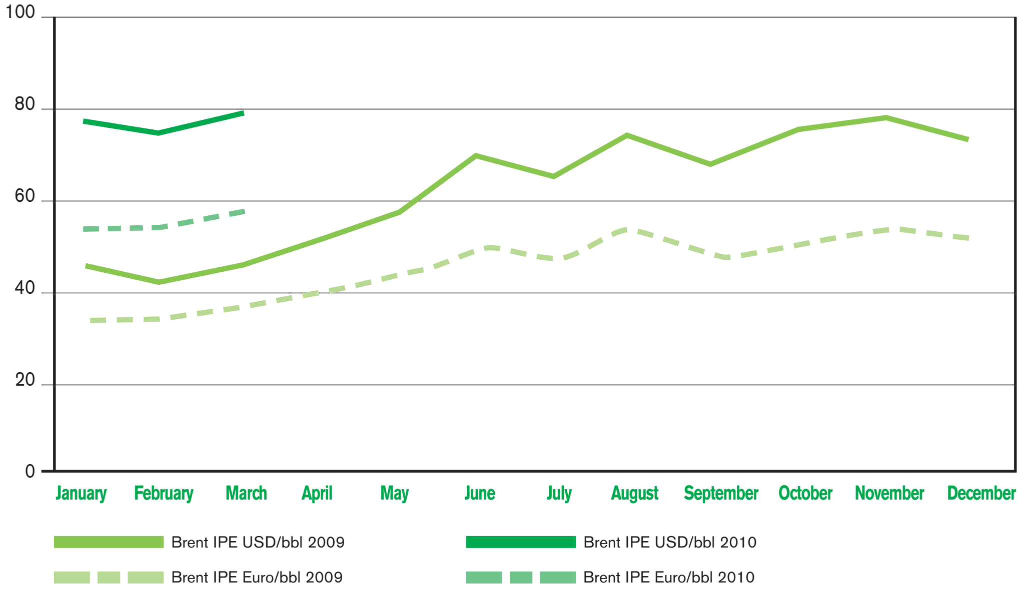
As for the benchmark oil market, the price of Brent crude averaged USD 77.30 per barrel in the first quarter of 2010, increasing only slightly compared with the average for December 2009, but up sharply (+68.9%) compared with the same period in 2009, when the average price had fallen to USD 45.80 per barrel.

The appreciation of the euro versus the U.S. dollar had a positive impact on the price of crude oil stated in euros per barrel. Specifically, the average price of crude oil stated in euros increased by 58.9% compared with the first three months of 2009, rising from 35.10 euros per barrel in 2009 to 55.8 euros per barrel in 2010.

The table and the chart that follow show the average quarterly prices and monthly price trends for 2010 and 2009.

2009 full year		1st quarter 2010	1st quarter 2009	% change
62.6	Oil price in USD/bbl (1)	77.3	45.8	68.9%
1.39	USD/EUR exchange rate	1.38	1.30	6.3%
44.9	Oil price in EUR/bbl	55.8	35.1	58.9%
282.4	WDC EUR/000 mc (2)	244.3	360.1	(32.2%)

(1) Brent IPE
(2) WDC (Wholesale Distribution Charge) set by Resolution No. 134/06 and updated pursuant to Resolution ARG/gas No. 192/08.



It is important to keep in mind that, because of the time lag with which the changes in the crude oil market discussed above are reflected in the natural gas pricing formula, price trends in the natural gas market can actually appear to be moving in the opposite direction. For example, the rate component that corresponds to the Wholesale Distribution Charge, as set by Resolution No. 134/06 and updated pursuant to Resolution ARG/gas No. 192/08, is equal to 244.3 euros per thousand cubic meters in the first quarter of 2010, showing a decrease of 32.2% compared with the 360.1 euros per thousand cubic meters in the first quarter of 2009 (due to sharply higher oil prices in the first half of 2008).

LEGISLATIVE AND REGULATORY FRAMEWORK

The main legislative and regulatory measures enacted in the first quarter of 2010 that had an impact on the energy industry in Italy and the European Union are reviewed below.

Electric Power

Production

Early cancellation of CIP 6/92 contracts: Acting within the deadline of December 21, 2009 set forth in the Decree of December 2, 2009, Edison filed with the Electrical Services Manager (or GSE, its abbreviation in Italian) a non-binding indication of interest to cancel the abovementioned contracts for the eligible facilities under the applicable regulation, which are the Taranto, Piombino, Cologno Monzese, Jesi, Milazzo, Porcari, Porto Viro and San Quirico thermoelectric power plants. The GSE, in turn, forwarded to the Ministry of Economic Development and the AEEG a list of the facilities to which the early cancellation would apply.
At this point, the Ministry of Economic Development has not yet published the decrees listing the specific parameters applicable to each power plant, on the basis of which producers could decide whether to file a binding application to permanently cancel the contracts.

Environment

Reimbursement of green certificate costs for CIP 6/92 power plants: On March 29, 2010, the AEEG published Resolution No. 35/10 concerning the reimbursement of costs incurred by CIP 6/92 power plants to meet green certificate requirements in 2008. Consistent with the indications provided in Consultation Document No. 40/09 of December 22, 2009, it set at €60.10/MWh the unit reimbursement amount.

Wholesale Market

Units that are essential for the system's safety: On January 21, 2010, the Regional Administrative Court of Lombardy heard oral arguments in the challenge filed against Resolution No. 52/09 and has not yet rendered a decision. As for the dispute concerning Resolution No. 97/08, subsequent to a hearing held on March 2, 2010, the Council of State published only the summary of the decision by which it ordered Terna to compensate Enel in accordance with the terms and conditions set forth in the listing of the grounds for the decision.

Retail Market

In first quarter of 2010, the pricing parameters for the supply of electric power to customers with "greater protection" status was lowered by 3.1%, while those applicable to the supply of natural gas to customers with "protection" status increased by 3.6%. This discrepancy in price changes reflects primarily a difference in the levels of efficiency and competition in these two markets: improved for electric power and still unsatisfactory for natural gas.
In the official investigation launched by the AEEG for alleged violations by Edison Energia of Directive No. 152/06 on the transparency of invoices for electric power customers (Resolution No. VIS 93/09), Edison Energia submitted its defense brief to the AEEG at the end of January 2010 and is currently waiting for a decision by the AEEG.
Lastly, on the issue of standards of communication between distributors and sellers of electric power, the AEEG approved the communication flows for the four services subject of Consultation Document No. DCO 35/09 (Resolution No. 13/10) and the applicable operational instructions (Decision No. 2/10). The services in question concern the following: access to technical data obtainable by reading a metering unit, access to other technical data, deactivation of supply at the end customer's request, and reactivation-reinstatement of supply upon resolution of payment delinquency.

Hydrocarbons

Rates and Market

At the end of March 2010, the AEEG began a consultation process concerning the pricing parameters for the supply of natural gas applied to customers with "protection" status, aiming to change, as early as in the new thermal year (i.e., as of October 1, 2010) the method currently used to compute the raw material rate component (QE), given the changes that have occurred in long-term supply contracts and, concurrently, in the international markets (characterized by a reduction in demand for natural gas caused by the economic crisis and an increase in unconventional natural gas production in the United States).

Infrastructures

Storage: By Resolution ARG/gas No. 21/10, the AEEG extended for the period from April 1, 2010 to December 31, 2010 the validity of the storage service rates in effect during the 2009/2010 thermal year. In addition, it extended for the same period the criteria for the assurance of reference revenues provided in the rate regulations currently in effect and the equalization system established in connection with the adoption of the Single National Rate.
During the transition period, the AEEG will survey the operators with regard to the rate setting criteria for the next (third) regulatory period, during which, presumably, the calendar year will be used as the framework for rate computation purposes, as is already the case for transmission and distribution rates.

Natural gas transmission: The AEEG adopted Resolution ARG/gas No. 2/10 by which, in implementation of the Ministry Decree of April 28, 2006, it defined the new rules for the allocation, in accordance with the "Open Season" procedure, of transmission capacity on the national network of gas pipelines for new regasification terminals and import/export gas pipelines that were exempted from the obligation to provide third-party access or were granted priority allocation rights (both issued by the Ministry of Economic Development pursuant to the Ministry Decree of April 11, 2006).
The new rules are aimed at allowing the efficient and coordinated planning of future expansion of the national network of gas pipelines by learning within a well defined time window the expectations of all parties with an interest in expanding the transmission network.
Moreover, once this process is completed, the new rules will allow the interested parties to sign long-term contracts with Italian transmission companies for durations and capacities consistent with those of the exemptions they obtained.

Issues Affecting Multiple Business Segments

Nuclear energy: The government gave its final approval of Legislative Decree No. 31/2010 concerning "Rules for siting, building and operating in Italy facilities to produce electric power from nuclear energy, facilities to manufacture nuclear fuel and systems to store irradiated materials and nuclear waste, as well as offsetting programs and public information campaigns." The decree incorporates for the most part strict international standards for the siting of power plants, which will be required to comply with the most stringent safety standards and designed for construction within specific geological frameworks.

Decree governing trading of imported natural gas quotas: This decree, the enactment of which was required by the combined provisions of Article 11, Section 2, of Decree Law No. 7/07 and Article 1, Section 1, of the Ministry Decree of March 19, 2008, was signed by the Minister of Economic Development and is now awaiting publication. It sets the rules for a trading platform for offers to sell imported natural gas quotas, which will be managed by the Manager of the Electric Power Market (or GME, its abbreviation in Italian). Under the decree, the trading platform will also be available for natural gas batches not subject to the requirements of Decree Law No. 7/07.
Subsequently, the AEEG will define the methods for offers and deliveries. Importers who are subject to the offer obligation will be required to submit to the Ministry of Economic Development and the AEEG, by January 31 of each year, a report providing useful information to verify the correct fulfillment of their obligations (volumes imported and volumes offered). If there are no bids for their offers, importers will be required to make available on the trading platform twice the required volume. Repeated failure to comply with these obligations could result in the cancellation of import permits and the refusal to provide new permits for a period of five years.
By October 10, 2010, the GME will assume responsibility for managing the trading platform, once the AEEG has updated the regulations referred to in Resolution ARG/gas No. 108/09.

European Energy Policies

European Recovery Plan: The process of allocating the funds provided under the European Recovery Plan (EERP) for the development of electric power and natural gas interconnectors is continuing.
In January 2010, the European Parliament approved at the review level the Commission's Decision and the individual Final Decisions for the allocation of funds are now being finalized.
This process also applies to some projects sponsored by Edison, including the ITGI, IGB and GALSI natural gas importation infrastructures, to which funds totaling 100, 45 and 120 million euros, respectively, have been allocated.

PERFORMANCE OF THE GROUP'S BUSINESSES

Electric Power Operations

Quantitative data

Sources

2009 full year	GWh (*)	1st quarter 2010	1st quarter 2009	% change
41,601	**Production in Italy:**	**10,890**	**10,664**	**2.1%**
35,646	- Thermoelectric power plants	9,804	9,516	3.0%
5,397	- Hydroelectric power plants	901	977	(7.8%)
558	- Wind farms and other renewables	185	171	8.3%
18,771	**Other purchases (1)**	**7,410**	**4,143**	**78.9%**
60,372	**Total sources in Italy**	**18,300**	**14,807**	**23.6%**
-	**Production outside Italy**	**216**	**-**	**n.m.**

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

Uses

2009 full year	GWh (*)	1st quarter 2010	1st quarter 2009	% change
11,050	**CIP 6/92 dedicated**	**2,835**	**2,779**	**2.0%**
2,464	**Captive and other customers**	**768**	**827**	**(7.1%)**
46,858	**Deregulated market:**	**14,697**	**11,201**	**31.2%**
24,978	End customers (1)	6,903	5,829	18.4%
2,452	IPEX and mandates	402	940	(57.2%)
8,837	Wholesalers and industrial portfolio	4,043	1,577	156.3%
10,591	Other sales (2)	3,349	2,855	17.3%
60,372	**Total uses in Italy**	**18,300**	**14,807**	**23.6%**
-	**Sales of production outside Italy**	**216**	**-**	**n.m.**

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

Financial Highlights

(in millions of euros)

2009 full year		1st quarter 2010	1st quarter 2009	% change
6,463	**Sales revenues**	**1,746**	**1,733**	**0.8%**
1,227	EBITDA	211	208	1.4%
19.0%	*as a % of sales revenues*	*12.1%*	*12.0%*	
372	Capital expenditures	37	78	(52.6%)
1,946	Number of employees (1)	1,947	1,868	0.1%

(1) End-of-period data. The changes are computed against the data at December 31, 2009.
(*) Sales revenues reflect a new presentation of trading activities that recognizes only the resulting "trading margin" (net presentation).

Production and Procurement

In the first quarter of 2010, the Group's net production in Italy increased to 10,890 GWh, or 2.1% more than in the same period a year earlier, as the net result of a 7.8% decrease in hydroelectric output caused by a reduced availability of water resources, compared with the first three months of 2009, and a slight gain in thermoelectric production (+3%).

Other purchases carried out to round out the sources portfolio increased by almost 80% compared with the first quarter of 2009, reflecting the impact of a strategy of optimizing the average cost of source energy, which enables the Group to benefit from outside purchases whenever a margin advantage over production costs justifies it.

However, it is important to keep in mind that this category includes purchases that occur when facilities operate in bidding mode and other transactions with relatively low unit margins.

Production outside Italy refers to the contribution provided by the power plant operated by Elpedison Power in Thessaloniki, in Greece, which is being consolidated as of March 31, 2009.

Sales and Marketing

Sales of electric power totaled 18,300 GWh in the first quarter of 2010, for an increase of 23.6% compared with the same period the previous year.
Sales in the CIP 6/92 segment were roughly the same (+2%) as in the first three months of 2009. In the deregulated market, sales were characterized by contrasting 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 and wholesalers, while reducing the volumes it offered on the Power Exchange. Other sales in the deregulated market increased by 17,3%. However, as mentioned above in the section on procurement, the unit margins earned in these business segments are extremely small.

Operating Performance

Sales revenues totaled 1,746 million euros in the first quarter of 2010, about the same as the revenues reported for the first three months of 2009, as the benefit of sharply higher unit sales was largely offset by a reduction in unit sales prices that reflected changes in the pricing parameters.
EBITDA improved slightly compared with the previous year, totaling 211 million euros at March 31, 2010 (208 million euros in the first quarter of 2009).

Capital Investments

Capital expenditures by the electric power operations, which totaled 37 million euros in the first three months of 2010, were allocated as follows: about 13 million euros for thermoelectric power plants; about 4 million euros to develop wind power operations in Italy, primarily the Mistretta wind farm; about 5 million euros to streamline and revamp the portfolio of hydroelectric facilities; about 14 million euros for the development of the Thisvi power plant, in Greece; and about 1 million euros for photovoltaic and energy efficiency projects.

Hydrocarbons Operations

Quantitative data

Sources of Natural Gas

2009 full year	in millions of m³ of natural gas	1st quarter 2010	1st quarter 2009	% change
604	Production in Italy	133	161	(17.4%)
8,678	Pipeline imports	2,552	2,455	3.9%
1,682	LNG imports	1,560	41	n.m.
2,502	Domestic purchases	255	766	(66.7%)
(256)	Change in stored gas inventory [1]	555	528	5.1%
13,210	**Total sources (Italy)**	**5,055**	**3,951**	**28.0%**
1,231	**Production outside Italy [2]**	**351**	**298**	**18.0%**

[1] Includes pipeline leaks. A negative change reflects additions to the stored gas inventory.
[2] Counting volumes withheld as production tax.

Uses of Natural Gas

2009 full year	in millions of m³ of natural gas	1st quarter 2010	1st quarter 2009	% change
3,043	Residential use	1,559	1,422	9.7%
1,378	Industrial use	458	398	15.0%
8,151	Thermoelectric fuel use	2,709	1,951	38.9%
638	Other sales	329	180	82.6%
13,210	**Total uses (Italy)**	**5,055**	**3,951**	**28.0%**
1,231	**Sales of production outside Italy**	**351**	**298**	**18.0%**

Crude Oil Production

2009 full year	in thousands of barrels	1st quarter 2010	1st quarter 2009	% change
1,703	Production in Italy	582	410	41.9%
957	Production outside Italy [1]	271	210	29.2%
2,660	**Total production**	**853**	**620**	**37.6%**

[1] Counting volumes withheld as production tax.

Financial Highlights

(in millions of euros)

2009 full year		1st quarter 2010	1st quarter 2009	% change
4,158	**Sales revenues**	**1,503**	**1,621**	**(7.3%)**
347	EBITDA	135	110	22.7%
8.3%	*as a % of sales revenues*	*9.0%*	*6.8%*	
1,296	Capital expenditures	58	1,065	(94.6%)
66	Investments in exploration	3	30	(90.0%)
1,357	Number of employees [1]	1,358	1,361	0.1%

[1] End-of-period data. The changes are computed against the data at December 31, 2009.

Production and Procurement

Net production of natural gas, counting the output both of Italian and international operations, totaled 484 million cubic meters, about the same as in the first quarter of 2009. A gain in production outside Italy (+18%), which reflected the contribution of the Abu Qir concession for the full quarter, more than offset the impact of the natural depletion of existing fields in Italy.

Production of crude oil totaled 853,000 barrels, up from 620,000 barrels in the first three months of 2009. The resumption of operations at the Vega field, in Italy, and production from the Abu Qir concession (included for the full quarter) and the new West Wadi el Rayan field, in Egypt, account for this increase.

While pipeline imports of natural gas under long-term contracts were essentially flat compared with the first quarter of 2009, natural gas imported as LNG from Qatar and regasified at the Rovigo LNG terminal, which was not included in the data at March 31, 2009, totaled 1,560 million cubic meters in the first three months of 2010 (the LNG Terminal operates at full capacity from the third quarter of 2009).
At the same time, this new supply source enabled the Group to reduce its purchases from other Italian operators to just 255 million cubic meters (66.7% less than in the first quarter of 2009), thereby effectively achieving a major strategic goal, i.e., gradually eliminating reliance on sources that are not directly managed.

Sales and Marketing

Reflecting the increased supply available thanks to the LNG regasified at the Rovigo Terminal, unit sales of natural gas to customers in Italy totaled 5,055 million cubic meters, for a gain of 28% compared with the first three months of 2009.
Specifically, sales to residential and industrial users were up 9.7% and 15%, respectively, while deliveries to thermoelectric users rose by 38.9% in the first quarter of 2010.
Sales to wholesalers and volumes traded on the virtual exchange facility totaled 329 million cubic meters (180 million cubic meters in the first three months of 2009).

Operating Performance

In the first quarter of 2010, sales revenues amounted to 1,503 million euros, for a decrease of 7.3% compared with the 1,621 million euros booked in the same period the previous year, as gains in unit sales could offset only in part the impact of the substantial reduction in average sales prices caused by a negative change in the benchmark parameters.
EBITDA increased to 135 million euros, or 22.7% more than in the first three months of 2009, when, however, EBITDA were reduced by charges related to hedging transactions executed at the Group level.

Capital Investments

Capital investments totaled about 58 million euros in the first quarter of 2010.
The main investments in Italy included: 6 million euros to expand the Cellino and Collalto fields, 3 million euros for the preparatory activities required to develop the Panda and Cassiopea deposits, 2 million euros to develop the Tresauro field and 2 million euros to develop the new Capparuccia (AP) field.
Investment projects in Egypt focused on the Abu Qir concession (19.5 million euros), where work included a continuation of drilling activities and design activities for the construction of the new NAQ PII platform and the renovation and expansion of the existing NAQ PI and WAQ PI platforms.
In Croatia, the hookup of the Izabela South and Izabela North offshore platforms was completed and drilling of two wells is under way, at a cost of 19 million euros.

Exploration Activities

In the first three months of 2010, the Group invested about 3 million euros in exploration. Virtually the entire amount was allocated to projects outside Italy.

Corporate Activities and Other Segments

Financial Highlights

(in millions of euros)

2009 full year		1st quarter 2010	1st quarter 2009	% change
53	**Sales revenues**	**12**	**12**	**-**
(103)	EBITDA	(25)	(23)	(8.7%)
n.m.	*as a % of sales revenues*	*n.m.*	*n.m.*	
11	Capital expenditures	63	-	n.m.
620	Number of employees [1]	623	604	0.5%

[1] End-of-period data. The changes are computed against the data at December 31, 2009.

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

Sales revenues were the same as the first three months of 2009. EBITDA were negative by 25 million euros, as the loss widened by 2 million euros compared with the previous year.

Capital expenditures include 62 million euros for a building at 35 Foro Buonaparte, in Milan, purchased in January 2010.

MANAGEMENT AND TYPES OF FINANCIAL RISKS

Please consult the Group Financial 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.

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 March 31, 2010

Balance Sheet

03.31.2009 (*)		(in millions of euros)		03.31.2010		12.31.2009 (*)	
	of which related parties		See Note		of which related parties (a)		of which related parties
		ASSETS					
7,426	-	Property, plant and equipment	1	7,455	-	7,445	-
14	-	Investment property	2	12	-	12	-
3,542	-	Goodwill	3	3,538	-	3,538	-
1,272	-	Hydrocarbon concessions	4	1,245	-	1,259	-
111	-	Other intangible assets	5	121	-	108	-
50	-	Investments in associates	6	46	-	43	-
268	-	Available-for-sale investments	6	303	-	304	-
93	-	Other financial assets	7	106	-	98	-
87	-	Deferred-tax assets	8	106	-	103	-
47	-	Other assets	9	20	-	21	-
12,910	**-**	**Total non-current assets**		**12,952**	**-**	**12,931**	**-**
111	-	Inventories		193	-	308	-
2,755	58	Trade receivables		2,263	98	1,862	83
11	-	Current-tax assets		26	-	33	-
512	10	Other receivables		635	59	545	84
35	-	Current financial assets		50	-	30	-
160	-	Cash and cash equivalents		797	-	748	-
3,584	**-**	**Total current assets**	10	**3,964**	**-**	**3,526**	**-**
-	**-**	**Assets held for sale**		**-**	**-**	**-**	**-**
16,494	**-**	**Total assets**		**16,916**	**-**	**16,457**	**-**
		LIABILITIES AND SHAREHOLDERS' EQUITY					
5,292	-	Share capital		5,292	-	5,292	-
565	-	Equity reserves		748	-	703	-
1,132	-	Other reserves		948	-	1,127	-
(1)	-	Reserve for currency translations		5	-	4	-
711	-	Retained earnings (Loss carryforward)		884	-	711	-
35	-	Profit (Loss)		67	-	240	-
7,734	**-**	**Group interest in shareholders' equity**		**7,944**	**-**	**8,077**	**-**
148	-	Minority interest in shareholders' equity		172	-	177	-
7,882	**-**	**Total shareholders' equity**	11	**8,116**	**-**	**8,254**	**-**
65	-	Provision for employee severance indemnities and provisions for pensions	12	63	-	64	-
546	-	Provision for deferred taxes	13	592	-	584	-
781	-	Provisions for risks and charges	14	813	-	837	-
1,200	-	Bonds	15	1,696	-	1,199	-
1,953	-	Long-term financial debt and other financial liabilities	16	1,611	-	2,184	-
32	-	Other liabilities	17	30	-	30	-
4,577	**-**	**Total non-current liabilities**		**4,805**	**-**	**4,898**	**-**
13	-	Bonds		748	-	721	-
1,364	16	Short-term financial debt		843	15	611	15
1,602	22	Trade payables		1,680	65	1,469	41
77	-	Current taxes payable		58	-	38	-
979	290	Other liabilities		666	263	466	71
4,035	**-**	**Total current liabilities**	18	**3,995**	**-**	**3,305**	**-**
-	**-**	**Liabilities held for sale**		**-**	**-**	**-**	**-**
16,494	**-**	**Total liabilities and shareholders' equity**		**16,916**	**-**	**16,457**	**-**

(*) The data for Property, plant and equipment and Other intangible assets have been represented purely for comparative purposes to reflect the adoption of IFRIC 12.
(a) 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

2009 full year		(in millions of euros)		1st quarter 2010		1st quarter 2009 (*)	
	of which related parties		See Note		of which related parties (a)		of which related parties
8,867	301	Sales revenues	19	2,742	129	2,710	99
517	77	Other revenues and income	20	133	14	107	18
9,384	**378**	**Total net revenues**		**2,875**	**143**	**2,817**	**117**
(7,673)	(72)	Raw materials and services used (-)	21	(2,493)	(58)	(2,467)	(17)
(240)	-	Labor costs (-)	22	(61)	-	(55)	-
1,471		**EBITDA**	23	**321**		**295**	
(772)	-	Depreciation, amortization and writedowns (-)	24	(172)	-	(188)	-
699		**EBIT**		**149**		**107**	
(156)	-	Net financial income (expense)	25	(25)	-	(31)	-
(3)	-	Income from (Expense on) equity investments	26	(1)	-	(1)	-
(11)	3	Other income (expense), net	27	8	-	(4)	-
529		**Profit before taxes**		**131**		**71**	
(278)	-	Income taxes	28	(63)	-	(40)	-
251		**Profit (Loss) from continuing operations**		**68**		**31**	
-	-	Profit (Loss) from discontinued operations		-	-	-	-
251		**Profit (Loss)**		**68**		**31**	
		Broken down as follows:					
11	-	Minority interest in profit (loss)		1	-	(4)	-
240		**Group interest in profit (loss)**		**67**		**35**	
		Earnings per share (in euros)	29				
0,0448		Basic earnings per common share		0.0121		0.0059	
0,0748		Basic earnings per savings share		0.0421		0.0359	
0,0448		Diluted earnings per common share		0.0121		0.0059	
0,0748		Diluted earnings per savings share		0.0421		0.0359	

(*) Data represented to reflect a presentation of trading activities based on the "trading margin" (net presentation).

(a) 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

2009 full year	(in millions of euros)	See Note	1st quarter 2010	1st quarter 2009
251	**Profit (Loss) (Minority and Group interest)**		**68**	**31**
	Other components of comprehensive income:			
298	- Change in the cash flow hedge reserve	11, 30	39	97
2	- Profit (loss) from available-for-sale financial assets	11, 30	1	(3)
7	- Differences on the translation of assets in foreign currencies	30	1	2
-	- Pro rata interest in other components of comprehensive income of investee companies	30	-	-
(110)	Income taxes attributable to other components of comprehensive income (-)	11, 30	(15)	(36)
197	**Total other components of comprehensive income net of taxes**		**26**	**60**
448	**Total comprehensive profit (loss)**		**94**	**91**
	Broken down as follows:			
11	Minority interest in comprehensive profit (loss)		1	(4)
437	**Group interest in comprehensive profit (loss)**		**93**	**95**

Cash Flow Statement

The table below analyzes the **cash flow** as it applies to short-term liquid assets (i.e., due within 3 months) in the first quarter 2010. 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.

2009 full year		(in millions of euros)		1st quarter 2010		1st quarter 2009	
	of which related parties		See Note		of which related parties (a)		of which related parties
240	-	Group interest in profit (loss) from continuing operations		67	-	35	-
-	-	Group interest in profit (loss) from discontinued operations		-	-	-	-
11	-	Minority interest in profit (loss) from continuing operations		1	-	(4)	-
251	**-**	**Profit (loss)**		**68**	**-**	**31**	**-**
772	-	Amortization, depreciation and writedowns	24	172	-	188	-
5	-	Interest in the result of companies valued by the equity method (-)		-	-	1	-
1	-	Dividends received from companies valued by the equity method		-	-	-	-
(9)	-	(Gains) Losses on the sale of non-current assets		1	-	-	-
(1)	-	Change in the provision for employee severance indemnities	12	(1)	-	-	-
142	-	Change in other operating assets and liabilities		(195)	-	(283)	-
1,161	**-**	**A. Cash flow from continuing operations**		**45**	**-**	**(63)**	**-**
(1,745)	-	Additions to intangibles and property, plant and equipment (-)	1- 5	(161)	-	(1,173)	-
(56)	-	Additions to non-current financial assets (-)		(2)	-	(23)	-
(80)	-	Price paid on Business Combinations (-)		-	-	(80)	-
43	-	Proceeds from the sale of intangibles and property, plant and equipment		-	-	6	-
15	-	Proceeds from the sale of non-current financial assets		-	-	-	-
(4)	-	Other current assets		(20)	-	(9)	-
(1,827)	**-**	**B. Cash used in investing activities**		**(183)**	**-**	**(1,279)**	**-**
2,074	-	Receipt of new medium-term and long-term loans	15,16	527	-	766	-
(540)	-	Redemption of medium-term and long-term loans (-)	15,16	(304)	-	(56)	-
-	-	Capital contributions provided by controlling companies or minority shareholders		6	-	-	-
(278)	(208)	Dividends paid to controlling companies or minority shareholders (-)		(2)	-	-	-
(26)	-	Change in short-term financial debt		(40)	-	613	-
1,230	**-**	**C. Cash used in financing activities**		**187**	**-**	**1,323**	**-**
(4)	**-**	**D. Liquid assets from changes in the scope of consolidation**		**-**	**-**	**(9)**	**-**
-	**-**	**E. Net currency translation differences**		**-**	**-**	**-**	**-**
-	**-**	**F. Net cash flow from operating assets of discontinued operations**		**-**	**-**	**-**	**-**
560	**-**	**G. Net cash flow for the period (A+B+C+D+E+F)**		**49**	**-**	**(28)**	**-**
188	**-**	**H. Cash and cash equivalents at the beginning of the period**		**748**	**-**	**188**	**-**
748	**-**	**I. Cash and cash equivalents at the end of the period (G+H)**		**797**	**-**	**160**	**-**
748	**-**	**L. Total cash and cash equivalents at end of period (I)**		**797**	**-**	**160**	**-**
-	**-**	**M. (-) Cash and cash equivalents of discontinued operations**		**-**	**-**	**-**	**-**
748	**-**	**N. Cash and cash equivalents of continuing operations (L-M)**		**797**	**-**	**160**	**-**

(a) An analysis of transactions with related parties is provided in a separate disclosure included 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)	Reserve for other components of comprehensive income: Differences on the translation of assets in foreign currencies	Cash flow hedge reserve	Reserve for available-for-sale investments	Interest in other components of comprehensive income of affiliates	Profit (Loss)	Group interest in sharehold. Equity	Minority interest in sharehold. Equity	Total sharehold. Equity
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	-	18	328	-	-	-	-	(346)	-	-	-
Dividends distributed	-	-	(268)	-	-	-	-	-	(268)	(12)	(280)
Other changes	-	-	(2)	-	-	-	-	-	(2)	-	(2)
Total comprehensive profit (loss)	-	-	-	2	61	(3)	-	35	95	(4)	91
of which:											
- Change in comprehensive income for the period	-	-	-	2	61	(3)	-	-	60	-	60
- Profit for 1st quarter 2009	-	-	-	-	-	-	-	35	35	(4)	31
Balance at March 31, 2009	**5,292**	**90**	**2,435**	**(1)**	**(110)**	**(7)**	**-**	**35**	**7,734**	**148**	**7,882**
Change in the scope of consolidation	-	-	(2)	-	-	-	-	-	(2)	15	13
Other changes	-	-	3	-	-	-	-	-	3	(1)	2
Total comprehensive profit (loss)	-	-	-	5	127	5	-	205	342	15	357
of which:											
- Change in comprehensive income for the period	-	-	-	5	127	5	-	-	137	-	137
- Profit from 04.01.2009 to 12.31.2009	-	-	-	-	-	-	-	205	205	15	220
Balance at December 31, 2009	**5,292**	**90**	**2,436**	**4**	**17**	**(2)**	**-**	**240**	**8,077**	**177**	**8,254**
Appropriation of the previous year's profit	-	35	205	-	-	-	-	(240)	-	-	-
Dividends declared	-	-	(228)	-	-	-	-	-	(228)	(15)	(243)
Share capital increase	-	-	-	-	-	-	-	-	-	10	10
Other changes	-	-	2	-	-	-	-	-	2	(1)	1
Total comprehensive profit (loss)	-	-	-	1	24	1	-	67	93	1	94
of which:											
- Change in comprehensive income for the period	-	-	-	1	24	1	-	-	26	-	26
- Profit for 1st quarter 2010	-	-	-	-	-	-	-	67	67	1	68
Balance at March 31, 2010	**5,292**	**125**	**2,415**	**5**	**41**	**(1)**	**-**	**67**	**7,944**	**172**	**8,116**

NOTES TO THE QUARTERLY REPORT AT MARCH 31, 2010

Content and Presentation

The Edison Group's Quarterly Report at March 31, 2010 was prepared in accordance with Article 154-*ter* of Legislative Decree No. 58 of February 24, 1998, as amended, and the interim financial disclosures it provides are consistent with the provisions of IAS 34 "Interim Financial Reporting."
The abovementioned report is consistent with the requirements of the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), as published in the *Official Journal of the European Union (O.J.E.U.).* The financial statement schedules, the accounting principles, the valuation criteria and estimates, the criteria used to translate financial statements denominated in foreign currencies and the principles of consolidation used to prepare this Quarterly report are consistent with those applied in the preparation of the Consolidated Financial Statements at December 31, 2009, which should be consulted for more detailed information.

Principles and interpretations applicable starting in 2010 are reviewed below:

- IFRIC 12 "Service Concession Arrangements" is an interpretation applicable to the financial statements of private companies that operate activities of public interest on a concession basis, when the grantor (i) controls/regulates, by determining their price, which public utility services must be provided by the operator through infrastructures that the operator manages under concession or builds; and (ii) controls, through ownership or otherwise, the concession itself and any other residual interest in the infrastructures when the concession expires. Within the Edison Group, this interpretation applies exclusively to the low-pressure natural gas distribution operations. Uncertainty about the historical regulatory framework, coupled with the fact that the Group acquired control of most of the concessions through extraordinary transactions made a retrospective first-time adoption impractical. For this reason, the Group opted for a prospective adoption. On the date of first-time adoption, the affected infrastructures, which were carried as part of property, plant and equipment at a value of 72 million euros, were reclassified under "Other intangible assets." The manner in which the rate charged for the services provided on a concession basis is structured makes it impossible to separate the margin attributable to the construction activity from the margin attributable to the operating activity. Therefore, given the fact that a significant portion of the construction work is performed by contractors, the corresponding investments are recognized as "Other intangible assets" based on the cost incurred, net of any compensation the grantor of the concession or private parties. Consistent with IAS 11 "Construction Contracts," these costs are capitalized indirectly through the income statement. The amount booked as an intangible asset, net of the estimated realizable value at the concession's end, is amortized based on technical and financial rates (for assets returnable for consideration) or at the lower between the remaining life of the concession and the technical and financial rates (for assets returnable at no cost).
- IFRS 1 revised, pursuant to which parties who adopt the IFRS principles for the first time must prepare a "First-time Adoption" document.
- Amendments to IFRS 2 concerning the accounting for Group Cash-settled Share-based Payment Transactions and withdrawal of IFRIC 8 and IFRIC 11.
- IFRS 3 revised, which introduces changes on how business combinations should be recognized, including the following: in case when the acquisition of control is achieved in multiple phases, the fair value of the equity interest held must be remeasured; transactions executed with third parties subsequent to the acquisition of control, and assuming that control will be maintained, must be recognized in equity; acquisition costs must be charged immediately to income; changes in contingent consideration are recognized in profit or loss.
- IAS 27 revised, concerning the valuation of investments in associates in case of increases or decreases of equity interests. If there is a change in the interest held but no loss of control, the effects must be recognized in equity. If there is loss of control, the remaining interest held in the former subsidiary must be measured at its fair value on the date of the loss of control.
- IFRIC 15 "Agreements for the Construction of Real Estate" does not apply to the Group at this point.
- IFRIC 16 "Hedges of a Net Investment in a Foreign Operation." This interpretation applies to those cases in which a company wants to hedge the foreign exchange risk entailed by an investment in a foreign entity and qualify this transaction as a hedge pursuant to IAS 39.

- IFRIC 17 "Distribution of Non-cash Assets to Owners." This interpretation clarifies when a dividend should be recognized, how it should be valued and, when the dividend is distributed, how to recognize any difference between the book value of the distributed assets and the book value of the distributable dividend.
- IFRIC 18 "Transfers of Assets from Customers." This interpretation deals with how the assets received from customers (i.e., cash) for connecting them to a distribution network should be recognized. IFRIC 18 must be adopted only by parties who are not required to adopt IFRIC 12.
- Other marginal amendments to other accounting principles and interpretations.

The Quarterly Report at March 31, 2010 was not audited.

Please note that:
- The comparative data at March 31, 2009 and December 31, 2009 shown in the balance sheet for property, plant and equipment and intangible assets are being represented exclusively for comparison purposes to reflect the adoption of IFRIC 12.
- The comparative data at the first quarter 2009, shown in the income statement for revenues and raw materials reflect a new presentation of trading activities that recognizes only the resulting "trading margin" (so-called "net presentation").

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

Changes in the Scope of Consolidation Compared with December 31, 2009

The changes in the Group's scope of consolidation that occurred in the first quarter of 2010 affected exclusively the **electric power operations**:
- Deconsolidation as of January 1, 2010 of Ascot Srl, in liquidation;
- Establishment of Edison Energie Speciali Calabria Spa as a wholly owned subsidiary of Edison Spa;
- Disposal to third parties of a 10% interest in Presenzano Energia Srl.

GROUP FINANCIAL RISK MANAGEMENT

This chapter describes the policies and principles adopted by the Edison Group to manage and control the commodity price risk that arises from the volatility of the prices of energy commodities and environmental securities (CO_2 emissions credits, green certificates and white certificates) and other risks related to financial instruments (foreign exchange risk, interest rate risk, credit risk and liquidity risk). A more detailed description of these issues is provided in the Consolidated Financial Statements at December 31, 2009.
In accordance with IFRS 7, the paragraphs that follow provide information about the nature of the risk related to financial instruments, based on accounting and management sensitivity considerations.

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

Consistent with its Energy Risk Policies, the Edison Group manages this risk within the limit of an Economic Capital amount - measured in terms of Profit at Risk (PaR[1]) - approved by the Board of Directors for the Industrial Portfolio, including both transactions that hedge contracts to buy or sell commodities and the Group's production and assets. The Economic Capital represents the risk capital, stated in millions of euros, available to hedge market risks.
A simulation is carried out for the 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 negative variance in the fair value of outstanding financial derivatives expected over the time horizon of the current year, with a 97.5% probability, compared with the fair value determined at March 31, 2010, which is 56.5 million euros (178.8 million euros at the first quarter 2009). In other words, compared with the fair value determined for financial derivatives outstanding at March 31, 2010, the probability of a negative variance greater than 56.5 million euros by the end of 2010 is limited to 2.5% of the scenarios.

Profit at Risk (PaR)	**1st quarter 2010**		1st quarter 2009	
	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%**	**56.5**	**97.5%**	**178.8**

The decrease, compared with the level measured at March 31, 2009, is due primarily to a lower volume of outstanding financial contracts and, to a lesser extent, to a different monthly profile. Specifically, while in 2009 the bigger volumes referred to longer maturities and, consequently, reflected a higher degree of volatility, in 2010, the distribution of hedging contracts shows a greater concentration in the shorter maturities, with lower volatility.
The hedging strategy deployed in the first quarter of 2010 enabled the Group to comply with its risk management objectives, lowering the Industrial Portfolio's commodity price risk profile within the approved limit of Economic Capital. Without hedging, the average amount of economic capital absorbed in the first quarter of 2010 would have been equal to 108% of the approved limit, with a peak of 120% in January 2010.
With hedging, the average amount of economic capital absorbed in the first quarter of 2010 by the Industrial Portfolio was 61%, with a peak of 66% at March 31, 2010.

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. Trading Portfolios are monitored using an appropriate system of risk limits that, similarly to the approach used for the Industrial Portfolio, includes the use of an Economic Capital ceiling, measured in this case based on the Value at Risk (VaR[2]) and

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

a stop-loss limit. Specifically, the daily VaR limit with a 95% probability on the trading portfolios is 3.1 million euros. At March 31, 2010, this limit was 46% utilized, with an average utilization of 33% for the full quarter. The Economic Capital allocated to the entire set of Trading Portfolios represents the total risk capital available to hedge the market risks entailed by trading activities. In this case, the economic capital ceiling takes into account both the risk capital associated with the VaR and the risk capital estimated by means of stress tests for possible illiquid positions. The economic capital ceiling for the entire set of Trading Portfolios is 48 million euros. At March 31, 2010, this limit was 46% utilized, with an average utilization of 34% for the full quarter.

2. Foreign Exchange Risk Not Related to the Commodity Risk

Except for the issues mentioned above in connection with the commodity risk, the Group has no significant exposure to the 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. Consequently, it values on a regular basis its exposure to the risk of fluctuations in interest rates, which it manages with hedging derivatives, some of which qualify for hedge accounting under IAS 39 (Cash Flow Hedges and Fair Value Hedges), while others qualify as economic hedges. The Euribor is the interest rate to which the Group has the largest exposure.

Gross Financial Debt	03.31.2010			12.31.2009		
Mix fixed and variable rate: (in millions of euros)	without derivatives	with derivatives	% with derivatives	without derivatives	with derivatives	% with derivatives
- fixed rate portion	1,955	1,669	34%	1,419	1,109	24%
- variable rate portion	2,943	3,229	66%	3,296	3,606	76%
Total gross financial debt	**4,898**	**4,898**	**100%**	**4,715**	**4,715**	**100%**

Considering that, at March 31, 2010, the Group held 797 million euros in liquid assets earning interest at market rates, when the abovementioned percentages are computed based on net financial debt, they become about 59% (variable rate) and about 41% (fixed rate), respectively.

The 10% increase in gross financial debt at fixed rates, compared with December 31, 2009, equal to an amount of 560 million euros, is explained in part by the new bond issue and in part by the hedging strategies implemented during the first quarter of 2010.
More specifically:

- With regard to the new bond issued floated in March 2010, a portion amounting to 275 million euros was left at its contractual rate of 3.25%, while the balance of 225 million euros was converted to a variable rate with Interest Rate Swaps;
- New transactions involving interest rate derivatives were executed with regard to outstanding bonds valued at 250 million euros. Thanks to these transactions, the maximum rate applicable to the abovementioned debt amount is 3%, but the benefit provided by the low interest rates currently available is retained, as long as the variable benchmark (six-month euribor) stays below that threshold.

With this strategy, the Group benefits from the lower costs provided by the variable rate compared with the fixed rate, thereby lowering its borrowing costs, while being protected from possible future increases in interest rates.

The table below provides a sensitivity analysis that shows the impact on the income statement and shareholders' equity, respectively, of a hypothetical shift of the forward curve of plus or minus 50 basis points compared with the rates actually applied in 2010 and provides a comparison with the same period in 2009.

Sensitivity analysis (in millions of euros)	1st quarter 2010 impact on the income statement (P&L)			03.31.2010 impact on the cash flow hedge reserve (S.E.)		
	+50 bps	base	-50 bps	+50 bps	base	-50 bps
Edison Group	37	33	29	(18)	(21)	(25)

Sensitivity analysis (in millions of euros)	1st quarter 2009 impact on the income statement (P&L)			12.31.2009 impact on the cash flow hedge reserve (S.E.)		
	+50 bps	base	-50 bps	+50 bps	base	-50 bps
Edison Group	34	29	23	(18)	(22)	(25)

4. Credit Risk

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

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

Starting to 2008, Edison launched a program that involved assigning receivables without recourse on a revolving monthly basis.

The receivables assigned without recourse during the first three months of 2010 totaled 946 million euros. At March 31, 2010, the amount of receivables assigned under the program that were exposed to the risk of recourse was not material.

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 March 31, 2010, 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 gross trade receivables, the corresponding allowance for doubtful accounts and the guarantees that the Group holds to secure its receivables. The higher amount of receivables outstanding at March 31, 2010, compared with the balance at December 31, 2009, is largely due to the increase in revenues booked in the first three months of 2010.

(in millions of euros)	03.31.2010	12.31.2009
Gross trade receivables	2,392	1,991
Allowance for doubtful accounts (-)	(129)	(129)
Trade receivables	**2,263**	**1,862**
Guarantees held	536	556
Receivables 9 to 12 months in arrears	14	34
Receivables more than 12 months in arrears	79	73

5. Liquidity Risk

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

Worst case	03.31.2010			12.31.2009		
(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	2	789	1,889	2	772	1,329
Financial debt and other financial liabilities	349	296	1,668	170	178	2,282
Trade payables	1,616	64	-	1,413	56	-
Total	**1,967**	**1,149**	**3,557**	**1,585**	**1,006**	**3,611**
Guarantees provided to third parties (*)	**329**	**516**	**581**	763	198	566

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

The Group's strategic objective is to minimize the impact of financial debt maturities by maintaining access to existing credit lines and adequate liquidity and implementing on a timely basis negotiations for the funding of maturing financing facilities.
In any case, at March 31, 2010, in addition to liquid assets totaling 797 million euros, the Edison Group had access to unused committed lines of credit amounting to 969 million euros, provided primarily by a syndicated standby credit line of 1,500 million euros that expires in 2013. At March 31, 2010, a total of 650 million euros has been drawn against this credit line, which is shown under financial debt due after one year.
As for short-term debt, which is carried at the gross amount of 1,436 million euros due within one year, the main reason for the increase of 314 million euros compared with December 31, 2009 is the reclassification of a three-year 600-million-euro facility provided to Edison Spa in May 2009 on a Club Deal basis. Specifically, half of this credit line was repaid and cancelled in March 2010 and, in anticipation of its full repayment, which took place in April, the remaining balance was reclassified as short-term debt. As of December 31, 2009, short-term debt also includes bonds with a face value of 700 million euros issued by Edison Spa in 2003.

Overall, long-term debt was down slightly (-54 million euros) compared with December 31, 2009 as the result of contrasting developments: on the one hand, it increased by 500 million euros due to the new five-year bond issue floated in March 2010 and, on the other hand, it reflects a decrease of 600 million euros, corresponding to the full amount of the bank facility provided to the Group on a Club Deal basis, as 300 million euros were repaid in March and, as mentioned above, the remaining 300 million euros were reclassified to short-term debt in anticipation of an early repayment, which occurred in April.

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).
Four issues of debt securities (Euro Medium-term Notes), for a total face value of 2,400 million euros, are outstanding. As mentioned earlier in these Notes, the last issue, which was placed with investors with a settlement value date of March 17, 2010, has a face value of 500 million euros and is due in five years.

Description	Issuer	Market where traded	ISIN Code	Term (years)	Maturity	Face value (in millions of euros)	Coupon	Current rate
EMTN 12/2003	Edison Spa	Luxembourg Stock Exch.	XS0181582056	7	12.10.2010	700	Fixed annual	5.125%
EMTN 12/2003	Edison Spa	Luxembourg Stock Exch.	XS0196762263	7	07.19.2011	500	Variable quarterly	1.280%
EMTN 07/2009	Edison Spa	Luxembourg Stock Exch.	XS0441402681	5	07.22.2014	700	Fixed annual	4.250%
EMTN 03/2010	Edison Spa	Luxembourg Stock Exch.	XS0495756537	5	03.17.2015	500	Fixed annual	3.250%

In addition, considering the pro rata consolidation of Edipower's debt, the Group is a party to non-syndicated loan agreements totaling 511 million euros and syndicated loan agreements with a total face value of 2,624 million euros (969 million euros unused at March 31, 2010).
A comprehensive presentation of outstanding transactions and of the corresponding loan agreements and covenants is provided in the Consolidated Financial Statements at December 31, 2009. The only significant change occurring in the first quarter of 2010 concerns the 600-million-euro facility provided to Edison Spa on a Club Deal basis in May 2009. Thanks to its strong financial position and the resulting availability of more attractive funding alternatives, the Group repaid in advance 300 million euros in March 2010 and the balance in April, discharging in full the corresponding obligation.

At present, none of the Group companies has been declared in default by any of the lender banks.

Analysis of Forward Transactions and Derivatives

Forward Transactions and Derivatives

The Edison Group engages in trading for its own account in physical energy commodities and financial derivatives based on such commodities, in a manner consistent with special Energy Risk Policies. Accordingly, it defined an appropriate risk control structure and the necessary guidelines and specific procedures. The Group views this activity as part of its regular operations and the results derived from it are recognized in the income statement and are included in reported EBITDA.

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) **Transaction that qualify as hedges in accordance with IAS 39.** This category includes transactions that hedge the risk of fluctuations in cash flow (Cash Flow Hedge) and those that hedge the fair value of the hedged item (Fair Value Hedge).

2) **Transaction that do not qualify as hedges in accordance with IAS 39.** They can be:
   a. Transactions to manage interest rate and foreign exchange and price risk on energy commodities. For all hedging transactions that comply with internal risks policies and procedures, realized results and expected value are either included in EBITDA, if they refer to activities related to the Industrial Portfolio, or recognized as financial income or expense, in the case of financial transactions.
   b. Trading Portfolio. As explained above, they include physical and financial energy commodity contracts, both realized results and expected value of these transactions are included in EBITDA.

Fair Value Hierarchy According to IFRS 7

IFRS 7 identifies a fair value hierarchy to rank the reliability of inputs used to measure fair value.

The IFRS 7 ranking is based on the following hierarchy:

- **Level 1:** Determination of fair value based on quoted prices (unadjusted) for identical assets or liabilities in active markets.
- **Level 2:** Determination of fair value based on inputs other than the quoted prices of Level 1 but which are directly or indirectly observable.
- **Level 3:** Determination of fair value based on valuation models with inputs not based on observable market data (unobservable inputs).

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

Effects of Hedging and Trading Derivative Transactions on the Income Statement and Balance Sheet in the First Quarter 2010

The table below provides an analysis of the financial results generated by derivative hedging and trading transactions in the first quarter 2010, including the effects of physical energy commodity contracts.

(in millions of euros)	Realized during the period (A)	Fair value recognized for contracts outstanding at 12.31.2009 (B)	Portion of (B) contracts realized during the period (B1)	Fair value recognized for contracts outstanding at 03.31.2010 (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 in the Income statement)						
Price risk hedges for energy products						
- definable as hedges pursuant to IAS 39 (CFH) (**)	46	2	2	4	2	48
- not definable as hedges pursuant to IAS 39	14	12	10	21	9	23
Exchange risk hedges for commodities						
- definable as hedges pursuant to IAS 39 (CFH)	-	-	-	-	-	-
- not definable as hedges pursuant to IAS 39	-	-	-	-	-	-
Margin on trading activities						
- Sales revenues from physical contracts included in the Trading Portfolio (***)	618	105	49	117	12	630
- Other revenues and income from derivatives included in the Trading Portfolio (****)	1	11	10	15	4	5
- Raw materials and services used from physical contracts included in the Trading Portfolio (***)	(611)	(90)	(41)	(103)	(13)	(624)
- Raw materials and services used from derivatives included in the Trading Portfolio (****)	(3)	(9)	(7)	(11)	(2)	(5)
Total margin on trading activities	*5*	*17*	*11*	*18*	*1*	*6*
Total (A)	**65**	**31**	**23**	**43**	**12**	**77**
Raw materials and services used (see Note 21 in the Income Statement)						
Price risk hedges for energy products						
- definable as hedges pursuant to IAS 39 (CFH)	(20)	-	-	-	-	(20)
- not definable as hedges pursuant to IAS 39	(6)	(12)	(11)	(6)	6	-
Exchange risk hedges for commodities						
- definable as hedges pursuant to IAS 39 (CFH) (*) (**)	-	-	-	-	-	-
- not definable as hedges pursuant to IAS 39	-	-	-	-	-	-
Total (B)	**(26)**	**(12)**	**(11)**	**(6)**	**6**	**(20)**
TOTAL INCLUDED IN EBITDA (A+B)	**39**	**19**	**12**	**37**	**18**	**57**
Interest rates hedges, broken down as follows:						
Financial income						
- definable as hedges pursuant to IAS 39 (CFH)	-	-	-	-	-	-
- definable as hedges pursuant to IAS 39 (FVH)	-	7	-	25	18	18
- not definable as hedges pursuant to IAS 39	1	12	-	14	2	3
Total financial income (C)	**1**	**19**	**-**	**39**	**20**	**21**
Financial expense						
- definable as hedges pursuant to IAS 39 (CFH)	(4)	-	-	-	-	(4)
- definable as hedges pursuant to IAS 39 (FVH)	(7)	-	-	-	-	(7)
- not definable as hedges pursuant to IAS 39	(1)	(6)	-	(8)	(2)	(3)
Total financial expense (D)	**(12)**	**(6)**	**-**	**(8)**	**(2)**	**(14)**
Margin on interest rate hedging transactions (C+D)=(E)	**(11)**	**13**	**-**	**31**	**18**	**7**
Foreign exchange rates hedges broken down as follows:						
Foreign exchange gains						
- definable as hedges pursuant to IAS 39	5	-	-	-	-	5
- not definable as hedges pursuant to IAS 39	18	3	2	1	(2)	16
Total foreign exchange gains (F)	**23**	**3**	**2**	**1**	**(2)**	**21**
Foreign exchange losses						
- definable as hedges pursuant to IAS 39	-	-	-	-	-	-
- not definable as hedges pursuant to IAS 39	(1)	-	-	-	-	(1)
Total foreign exchange losses (G)	**(1)**	**-**	**-**	**-**	**-**	**(1)**
Margin on foreign exchange hedging transactions (F+G)= (H)	**22**	**3**	**2**	**1**	**(2)**	**20**
TOTAL INCLUDED IN NET FINANCIAL INCOME (EXPENSE) (E+H) (see Note 25 to the Income Statement)	**11**	**16**	**2**	**32**	**16**	**27**

(*) 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 Income Statements) under margin on trading activities.
(****) Amounts included in Other revenues and income (Note 20 to the Income Statements) 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 and physical contracts outstanding on the date of the financial statements and their classification on the fair value hierarchy as required by IFRS 7:

(in millions of euros)	03.31.2010		12.31.2009	
	Receivables	Payables	Receivables	Payables
Foreign exchange transactions	30	(7)	12	(30)
Interes rate transactions	39	(29)	18	(27)
Commodity transactions	229	(126)	210	(120)
Fair value recognized as current assets or current liability	**298**	**(162)**	**240**	**(177)**
Broken down as follows:				
- recognized as "Trade receivables and payables"	117	(103)	105	(90)
- recognized as "Other receivables and payables"	142	(30)	117	(60)
- recognized as "Current financial assets" and "Short-term financial debt"	39	(29)	18	(27)
Broken down on fair value hierarchy:				
- Level 1	8	(7)	6	(6)
- Level 2	269	(155)	234	(171)
- Level 3	21	-	-	-

With regard to the items listed above, please note that the receivables and payables shown are offset by a positive cash flow hedge reserve amounting to 67 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 by the Board of Directors to manage the Group's business activities and for management reporting, planning and control purposes.

INCOME STATEMENT (in millions of euros)	Electric Power Operations		Hydrocarbons Operations		Corporate activities and other segments		Adjustments		Edison Group	
	1st quarter 2010	1st quarter 2009 (*)	1st quarter 2010	1st quarter 2009	1st quarter 2010	1st quarter 2009	1st quarter 2010	1st quarter 2009	1st quarter 2010	1st quarter 2009 (*)
Sales Revenues	**1,746**	**1,733**	**1,503**	**1,621**	**12**	**12**	**(519)**	**(656)**	**2,742**	**2,710**
- third parties revenues	1,745	1,732	994	975	3	3	-	-	2,742	2,710
- intra-Group revenues	1	1	509	646	9	9	(519)	(656)	-	-
EBITDA	**211**	**208**	**135**	**110**	**(25)**	**(23)**	**-**	**-**	**321**	**295**
as a % of sales revenues	12.1%	12.0%	9.0%	6.8%	n.m.	n.m.	-	-	11.7%	10.9%
Depreciation, amortization and writedowns	(129)	(129)	(40)	(57)	(3)	(2)	-	-	(172)	(188)
EBIT	**82**	**79**	**95**	**53**	**(28)**	**(25)**	**-**	**-**	**149**	**107**
as a % of sales revenues	4.7%	4,6%	6.3%	3.3%	n.m.	n.m.	-	-	5.4%	3.9%
Net financial income (expense)									(25)	(31)
Interest in result of companies valued by equity method									-	(1)
Income taxes									(63)	(40)
Profit (Loss) from continuing operations									**68**	**31**
Profit (Loss) from discontinued operations									**-**	**-**
Minority interest in profit (loss)									**1**	**(4)**
Group interest in profit (loss)									**67**	**35**

BALANCE SHEET (in millions of euros)	Electric Power Operations		Hydrocarbons Operations		Corporate activities and other segments		Adjustments		Edison Group	
	03.31.2010	12.31.2009	03.31.2010	12.31.2009	03.31.2010	12.31.2009	03.31.2010	12.31.2009	03.31.2010	12.31.2009
Total assets	**11,717**	**11,743**	**4,309**	**4,194**	**5,744**	**5,445**	**(4,854)**	**(4,925)**	**16,916**	**16,457**
Total liabilities	**4,257**	**4,031**	**2,919**	**2,826**	**4,465**	**4,327**	**(2,841)**	**(2,981)**	**8,800**	**8,203**
Net Financial Debt									**3,970**	**3,858**

OTHER INFORMATION (in millions of euros)	Electric Power Operations		Hydrocarbons Operations		Corporate activities and other segments		Adjustments		Edison Group	
	1st quarter 2010	1st quarter 2009	1st quarter 2010	1st quarter 2009	1st quarter 2010	1st quarter 2009	1st quarter 2010	1st quarter 2009	1st quarter 2010	1st quarter 2009
Capital expenditures	37	76	57	54	63	-	-	-	157	130
Investments in exploration	-	-	3	30	-	-	-	-	3	30
Investments in intangibles	-	2	1	1,011	-	-	-	-	1	1,013
Total capital investments	**37**	**78**	**61**	**1,095**	**63**	**-**	**-**	**-**	**161**	**1,173**

	Electric Power Operations		Hydrocarbons Operations		Corporate activities and other segments		Adjustments		Edison Group	
	03.31.2010	12.31.2009	03.31.2010	12.31.2009	03.31.2010	12.31.2009	03.31.2010	12.31.2009	03.31.2010	12.31.2009
Number of employees	**1,947**	**1,946**	**1,358**	**1,357**	**623**	**620**	**-**	**-**	**3,928**	**3,923**

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

Thus far, the Group has not viewed **geographic area** information as meaningful, since it is essentially located and active in Italy. However, beginning in 2009, the Group started to significantly expand its international operations and, at the end of the first quarter of 2010, non-current assets held outside Italy totaled 1,630 million euros, including 223 million euros for assets of the electric power operations, mainly in Greece, and 1,397 million euros for assets of the hydrocarbons operations, the largest component of which was 1,066 million euros for the Abu Qir concession in Egypt. At March 31, 2010, the contribution of foreign operations accounted for 10% of EBITDA and 13% of net invested capital.

As for the disclosure about the so-called "**major customers**," the Group's sales are generally not concentrated. As a result, in the first quarter of 2010, no customer accounted for more of 10% of the sales revenues reported either by the electric power operations or the hydrocarbons operations.

NOTES TO THE BALANCE SHEET

Assets

1. Property, Plant and Equipment

The table that follows shows a breakdown of the changes that occurred in the first quarter 2010:

(in millions of euros)	Land and buildings	Plant and machinery	Manufact. and distrib. equipment	Other assets	Constr. in progress and advances	Total
Balance at 12.31.2009, as published	**820**	**6,139**	**10**	**5**	**543**	**7,517**
Adoption of IFRIC 12	-	(69)	(3)	-	-	(72)
Balance at 12.31.2009, comparative (A)	**820**	**6,070**	**7**	**5**	**543**	**7,445**
Changes in the first quarter of 2010:						
- Additions	63	8	-	-	86	157
- Disposals (-)	-	-	-	-	(1)	(1)
- Depreciation (-)	(11)	(138)	(1)	-	-	(150)
- Other changes	1	17	2	-	(16)	4
Total changes (B)	**53**	**(113)**	**1**	**-**	**69**	**10**
Balance at 03.31.2010 (A+B)	**873**	**5,957**	**8**	**5**	**612**	**7,455**

The Group adopted IFRIC 12 prospectively. Consequently, the opening balances for Property, plant and equipment and Other intangible assets attributable to the natural gas distribution infrastructures reflect reclassifications totaling 72 million euros.

A breakdown by business segment of **additions** totaling 157 million euros is as follows:

(in millions of euros)	1st quarter 2010	1st quarter 2009
Electric Power Operations	**37**	**76**
broken down as follows:		
- Thermoelectric area	27	34
- Hydroelectric area	5	16
- Renewable sources area (wind power, photovoltaic, etc.)	5	26
Hydrocarbons Operations	**57**	**54**
broken down as follows:		
- Hydrocarbon fields in Italy	9	12
- Hydrocarbon fields outside Italy	41	33
- Transmission and storage infrastructures	7	9
Corporate activities and other segments	**63**	**-**
Total for the Group	**157**	**130**

A significant addition in the first quarter of 2010 was the purchase by **Corporate Activities and Other Segments** of a building at 35, Foro Buonaparte, in Milan, for a total amount of 62 million euros. The building will be used for office space.

Capitalized borrowing costs recognized as part of property, plant and equipment, as required by IAS 23 Revised, amounted to less than 1 million euros.

The net carrying value of property, plant and equipment also includes the following items:

- **Assets transferable at no cost** with an aggregate value of 464 million euros (487 million euros at December 31, 2009), which are attributable primarily to the concessions held by the Edison Group (71 in the hydroelectric area). A 9-million-euro reduction is due to the reclassification provided for IFRIC 12.
- **Assets acquired under finance leases** totaling 40 million euros (34 million euros at December 31, 2009) are recognized in accordance with the IAS 17 Revised method. A new finance lease for new equipment used in the renewable sources business segment in the amount of 6 million euros became operational in the first quarter of 2010. The remaining balance of the financial liability, which amounts to 36 million euros, is shown part under "Long-term financial debt and other financial liabilities" (33 million euros) and part under "Short-term financial debt" (3 million euros).

2. Investment Property

The Group's investment property, which consists of land and buildings that are not used for production purposes, is valued at 12 million euros, unchanged compared with December 31, 2009. The depreciation for the period amounted to less than 1 million euros.

3. Goodwill

Goodwill totaled 3,538 million euros, unchanged compared with December 31, 2009. The value is attributable for 2,838 million euros to the Electric Power Operations and for 700 million euros to the Hydrocarbons Operations. The balance in this account is an intangible asset with an indefinite useful life. As such, it cannot be amortized in regular installments, but must be tested for impairment at least once a year. No impairment indicators affecting the value of goodwill were detected in the first quarter of 2010.

4. Hydrocarbons Concessions

Concessions for the production of hydrocarbons, which include 82 mineral leases in Italy and abroad (including 3 storage concessions) for the extraction of hydrocarbon deposits, were valued at 1,245 million euros. The net decrease of 14 million euros, compared with December 31, 2009, reflects primarily the amortization for the period.

5. Other Intangible Assets

The table below shows the main changes that occurred in the first quarter 2010:

(in millions of euros)	Patents, licenses and similar rights	Emission rights	Green Certificates	Hydrocarbon exploration costs	Other intangible assets	Work in progress and advances	Total
Balance at 12.31.2009, as published	**20**	**5**	**-**	**-**	**6**	**5**	**36**
Adoption of IFRIC 12	72	-	-	-	-	-	72
Balance at 12.31.2009, comparative (A)	**92**	**5**	**-**	**-**	**6**	**5**	**108**
Changes in the first quarter of 2010:							
- Additions	1	-	-	3	-	-	4
- Amortization (-)	(5)	-	-	(3)	-	-	(8)
- Other changes	3	(5)	20	-	-	(1)	17
Total changes (B)	**(1)**	**(5)**	**20**	**-**	**-**	**(1)**	**13**
Balance at 03.31.2010 (A+B)	**91**	**-**	**20**	**-**	**6**	**4**	**121**

Patents, licenses and similar rights, starting to January 1, 2010, include, as required by IFRIC 12, the infrastructures used by the Group for the distribution of natural gas under the 62 concessions it holds in these areas of business.
In the first quarter of 2010, no exploration costs were capitalized in connection with successful exploration activities leading subsequently to production.

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

The total includes 46 million euros in investments in associates and in unconsolidated subsidiaries and affiliated companies and 303 million euros in available-for-sale investments. The latter amount includes an investment in RCS Mediagroup Spa (10 million euros) and in Terminale GNL Adriatico Srl (285 million euros), which owns the offshore regasification terminal near Porto Viro (RO).
The table below shows the main changes that occurred in the first quarter 2010:

(in millions of euros)	Investments in associates	Available-for-sale investments	Total
Balance at 12.31.2009 (A)	**43**	**304**	**347**
Changes in the first quarter of 2010:			
- Changes in share capital	2	(1)	1
- Other changes	1	-	1
Total changes (B)	**3**	**(1)**	**2**
Balance at 03.31.2010 (A+B)	**46**	**303**	**349**

The changes that occurred in the first quarter of 2010 included **changes in share capital** totaling 1 million euros, a breakdown of which is as follows:
- a repayment of capital contributions by Terminale GNL Adriatico Srl (1 million euros);
- a capital increase carried out by Galsi Spa (2 million euros).

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

(in millions of euros)	03.31.2010	12.31.2009	Change
Loan receivables to Ibiritermo (IFRIC 4)	81	79	2
Interest-bearing escrow deposit (*)	14	14	-
Bank deposit that secure project financing facilities	9	4	5
Sundry items	2	1	1
Total other financial assets	**106**	**98**	**8**

(*) Provided in connection with the sale of equity investments, the disbursement of which depends on changes in CIP 6/92 regulations.

8. Deferred-tax Assets
Deferred-tax assets**,** which were valued based on realistic assumptions that they would be realized and the tax benefits recovered within the limited time horizon covered by the industrial plans of the various companies, amounted to 106 million euros (103 million euros at December 31, 2009).
They reflect differences in the valuation of:
- taxed provisions for risks of 42 million euros;
- differences in the valuation of property, plant and equipment of 39 million euros;
- a tax-loss carryforward of 8 million euros;

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

9. Other Assets
Other assets totaled 20 million euros or 1 million or euros less than December 31, 2009. This account includes:
- 8 million euros (net of an allowance for doubtful accounts of 1 million euros) in tax refunds receivable, including accrued interest through March 31, 2010;
- 12 million euros in sundry receivables, consisting mainly of security deposits.

10. Current Assets
A breakdown of the components of current assets is provided below:

(in millions of euros)	03.31.2010	12.31.2009	Change
Inventories	193	308	(115)
Trade receivables	2,263	1,862	401
Current-tax assets	26	33	(7)
Other receivables	635	545	90
Current financial assets	50	30	20
Cash and cash equivalents	797	748	49
Total current assets	**3,964**	**3,526**	**438**

A review of the individual components is provided below:
- The table that follows shows a breakdown of **inventories** by business segment:

(in millions of euros)	Engineering consumables	Stored natural gas	Fuels	Other	Total at 03.31.2010	Total at 12.31.2009	Change
Electric power operations	41	-	37	10	88	80	8
Hydrocarbons operations	22	70	13	-	105	228	(123)
Total for the Group	**63**	**70**	**50**	**10**	**193**	**308**	**(115)**

The decrease that occurred in the first quarter of 2010 is mainly due to the utilization of the inventory of stored natural gas (about 130 million euros).
Inventories also include about 24 million euros in strategic reserves of natural gas, the use of which is restricted.

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

(in millions of euros)	03.31.2010	12.31.2009	Change
Electric power operations	1,851	1,527	324
Hydrocarbons operations	614	475	139
Corporate activities and other segments and eliminations	(202)	(140)	(62)
Total trade receivables	**2,263**	**1,862**	**401**
Allowance for doubtful accounts	**(129)**	**(129)**	**-**

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 increase of 401 million euros in trade receivables reflects the impact of higher unit sales by the Group and the resulting rise in revenues.
Lastly, consistent with the previous year's practice, transactions involving the assignment of receivables without recourse on a revolving and spot basis executed in the first quarter of 2010 totaled 946 million euros (2,828 million euros at December 31, 2009). As required by its credit policies, the Group may use also these transactions to control and minimize credit risk. The residual risk of recourse associated with these transactions is virtually nil.
The balance in this account includes 117 million euros representing the fair value of physical contracts for energy commodities that are part of the Group's Trading Portfolio.

- **Current-tax assets** of 26 million euros include amounts owed by the tax authorities for overpayments of corporate income taxes (IRES) and regional 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.

- A breakdown of **other receivables**, which totaled 635 million euros, is provided in the table below:

(in millions of euros)	03.31.2010	12.31.2009	Change
Receivables arising from the evaluation of derivatives	142	117	25
Advances to suppliers (*)	132	67	65
Amounts owed by partners and associates in hydrocarbon exploration projects	54	33	21
Amounts owed by the controlling company in connection with the filing of the consolidated income tax return	49	70	(21)
Advances paid for the acquisition of partecipation	30	30	-
VAT credit	7	19	(12)
Sundry items	221	209	12
Total Other receivables	**635**	**545**	**90**

(*) Including advances provided under long-term take-or-pay contracts.

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

(in millions of euros)	03.31.2010	12.31.2009	Change
Derivatives	39	18	21
Equity investments held for trading	8	9	(1)
Loans receivable	3	3	-
Total current financial assets	**50**	**30**	**20**

A comprehensive presentation of the overall effects of financial derivatives is provided in a separate section of these Notes.

- **Cash and cash equivalents** of 797 million euros consist of short-term deposits in bank and postal accounts and other short-term investments.

Liabilities and Shareholders' Equity

11. Group Interest and Minority Interest in Shareholders' Equity

Group interest in shareholders' equity amounted to 7,944 million euros, for a decrease of 133 million euros compared with December 31, 2009 (8,077 million euros). This reduction is the net result of the resolution approving a dividend distribution totaling 228 million euros (equal to a dividend of 0.0425 euros on each common share and 0.0725 euros on each savings share), offset in part by a change in the reserve for cash flow hedge transactions (increase of 24 million euros) and by the profit for the period amounting to 67 million euros.

Minority interest in shareholders' equity totaled 172 million euros, or 5 million euros less than at December 31, 2009 (177 million euros), due mainly to the impact of the distribution of dividends attributable to minority shareholders (15 million euros), offset in part by a share capital increase carried out by a joint ventures (10 million euros) and the profit for the period (1 million euros).

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

Share class	Number of shares	Millions of euros
Common shares	5,181,108,251	5,181
Savings shares	110,592,420	111
Total		**5,292**

The table below provides a breakdown of the changes that occurred in the reserve for cash flow hedge transactions, established upon the adoption of IAS 32 and IAS 39 for the accounting treatment of derivatives. The change refers to the provisional recognition in equity of changes in the fair value of derivatives executed to hedge price and foreign exchange risks on energy commodities and interest rates.

Reserve for cash flow hedge transactions

(in millions of euros)	Gross reserve	Deferred taxes	Net reserve
Reserve at December 31, 2009	28	(11)	17
Changes in the first quarter of 2010	39	(15)	24
Reserve at March 31, 2010	**67**	**(26)**	**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, 2009	(2)	-	(2)
Changes in the first quarter of 2010	1	-	1
Reserve at March 31, 2010	**(1)**	**-**	**(1)**

12. Provision for Employee Severance Indemnities and Provisions for Pensions

This provision, which amounted to 63 million euros, reflects the accrued severance indemnities and other benefits owed to employees. 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 quarter of 2010:

(in millions of euros)	Provision for sever. indemn.	Provisions for pensions	Total
Balance at 12.31.2009 (A)	**54**	**10**	**64**
Changes in the first quarter of 2010:			
- Financial expense	1	-	1
- Utilizations (-)/Other changes	(2)	-	(2)
Total changes (B)	**(1)**	**-**	**(1)**
Total at 03.31.2010 (A+B)	**53**	**10**	**63**

13. Provision for Deferred Taxes

The balance of 592 million euros (584 million euros at December 31, 2009) reflects mainly the deferred tax liability from the use during the transition to the IFRS of fair value as the deemed cost of property, plant and equipment.
The following table shows a breakdown of this reserve by type of underlying temporary difference, keeping in mind that certain Group companies that meet the requirements of IAS 12 offset their deferred-tax liabilities against their deferred-tax assets:

(in millions of euros)	03.31.2010	12.31.2009	Change
Deferred-tax liabilities:			
- Differences in the valuation of property, plant and equipment	598	614	(16)
- Adoption of standard on finance leases (IAS 17)	19	18	1
- Adoption of standard on financial instruments (IAS 39) with impact on shareholders' equity	33	18	15
- Other deferred taxes	7	7	-
Total deferred-tax liabilities (A)	**657**	**657**	**-**
Deferred-tax assets usable for offset purposes:			
- Taxed provisions for risks	57	68	(11)
- Tax loss carryforward	3	2	1
- Other prepaid taxes	5	3	2
Total deferred-tax assets (B)	**65**	**73**	**(8)**
Total provision for deferred taxes (A-B)	**592**	**584**	**8**

14. Provisions for Risks and Charges

The provisions for risks and charges, which are established to cover contingent liabilities, totaled 813 million euros, a decrease of 24 million euros compared with December 31, 2009.

The table below shows the changes that occurred in the first quarter of 2010:

(in millions of euros)	12.31.2009	Additions	Utilizations	Other changes and reclassifications	03.31.2010
- Disputed tax items	71	-	-	-	71
- Risks for disputes, litigation and contracts	159	2	(9)	-	152
- Charges for contractual guarantees on sale of equity investments	79	-	(3)	-	76
- Provisions for decommissioning and remediation of industrial sites	354	4	-	(2)	356
- Environmental risks	27	-	(1)	-	26
- Other risks and charges	147	6	(6)	(15)	132
Total for the Group	**837**	**12**	**(19)**	**(17)**	**813**

The changes that occurred in the first three months of 2010 are reviewed below:
- **Additions** of 12 million euros, the largest component of which was 4 million euros for financial expense on decommissioning provisions, with legal and contractual risks accounting for the balance.
- **Utilizations**, which totaled 19 million euros, referred mainly to settlements of pending litigation and other disputes, which produced a benefit of 14 million euros.
- **Other changes**, negative for 17 million euros, refer mainly to utilizations for purchases of environmental securities to cover the Group's requirements for 2009.

15. Bonds

The balance of 1,696 million euros (1,199 million euros at December 31, 2009) represents the non-current portion of the bonds issued by the Group, valued at amortized cost. In March, 500 million euros in new five-year bonds, issued within the framework of a Euro Medium-term Loan Program. The bonds, which were offered at a 99.70 issue price, mature on March 17, 2015 and carry a gross annual coupon of 3.25%.

The table below shows the balance outstanding at March 31, 2010 and indicates the fair value of each bond issue:

							Carrying value			
(in millions of euros)	Market where traded	Currency	Par value outstanding	Coupon	Rate	Maturity	Non-current portion	Current portion	Total	Fair value
Euro Medium Term Notes:										
Edison Spa	Luxembourg Secur. Exch.	EUR	700	Annual in arrears	5.125%	12.10.2010	-	710	710	729
Edison Spa	Luxembourg Secur. Exch.	EUR	500	Quarterly in arrears	1.280%	07.19. 2011	502	3	505	502
Edison Spa	Luxembourg Secur. Exch.	EUR	700	Annual in arrears	4.250%	07.22.2014	697	34	731	735
Edison Spa	Luxembourg Secur. Exch.	EUR	500	Annual in arrears	3.250%	03.17. 2015	497	1	498	503
Total for the Group			**2,400**				**1,696**	**748**	**2,444**	**2,469**

The valuation of the March 2010 and July 2009 bond issues, a portion of which was hedged with derivatives against the risk of changes in fair value, was carried out in accordance with fair value hedge accounting.

16. Long-term Financial Debt and Other Financial Liabilities

A breakdown of this liability account is as follows:

(in millions of euros)	03.31.2010	12.31.2009	Change
Due to banks	1,559	2,138	(579)
Due to other lenders	52	46	6
Total for the Group	**1,611**	**2,184**	**(573)**

The main changes, compared with December 31, 2009, in this item included the following:
- Repayment of a portion, amounting to about 300 million euros, of a 600-million-euro facility provided to the Group on a Club Deal basis in May 2009 and reclassification to short-term debt of the balance, which was repaid early in April.
- Inclusion in the amount due to other lenders of the long-term portion (6 million euros) of the liability under a new lease for equipment used in the renewable sources business segment.

17. Other Liabilities

Other liabilities of 30 million euros represent sundry liabilities, including the suspension of the gain on the sale of a 51% interest in Dolomiti Edison Energy Srl (the company continues to be consolidated line by line) in 2008, while agreements providing both parties with put and call options are in effect.

18. Current Liabilities

A breakdown of current liabilities is provided below:

(in millions of euros)	03.31.2010	12.31.2009	Change
Bonds	748	721	27
Short-term financial debt	843	611	232
Trade payables	1,680	1,469	211
Current taxes payable	58	38	20
Other liabilities	666	466	200
Total current liabilities	**3,995**	**3,305**	**690**

The main current liability accounts are reviewed below:

- **Bonds**, amounting to 748 million euros, represent the value of the bond issues maturing on December 10, 2010 and the total accrued interest at March 31, 2010.

- **Short-term financial debt**, which totaled 843 million euros, essentially includes:
  - 644 million euros due to banks, 29 million euros of which represent the effect of measuring interest rate derivatives at fair value;
  - 36 million euros owed to minority shareholders of consolidated companies.

- **Trade payables** totaled 1,680 million euros. A breakdown by business segment is provided below:

(in millions of euros)	03.31.2010	12.31.2009	Change
Electric power operations	1,319	1,098	221
Hydrocarbons operations	550	492	58
Corporate activities and other segments and eliminations	(189)	(121)	(68)
Total trade payables	**1,680**	**1,469**	**211**

  Trade payables reflect mainly purchases of electric power, natural gas and other utilities, as well as services related to plant maintenance.
  The higher level of trade payables compared with December 31, 2009 is consistent with increase in the Group's sales volumes during the period.
  This item also includes 103 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 58 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). These taxes are paid directly by the companies upon which they are levied.

- A breakdown of **other liabilities**, which totaled 666 million euros, is as follows:

(in millions of euros)	03.31.2010	12.31.2009	Change
Amounts owed to shareholders for dividends declared	259	18	241
Amount owed to the controlling company in connection with the filing of a consolidated tax return	83	68	15
Amounts owed to joint holders of permits and concessions for the production of hydrocarbons	79	60	19
Payables to other consulting	49	77	(28)
Payables owed to Tax Administration (other than current tax payables)	31	36	(5)
Amount owed to employees	31	29	2
Liabilities stemming from the measurement at fair value of financial instruments	30	60	(30)
Payables owed to social security institutions	24	27	(3)
Sundry items	80	91	(11)
Total Other liabilities	**666**	**466**	**200**

Net Financial Debt

At March 31, 2010, net financial debt totaled 3,970 million euros, or 112 million euros more than the 3,858 million euros owed at the end of 2009.
The change is due to the positive effect of the cash flow from operations, which offset in part the period's outlays for capital expenditures (161 million euros) and net financial expense (25 million euros).

Consistent with the practice followed at the end of 2009, the table below provides a simplified breakdown of the Group's net financial debt:

(in millions of euros)	Balance sheet note ref.	03.31.2010	12.31.2009	Change
Long-term financial debt				
Bonds - non-current portion	15	1,696	1,199	497
Non-current bank loans	16	1,559	2,138	(579)
Amounts due to other lenders - non-current portion	16	52	46	6
Other non-current financial assets (*)	7	(81)	(79)	(2)
Total net long-term financial debt		**3,226**	**3,304**	**(78)**
Short-term financial debt				
Bonds - current portion	18	748	721	27
Current loans payable	18	843	611	232
Current financial assets	10	(50)	(30)	(20)
Cash and cash equivalents	10	(797)	(748)	(49)
Total net short-term financial debt		**744**	**554**	**190**
Net financial debt		**3,970**	**3,858**	**112**

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

Net financial debt includes 221 million euros stemming from transactions with "significant parties" (167 million euros owed to Mediobanca, 36 million euros owed to SEL Spa and 18 million euros owed to Banca Popolare di Milano).
In addition, short-term financial debt includes 15 million euros owed to unconsolidated Group subsidiaries.

NOTES TO THE INCOME STATEMENT

The first quarter of 2010, differently from the same period the previous year, was characterized by an upturn in domestic consumption and a concurrent decrease in benchmark prices for electric power and natural gas.

Despite this environment, the Group, by reaping the benefits of its successful expansion during the period in the end-customer and wholesale markets and of programs to streamline its industrial portfolio, succeeded in improving its industrial results compared with 2009.

Specifically, EBITDA grew to 321 million euros, or 26 million euros more than the 295 million euros earned in 2009 (+8.8%). The EBITDA performance of the individual business operations is reviewed below:

- At March 31, 2010, the **electric power operations** reported EBITDA of 211 million euros, in line with the corresponding amount in the first three months of 2009 (208 million euros). The effect of a reduction of the margins earned on sales of electric power and a decrease in hydroelectric output was largely offset by an increase in thermoelectric production (3%) and by profitability gains achieved in the CIP 6/92 business segment despite the expiration of some incentivized periods.
- The EBITDA earned by the **hydrocarbons operations** totaled 135 million euros, for an increase of 22.7% compared with the amount earned in first quarter of 2009 (110 million euros), which was penalized by charges from derivatives executed to hedge purchase costs of natural gas. An increase in unit sales helped reduce the impact of a substantial reduction in the margins available in the natural gas distribution business, caused by the time lag with which changes in the cost of commodities is reflected in sales prices. The international operations engaged in the production of natural gas and crude oil reported positive results, driven mainly by the higher output generated by the Abu Qir activities, which are now fully operational.

The Group's interest in net profit totaled 67 million euros, or 32 million euros more than the 35 million euros earned in the first quarter of 2009. In addition to the improvement in industrial margins mentioned above, this increase is the result of the following factors:

- a decrease of 27 million euros in exploration costs;
- a benefit of 14 million euros from the reversal in earnings of provisions for risks and charges established in previous years;
- a decrease in relative terms of the tax burden.

19. Sales Revenues

Sales revenues totaled 2,742 million euros, or 1.2% more than the 2,710 million euros reported at March 31, 2009.

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

(in millions of euros)	1st quarter 2010	1st quarter 2009 (*)	Change	% change
Revenues from the sales of:				
- Electric power	1,511	1,523	(12)	(0.8%)
- Natural gas	949	947	2	0.2%
- Steam	35	33	2	6.1%
- Oil	27	13	14	n.m.
- Green certificates	6	6	-	n.m.
- Water and other utilities	2	2	-	n.m.
- Other sales revenues	3	1	2	n.m.
Total sales revenues	**2,533**	**2,525**	**8**	**0.3%**
Revenues from services provided	4	3	1	33.3%
Storage services	12	11	1	9.1%
Margin on trading activities	6	4	2	50.0%
Transmission revenues	180	160	20	12.5%
Other revenues from sundry services	7	7	-	n.m.
Total for the Group	**2,742**	**2,710**	**32**	**1.2%**

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

Breakdown of Sales Revenues by Business Segment

(in millions of euros)	1st quarter 2010	1st quarter 2009 (*)	Change	% change
Electric power operations	1,746	1,733	13	0.8%
Hydrocarbons operations	1,503	1,621	(118)	(7.3%)
Corporate activities and other segments	12	12	-	n.m.
Eliminations	(519)	(656)	137	(20.9%)
Total for the Group	**2,742**	**2,710**	**32**	**1.2%**

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

An analysis of sales revenues is provided below:

- The modest increase in sales revenues reported by the **electric power operations** compared with 2009 (+0.8%) reflects the combined impact of lower unit sales prices and, on the positive side, a gain in unit sales that reflects an upturn in domestic demand, which is also the reason for a 3% rise in thermoelectric output, offset in part by a 7.8% drop in hydroelectric production.
- Overall, despite the rising contribution provided by the international production activities, the revenues of the **hydrocarbons operations** decreased by 7.3% compared with 2009, as the negative impact of lower unit sales prices could be offset only in part by higher demand for natural gas (+18% from thermoelectric power plants, +2% from industrial users and +5% from residential users).

20. Other Revenues and Income

Other revenues and income totaled 133 million euros. A breakdown is as follows:

(in millions of euros)	1st quarter 2010	1st quarter 2009 (*)	Change	% change
Commodity derivatives	71	22	49	n.m
Margin on trading activities	-	8	(8)	(100.0%)
Recovery of costs from Edipower's Tollers	28	37	(9)	(24.3%)
Recovery of costs from partners in hydrocarbon exploration projects	12	22	(10)	(45.5%)
Out of period income	5	4	1	25.0%
Utilizations of allowances for doubtful accounts and other provisions	4	-	4	n.m
Sundry items	13	14	(1)	(7.1%)
Total for the Group	**133**	**107**	**26**	**24.3%**

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

Out of period income, which amounted to 12 million euros, includes 5 million euros for refunds of costs incurred in 2008 for CO_2 emissions rights attributable to some CIP 6/92 power plants. In 2009, this item reflected the positive impact of AEEG Resolution No. 30/09 concerning the criteria for reimbursement of the costs incurred to purchase green certificates.

The increase in income from **commodity derivatives** reflects primarily financial hedging transactions executed in connection with the sales campaign and the zone pricing system.

Sundry items include insurance settlements of 6 million euros for accidents that occurred at thermoelectric power plants.

Margin on trading activities

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

(in millions of euros)	See Note	1st quarter 2010	1st quarter 2009	Change	% change
Margin on physical contracts included in trading portfolios					
Sales revenues		630	306	324	106%
Raw materials and services used		(624)	(302)	(322)	107%
Total included in sales revenues	19	**6**	**4**	**2**	**50%**
Margin on financial contracts included in trading portfolios					
Other revenues and income		5	15	(10)	(67%)
Raw materials and services used		(5)	(7)	2	(29%)
Total included in other revenues and income	20	**-**	**8**	**(8)**	**(100%)**
Total margin on trading activities		**6**	**12**	**(6)**	**(50%)**

21. Raw Materials and Services Used

Raw materials and services used totaled 2,493 million euros, or 1.1% more than in the same period in 2009 (2,467 million euros).

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

(in millions of euros)	1st quarter 2010	1st quarter 2009 (*)	Change	% change
Purchases of:				
- Natural gas	1,096	1,082	14	1.3%
- Electric power	462	367	95	25.9%
- Dispatching and balancing market	58	41	17	41.5%
- Blast furnace, recycled and coke furnace gas	75	67	8	11.9%
- Oil and fuel	56	77	(21)	(27.3%)
- Demineralized industrial water	8	9	(1)	(11.1%)
- Green certificates	25	32	(7)	(21.9%)
- CO_2 emissions rights	21	12	9	75.0%
- Coal, utilities and other materials	31	35	(4)	(11.4%)
Total	**1,832**	**1,722**	**110**	**6.4%**
- Facilities maintenance	37	37	-	n.m.
- Transmission of electric power and natural gas	376	297	79	26.6%
- Professional services	23	19	4	21.1%
- Insurance services	7	7	-	n.m.
- Writedowns of trade and other receivables	6	25	(19)	(76.0%)
- Commodity derivatives	20	105	(85)	(81.0%)
- Additions to provisions for miscellaneous risks	5	3	2	66.7%
- Change in inventories	116	195	(79)	(40.5%)
- Use of property not owned	21	21	-	n.m.
- Sundry charges	50	36	14	38.9%
Total for the Group	**2,493**	**2,467**	**26**	**1.1%**

(*) Reflects a new presentation of trading activities that recognizes only the resulting "trading margin" (net presentation), as shown in Note 19 Sales revenues and Note 20 Other revenues and income.

The increase in the amount shown for **natural gas**, compared with 2009, is mainly due to the effect of higher consumption by thermoelectric power plants, caused by the rise in demand for energy mentioned earlier in these Notes, offset in part by a decrease in purchasing prices compared with the first three months of 2009.

The higher amount paid to purchase **electric power**, compared with 2009, reflects an increase in Power Exchange purchases, execute to take advantage of low purchase prices and boost industrial margins.

The decrease in costs from **commodity derivatives** reflects primarily financial hedging transactions executed in connection with the sales campaign.

Change in inventories refers mainly to a decrease in natural gas held in storage.

Breakdown of Raw Materials and Services Used by Business Segment

(in millions of euros)	1st quarter 2010	1st quarter 2009 (*)	Change	% change
Electric power operations	1,596	1,587	9	0.6%
Hydrocarbons operations	1,392	1,515	(123)	(8.1%)
Corporate activites and other segments	26	23	3	13.0%
Eliminations	(521)	(658)	137	(20.8%)
Total for the Group	**2,493**	**2,467**	**26**	**1.1%**

(*) Reflects a new presentation of trading activities that recognizes only the resulting "trading margin" (net presentation), as shown in Note 19 Sales revenues and Note 20 Other revenues and income.

22. Labor Costs

Labor costs totaled 61 million euros, or about 10.9% more than in the first quarter of 2009, when they amounted to 55 million euros.
This increase is mainly the combined result of a larger average payroll, compared with the same period of 2009, and salary increases.

23. EBITDA

EBITDA totaled 321 million euros, or 26 million euros more (8.8%) than the 295 million euros earned in 2009.
A breakdown by business segment is provided in the table below:

(in millions of euros)	1st quarter 2010	as a % of sales revenues	1st quarter 2009	as a % of sales revenues	Change	EBITDA % change
Electric power operations	211	12.1%	208	12.0%	3	1.4%
Hydrocarbons operations	135	9.0%	110	6.8%	25	22.7%
Corporate activities and other segments	(25)	n.m.	(23)	n.m.	(2)	n.m.
Total for the Group	**321**	**11.7%**	**295**	**10.9%**	**26**	**8.8%**

More specifically:

- In the first quarter of 2010, the **electric power operations** reported slightly higher EBITDA than in the same period the previous year, as an increase in sales volumes helped cushion the impact of a reduction in unit sales margins. In addition, the CIP 6/92 activities reported positive results, even if some incentivized periods expired.
- In the case of the **hydrocarbons operations**, the beneficial effect of the higher sales volumes enjoyed by the Group as a result of a recovery in domestic demand was offset in part by a reduction in unit sales margins, particularly in the natural gas distribution area. Another favorable factor is the rising contribution provided by the international production activities, which more than offset a decline in domestic production. As the net result of these developments, EBITDA improved to 135 million euros, or 25 million euros more (+22.7%) than in the first quarter of 2009, on which incurred negative results from gas purchasing derivative transactions.

24. Depreciation, Amortization and Writedowns

A breakdown of this item, which totaled 172 million euros, is provided below:

(in millions of euros)	1st quarter 2010	1st quarter 2009 (*)	Change	% change
Depreciation of property, plant and equipment	150	141	9	6.4%
Amortization of hydrocarbon concessions	14	11	3	27.3%
Amortization of other intangible assets	8	35	(27)	(77.1%)
Writedowns of intangible assets	-	1	(1)	n.m.
Total for the Group	**172**	**188**	**(16)**	**(8.5%)**

(*) The data for "Depreciation of property, plant and equipment" and "Amortization of other intangible assets" have been represented purely for comparative purpose to reflects the adoption of IFRIC 12.

Breakdown by Business Segment

(in millions of euros)	1st quarter 2010	1st quarter 2009	Change	% change
Electric power operations	129	129	-	n.m.
Hydrocarbons operations	40	57	(17)	(29.8%)
Corporate activities and other segments	3	2	1	n.m.
Total for the Group	**172**	**188**	**(16)**	**(8.5%)**

More specifically:

- The amount expensed by the **electric power operations** includes a decrease in the depreciation of some assets, primarily in the hydroelectric area due to the restatement of some residual values, which fully offset an increase in depreciation caused by a change in the scope of consolidation, mainly due to activities in Greece (3 million euros).

- The amount attributable to the **hydrocarbons operations** (40 million euros) decreased by 17 million euros compared with the same period last year, mainly due to a reduction in the impact of exploration costs (down from 30 million euros in 2009 to 3 million euros in 2010), offset in part by an increase in amortization resulting from changes in the extraction profiles of hydrocarbon deposits.

25. Net Financial Income (Expense)

The decrease of 6 million euros in net financial expense, which fell from 31 million euros in 2009 to 25 million euros in 2010, despite an increase in net financial debt, is the combined result of the following factors:

- net foreign exchange gains on derivative transactions that offset foreign exchange losses on commercial transactions;
- a reduction of market interest rates.

A breakdown of net financial expense is as follows:

(in millions of euros)	1st quarter 2010	1st quarter 2009	Change
Financial income			
Financial income from financial derivatives	21	16	5
Interest earned on finance leases	3	3	-
Interest earned on bank and postal accounts	1	1	-
Other financial income	3	8	(5)
Total financial income	**28**	**28**	**-**
Financial expense			
Interest paid on bond issues	(29)	(13)	(16)
Financial expense from financial derivatives	(14)	(11)	(3)
Interest paid to banks	(11)	(22)	11
Bank fees	(3)	(2)	(1)
Financial expense on decommissioning projects	(4)	(4)	-
Interest paid on finance leases	-	-	-
Financial expense in connection with employee severance benefits	(1)	(1)	-
Interest paid to other lenders	(1)	-	(1)
Other financial expense	-	-	-
Total financial expense	**(63)**	**(53)**	**(10)**
Foreign exchange translation gains (losses)			
Foreign exchange translation gains	28	25	3
Foreign exchange translation losses	(18)	(31)	13
Net foreign exchange translation gains (losses)	**10**	**(6)**	**16**
Net financial income (expense) for the Group	**(25)**	**(31)**	**6**

26. Income from (Expense on) Equity Investments

A breakdown of the negative balance of 1 million euros, is showed below:

(in millions of euros)	1st quarter 2010	1st quarter 2009	Change
Total income from equity investments	**-**	**-**	**-**
Expenses on equity investments			
Writedowns and valuations of investments by the equity method	-	(1)	1
Writedowns of trading securities	(1)	-	(1)
Total expenses on equity investments	**(1)**	**(1)**	**-**
Total Group income from (expense on) equity investments	**(1)**	**(1)**	**-**

27. Other Income (Expense), Net

Net other income of 8 million euros reported at March 31, 2010 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 reversal into earnings of some provisions for risks and charges recognized in previous years;
- **Expense** of 6 million euros, in connection with the settlement and the provision for some legal and tax risks.

28. Income Taxes

The tax burden recognized in the financial statements increased to 63 million euros in 2010, or 23 million euros more than in the previous year (40 million euros), consistent with improvement in reported profit.

A breakdown of income taxes is provided below:

(in millions of euros)	1st quarter 2010	1st quarter 2009	Change
Current taxes	71	62	9
Net deferred-tax liabilities (assets)	(9)	(22)	13
Income taxes attributable to previous years	1	-	1
Total for the Group	**63**	**40**	**23**

Current taxes include 56 million euros for corporate income taxes (IRES), 10 million euros for regional taxes (IRAP) and 8 million euros for foreign taxes, offset only in part by a tax benefit of 3 million euros generated by filing a consolidated income tax return.

On a relative basis, the tax rate decreased from 56% in 2009 to 48% in the first quarter of 2010 as a result of a reduction in non-deductible expenses and the inclusion of non-taxable revenues.

29. Earnings per Share

A breakdown of earnings per share is as follows:

2009 full year			1st quarter 2010		1st quarter 2009	
Common shares	Savings shares[1]	(in millions of euros)	Common shares	Savings shares[1]	Common shares	Savings shares[1]
240	240	Group interest in profit	67	67	35	35
232	8	Profit attributable to the different classes of shares (A)	62	5	31	4
		Weighted average number of shares outstanding (common and savings) determined for the purpose of computing earnings per share:				
5,181,108,251	110,592,420	- basic (B)	5,181,108,251	110,592,420	5,181,108,251	110,592,420
5,181,108,251	110,592,420	- diluted (C)[2]	5,181,108,251	110,592,420	5,181,108,251	110,592,420
		Earnings per share (in euros)				
0.0448	0.0748	- basic (A/B)	0.0121	0.0421	0.0059	0.0359
0.0448	0.0748	- diluted (A/C)[2]	0.0121	0.0421	0.0059	0.0359

[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.

30. Analysis of Changes in Other Components of the Comprehensive Income Statement

In accordance with IAS 1, the table below analyzes the changes in other components of the statement of comprehensive income, provisionally recognized in equity.

Other Components of the Comprehensive Income Statement

(in millions of euros)	1st quarter 2010	1st quarter 2009
Cash flow hedge reserve:		
- Gains (Losses) arising during the period	39	105
- Adjustments for amounts transferred to initial carrying amount of hedged items (-)	-	(8)
- Income taxes (-)	(15)	(36)
Sub-total	**24**	**61**
Available for sale financial assets:		
- Gains (Losses) arising during the period	1	(3)
- Income taxes (-)	-	-
Sub-total	**1**	**(3)**
Differences on the translation of assets in foreign currencies	**1**	**2**
- Income taxes (-)	-	-
Sub-total	**1**	**2**
Pro rata interest in other components of comprehensive income of investee companies	**-**	**-**
- Income taxes (-)	-	-
Sub-total	**-**	**-**
Total comprehensive profit (loss) net of taxes	**26**	**60**
of which:		
- Minority interest in profit (loss)	**-**	**-**
- Group interest in profit (loss)	**26**	**60**

OTHER INFORMATION

Commitments and Contingent Risks

(in millions of euros)	03.31.2010	12.31.2009	Change
Guarantees provided	1,426	1,527	(101)
Collateral provided	1,407	1,391	16
Other commitments and risks	468	530	(62)
Total for the Group	**3,301**	**3,448**	**(147)**

Guarantees provided totaled 1,426 million euros at March 31, 2010. This figure, which was determined based on the undiscounted amount of contingent commitments on the balance sheet, includes 150 million euros in guarantees provided to the Revenue Office on behalf of subsidiaries for offsetting VAT credits and those provided in connection with the intra-Group assignment of tax credits. Guarantees provided by the Group's Parent Company to secure the performance of contractual obligations by its subsidiaries account for most of the balance.

Collateral provided, which amounted to 1,407 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 (1,046 million euros) pledged to a pool of banks to secure a financing facility.
Collateral provided includes additional collateral for liabilities listed on the balance sheet (361 million euros), which generally consist of mortgages and encumbrances granted on facilities of the electric power operations to secure financing. The increase, compared with December 31, 2009, is due to a new collateral provided on a hydroelectric plant for a new financing facility.

Other commitments and risks, which totaled 468 million euros, reflect primarily commitments undertaken to complete investment projects under construction in Italy and abroad.

Unrecognized Commitments and Risks

In the first quarter of 2010, 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 Consolidated Financial Statements at December 31, 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 Consolidated Financial Statements at December 31, 2009

A review, based on information currently available, of the **developments that occurred in the first quarter of 2010** 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 Consolidation Financial Statements at December 31, 2009. Legal disputes were subdivided further between those that could give rise to a probable liability, for which it was possible to develop a reliable estimate of the underlying obligation and recognize a corresponding provision for risks in the balance sheet, and those that could give rise to a contingent liability, which is dependent on the occurrence of events that are possible, but not probable, or are probable but their impact cannot be quantified reliably. With regard to contingent liabilities, only a disclosure is provided in the Notes to the financial statements.

Legal disputes that could give rise to a probable liability for which a provision for risks was recognized in the balance sheet are reviewed below.

A) Edison Spa

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

Mantua Petrochemical Complex - Criminal Proceedings for Personal Injuries and Environmental Damages

In the criminal proceedings pending before the Court of Mantua against certain former Directors and executives of Montedison Spa (now Edison) for alleged injuries caused to the health of plant workers (former Montedison employees), who were exposed to benzene and asbestos at the local petrochemical complex through 1989, a preliminary hearing is currently in progress, following the indictment of the parties under investigation by the Public Prosecutor of the Court of Mantua.

Farmoplant - 1988 Accident at the Massa Plant

On March 30, 2010, Edison reached a settlement with the Province of Massa-Carrara, the Municipalities of Massa and Carrara and the Ministry of the Environment and Civil Protection in connection with the civil action filed against Farmoplant (now Edison) seeking compensation for damages caused by an accident that occurred at Farmoplant's Massa facility in 1988. Pursuant to the settlement agreement, Edison will pay a total of about 3 million euros in full settlement of any and all claims filed against it in connection with the abovementioned accident. SAI Fondiaria, a company that at the time of the accident provided insurance for the plant, will provide Edison with a reimbursement amounting to 1.8 million euros.

Spinetta Marengo Industrial Property

Within the framework of the site remediation process that Ausimont Spa, a company sold in 2002 to Solvay Solexis Spa, a company of the Solvay Group, is implementing in accordance with Ministry Decree No. 471/1999 in connection with the contamination of the Spinetta Marengo industrial property, Solvay Solexis, the current operator of the property, following Ausimont's merger by absorption, served notice on Edison that it had filed an administrative complaint with the Regional Administrative Court of Piedmont seeking, among other remedies, the suspension of the enforcement and the subsequent voiding of the administrative decisions pursuant to which they are responsible for implementing activities to ensure the safety and remediation of the abovementioned property, insofar as these decisions fail to list Edison as a liable (or jointly liable) party in the abovementioned proceedings. Edison filed a defense brief contesting in fact and law the complainant's conclusions.

B) Other Group Companies

Multiutility vs Edison Energia Spa

In the proceedings pending before the Court of Milan, in which Multiutility Spa is suing Edison Energia Spa alleging numerous instances of failure to comply with obligations arising from contracts executed by the two companies between 2004 and 2006 involving the wholesale supply of electric power, the hearing for closing arguments was postponed to May 2011, due to the judge's unavailability.

Montedison Srl - Property in Bussi sul Tirino (PE)
Within the framework of the site remediation process that Ausimont Spa, a company sold in 2002 to Solvay Solexis Spa, a company of the Solvay Group, is implementing in accordance with Ministry Decree No. 471/1999 in connection with the contamination of the Bussi sul Tirino industrial property, Solvay Solexis and Solvay Chimica Bussi, the former in its capacity as the owner of the property, following Ausimont's merger by absorption, and the latter in its capacity as the current operator of the property, served notice on Edison that they had filed a series of administrative complaints with the Regional Administrative Court of Latium - Rome seeking, among other remedies, the suspension of the enforcement and the subsequent voiding of the administrative decisions pursuant to which they are responsible for implementing activities to ensure the safety and remediation of the abovementioned property, insofar as these decisions fail to list Edison as a liable (or jointly liable) party in the abovementioned proceedings. Edison filed defense briefs contesting in fact and law the complainant's conclusions.

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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 not 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

Pagnan vs Edison
By a decision handed down on February 4, 2010, the Court of Venice denied the claim filed against Edison, by means of a third-party summons, by Pagnan Spa, a defendant in an action filed by the Ministry of the Environment and for the Protection of the Land and the Sea and the Ministry of Infrastructures for alleged environmental damages caused in the area of the South Channel Dockyard in the Malcontenta section of the Porto Marghera Industrial Park.

Vega Offshore Hydrocarbon Field - Vega Oil Vessel
A preliminary hearing is currently under way in the proceedings filed by the Public Prosecutor of Modica in connection with the alleged pollution caused by the Vega Oil vessel.

Torviscosa Power Plant - Cooperativa Fabbri Meccanici a r.l vs Edison
A Board of Arbitrators has been empanelled in the arbitration proceedings activated by Cooperativa Fabbri Meccanici a r.l., in composition with creditors proceedings, against Edison, in which the complainant asked that Edison be ordered to pay about 950,000 euros for alleged receivables arising from the performance of a contract for the construction of a building at the Torviscosa power plant. Edison countersued asking that the cooperative be ordered to pay it about 560,000 euros.

B) Other Group Companies

Edison Energie Speciali Spa (Edens) - VSV Srl Arbitration
In the arbitration proceedings activated by the sellers of an equity interest in VSV Srl, a company that owned wind power projects in Calabria, which Edison Energie Speciali Spa (Edens) purchased in November 2008, in connection with which the sellers are complaining that Edens 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 Calabrian Regional Law No. 15/2008 by which the Regional Administration of Calabria established a moratorium on the construction of new wind farms, and Edison claims that certain contractual guarantees have been violated, a Board of Arbitrators has now been empanelled.

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An update of the developments that affect the main **tax disputes,** compared with the information provided in the Consolidated Financial Statements at December 31, 2009, is provided below:

Assessment for the 2002 Fiscal Year Following a Tax Audit of Edison Spa
At the end of March 2010, the Office of the Solicitor General, acting on behalf of Milan Revenue Agency No. 1, served notice, by mail, that it was appealing to the Court of Cassation the decision, substantially favorable to the Company, handed down in 2009 by the Regional Tax Commission in connection with the assessment of corporate income taxes (IRPEG) and regional taxes (IRAP) for the 2002 fiscal year. The Company received a copy of the appeal in April.

EDF Energia Italia Srl - Customs VAT Assessment for 2001, 2002 and 2003
In March 2010, a formal appeal was filed on behalf of Edison Energia Spa against the unfavorable decision handed down by the Milan Provincial Tax Commission with regard to the notice of assessment for VAT owed for 2001, 2002 and 2003.
In any case, any charges that may be incurred as a result of the abovementioned audits are covered by special guarantees provided by EDF International Sa.

Edipower - Assessment for VAT Due on Green Certificates for 2004
In February 2010, Edipower filed an appeal challenging the notice of assessment for VAT penalties for 2004, asking the Tax Commission of venue to void in full the assessment.

Edipower - Assessment for VAT Due for 2004 and 2007
In February 2010, Edipower filed an application asking that the assessment be automatically voided by virtue of its lack of merit and, subsequently, applied for a negotiated settlement. The Revenue Agency scheduled a meeting with Edipower for April 2, 2010 to begin the process of seeking a negotiated settlement and hear Edipower's defense. Thus far, the Agency has not informed Edipower about its decision on this matter.

Intercompany and Related-party Transactions

As required by Consob Resolution No. 15519 of July 27, 2006 and consistent with the policies adopted by the Group, an overview of transactions with related parties and significant parties with an impact on the income statement, balance sheet and financial position is provided below. These transactions 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)	With unconsolidated Group companies	With the controlling company	Other parties							**Total related and significant parties**	**Total financial statem. line item**	**Impact %**
			Related		Significant							
			EDF Group	A2A Group	ENIA Group	SEL Group	Dolomiti Energia Group	Banca Popolare di Milano	Mediobanca			
Balance sheet transactions												
Trade receivables	5	-	71	22	7	5	1	-	-	111	2,263	4.9%
Other receivables	1	49	8	1	-	-	-	-	-	59	635	9.3%
Trade payables	1	-	41	23	3	5	-	-	-	73	1,680	4.3%
Other payables	-	217	43	3	-	4	3	-	-	270	666	40.5%
Short-term financial debt	15	-	-	-	-	36	-	4	24	79	843	9.4%
Long-term financial debt and other financial liabilities	-	-	-	-	-	-	-	14	143	157	1,611	9.7%
Income statements transactions												
Sales revenues	9	-	97	23	1	5	1	-	-	136	2,742	5.0%
Other revenues and income	-	-	2	12	-	-	-	-	-	14	133	10.5%
Raw material and services used	-	-	30	28	-	8	-	-	-	66	2,493	2.6%
Financial expense	-	-	-	-	-	-	-	-	1	1	63	1.6%
Commitments and contingent risks												
Guarantees provided	-	-	-	-	-	-	-	37	-	37	1,426	2.6%
Collateral provided	-	-	-	-	-	-	-	-	43	43	1,407	3.1%
Other commitments and risks	-	-	29	-	-	-	-	-	-	29	468	6.2%

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. The VAT Group return for March 2010 showed a liability of about 9 million euros.

Consolidated IRES Return

Following the renewal by Transalpina di Energia Srl, the Group's controlling company, of the option to file a consolidated income tax return for three years from 2009 to 2011, Edison Spa and its principal subsidiaries expect to determine their corporate income tax (IRES) liability in coordination with Transalpina di Energia Srl, the Group's controlling company, within the framework of the existing

arrangements for a consolidated IRES return. The relationships between the filers of the consolidated tax return are governed by special agreements.
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.

B) Transactions with Other Related Parties

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 totaling about 2 million euros and electric power purchases and transmission costs for 19 million euros under contracts for the supply of electric power with ENBW;
- With Fenice Spa, sales revenues of about 11 million euros, mainly from sales of natural gas and electric power, and recovery of maintenance costs for about 2 million euros;
- With EDF Trading, sales revenues of 32 million euros and costs of 11 million euros stemming from sales and purchases of commodities;
- With EDF Trading revenues of 119 million euros and costs of 76 million euros and with ENBW revenues of 13 million euros and costs of 4 million euros from transactions executed during the quarter as part of the trading activity; these amounts are included in sales revenues on a net basis;
- The table provided above shows the impact on the balance sheet of the various transactions reviewed above, including other payables of about 43 million euros owed to shareholders for dividends declared;
- With EDF Trading, commitments of up to 29 million euros within the EDF Carbon Fund to purchase CER/ERU.

A2A Group

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

- Sales revenues of 25 million euros from contracts to supply electric power and steam to A2A Trading Srl and A2A Spa;
- Other revenues and income of 12 million euros from A2A Trading Srl for managing fuel procurement for some production sites, pursuant to the Tolling Agreement;
- Materials and services used totaling 28 million euros, broken down as follows: 5 million euros for purchases of electric power, 5 million euros for dispatching services by A2A Trading Srl, 11 million euros for purchases of natural gas by Plurigas Srl and 7 million euros for electric power and natural gas transmission services by A2A Spa;
- With A2A Trading Srl, revenues of 6 million euros and costs of 8 million euros from transactions executed during the quarter as part of the trading activity; these amounts are included in sales revenues on a net basis;
- The table provided above shows the impact on the balance sheet of the various transactions reviewed above.

ENIA Group

Transactions with Enìa Energia Spa resulted in revenues of 1 million euros from sales of electric power.

SEL Group

Transactions with the SEL Group resulted in revenues of about 5 million euros from the sale of electric power and costs of about 8 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 1 million euros.

2) Financial Transactions

The only significant change that occurred in the first quarter of 2010 was the repayment of a 15-million-euro loan provided by Dolomiti Energia Spa to Dolomiti Edison Energy Srl in 2009.
A comprehensive review of outstanding transactions is provided in the Notes to the Consolidated Financial Statements at December 31, 2009.

Significant Nonrecurring Events and Transactions

As required by the CONSOB Communication No. DEM/6064293 of July 28, 2006, Edison Group declares that it did not execute significant nonrecurring transactions, as defined in the abovementioned Communication, in the first quarter of 2010.

Transactions Resulting from Atypical and/or Unusual Activities

As required by the CONSOB Communication No. DEM/6064293 of July 28, 2006, Edison Group declares that it did not execute atypical and/or unusual transactions, as defined in the abovementioned Communication, in the first quarter of 2010.

SIGNIFICANT EVENTS OCCURRING AFTER MARCH 31, 2010

Sale of Tecnimont: Edison/Falck Arbitration

On April 8, 2010, Edison and Falck signed a settlement agreement that ended the arbitration proceedings started by Edison due to the failure to complete the sale of the entire share capital of Tecnimont Spa to Falck. This agreement also settled three other disputes pending between the parties and/or their subsidiaries concerning Termica Lucchese and Termica Narni (absorbed by Edison following its acquisition of the Falck Group) and a lawsuit pending before the Trieste Court of Appeals that had been filed by Neviera Srl against Edison, with a call on Ecosesto Srl (a Falck Group company) as guarantor. Pursuant to the settlement agreement, Falck paid to Edison the sum of 22.5 million euros, including 15 million euros originally paid by Falck to Edison as an advance on the price of the Tecnimont shares, in full settlement of any and all claims filed by Edison in the abovementioned arbitration proceedings, as well as 2 million euros for claims filed by Edison against Falck in the dispute concerning Termica Lucchese. Concurrently, Edison paid to Sesto Siderservizi 2.4 million euros in full settlement of any and all claims filed by Sesto Siderservizi against Edison in the dispute concerning Termica Narni. Lastly, with regard to the lawsuit pending before the Trieste Court of Appeals, Ecosesto Spa agreed to hold Edison harmless for an amount of up to 500,000 euros in the event of an unfavorable decision for Edison, it being understood that, by accepting the abovementioned amount, Edison agreed to stand surety for Sesto Siderservizi in the event of third-party claims.

Milan, April 30, 2010

The Board of Directors
by Giuliano Zuccoli
Chairman

SCOPE OF CONSOLIDATION

at March 31, 2010

SCOPE OF CONSOLIDATION AT MARCH 31, 2010
LIST OF EQUITY INVESTMENTS

Company name	Head office	Currency	Share capital	Consolidated Group interest % (a) 03/31/10	Consolidated Group interest % (a) 12/31/09	Interest held in share capital % (b)	Interest held in share capital by	Voting securities held % (c)	Exercisable voting rights % (d)	Type of investment relationship (e)	Notes

A) Investments in companies included in the scope of consolidation

A.1) Companies consolidated line by line

Company name	Head office	Currency	Share capital	03/31/10	12/31/09	% (b)	by	% (c)	% (d)	(e)	Notes
Group Parent Company											
Edison Spa	Milan	EUR	5,291,700,671								
Electric Power Operations											
Compagnia Energetica Bellunese Ceb Spa (single shareholder)	Milan (IT)	EUR	1,200,000	86.12	86.12	100.00	Sistemi di Energia Spa	-	-	S	(i)
Dolomiti Edison Energy Srl	Trento (IT)	EUR	5,000,000	49.00	49.00	49.00	Edison Spa	-	-	S	-
Ecofuture Srl (single shareholder)	Milan (IT)	EUR	10,200	100.00	100.00	100.00	Edison Spa	-	-	S	(i)
Edison Energia Spa (single sharehold.) - Attività Energia Elettrica	Milan (IT)	EUR	22,000,000	100.00	100.00	100.00	Edison Spa	-	-	S	(i)
Edison Energie Speciali Calabria Spa (single shareholder)	Crotone (I)	EUR	120,000	100.00	-	100.00	Edison Spa	-	-	S	-
Edison Energie Speciali Sicilia Srl (single shareholder)	Palermo (IT)	EUR	20,000	100.00	100,00	100.00	Edison Energie Speciali Spa (single shareholder)	-	-	S	(i)
Edison Energie Speciali Spa (single shareholder)	Milan (IT)	EUR	4,200,000	100.00	100.00	100.00	Edison Spa	-	-	S	(i)
Edison Engineering Sa	Athens (GR)	EUR	260,001	100.00	100.00	100.00	Edison Spa	-	-	S	-
Edison Trading Spa (single shareholder)	Milan (IT)	EUR	30,000,000	100.00	100.00	100.00	Edison Spa	-	-	S	(i)
Eneco Energia Spa	Bolzano (IT)	EUR	222,000	100.00	100.00	90.00	Edison Spa	-	-	S	(i)
Gever Spa	Milan (IT)	EUR	10,500,000	51.00	51.00	51.00	Edison Spa	-	-	S	-
Hydro Power Energy Srl - Hpe Srl (single shareholder)	Merano (BZ) (IT)	EUR	50,000	100.00	100.00	100.00	Edison Spa	-	-	S	(i)
Hydros Srl - Hydros Gmbh	Bolzano (IT)	EUR	30,018,000	40.00	40.00	40.00	Edison Spa	-	-	S	-
Jesi Energia Spa	Milan (IT)	EUR	5,350,000	70.00	70.00	70.00	Edison Spa	-	-	S	(i)
Presenzano Energia Srl (single sharehold.)	Milan (IT)	EUR	120,000	90.00	100.00	90.00	Edison Spa			S	(i)
Sarmato Energia Spa	Milan (IT)	EUR	14,420,000	55.00	55.00	55.00	Edison Spa	-	-	S	-
Sistemi di Energia Spa	Milan (IT)	EUR	10,082,205	86.12	86,12	86.12	Edison Spa	-	-	S	(i)
Sondel Dakar Bv	Rotterdam (NL)	EUR	18,200	100.00	100.00	100.00	Edison International Holding Nv	-	-	S	-
Termica Cologno Srl	Milan (IT)	EUR	9,296,220	65.00	65.00	65.00	Edison Spa	-	-	S	(i)
Termica Milazzo Srl	Milan (IT)	EUR	22,241,000	60.00	60.00	60.00	Edison Spa	-	-	S	(i)
Hydrocarbons Operations											
Amg Gas Srl	Palermo (IT)	EUR	100,000	80.00	80,00	80.00	Edison Spa	-	-	S	(i)
Edison D.G. Spa (single shareholder)	Selvazzano Dentro (PD) (IT)	EUR	460,000	100.00	100.00	100.00	Edison Spa	-	-	S	(i)
Edison Energia Spa (single shareholder) - Attività Idrocarburi	Milan (IT)	EUR	22,000,000	100.00	100.00	100.00	Edison Spa	-	-	S	(i)
Edison Idrocarburi Sicilia Srl (single shareholder)	Ragusa (IT)	EUR	10,000	100.00	100.00	100.00	Edison Spa	-	-	S	(i)
Edison International Spa	Milan (IT)	EUR	17,850,000	100.00	100.00	70.00 30.00	Edison Spa Selm Holding International Sa	- -	- -	S	(i)
Edison Stoccaggio Spa (single shareholder)	Milan (IT)	EUR	81,497,301	100.00	100.00	100.00	Edison Spa	-	-	S	(i)
Euroil Exploration Ltd	London (GB)	GBP	9,250,000	100.00	100.00	0.00 100.00	Edison Spa Selm Holding International Sa	- -	- -	S	-

List of Equity Investments (continued)

Company name	Head office	Currency	Share capital	Consolidated Group interest % (a) 03/31/10	Consolidated Group interest % (a) 12/31/09	Interest held in share capital % (b)	Interest held in share capital by	Voting securities held % (c)	Exercisable voting rights % (d)	Type of investment relationship (e)	Notes
Corporate Activities and Other Operations											
Atema Limited	Dublin 2 (IRL)	EUR	1,500,000	100.00	100.00	100.00	Edison Spa	-	-	S	-
Edison Hellas Sa	Athens (GR)	EUR	262,700	100.00	100.00	100.00	Edison Spa	-	-	S	-
Edison International Abu Qir Bv	Amsterdam (NL)	EUR	18,000	100.00	100.00	100.00	Edison International Holding Nv	-	-	S	-
Edison International Exploration & Production Bv	Amsterdam (NL)	EUR	18,000	100.00	100.00	100.00	Edison International Holding Nv	-	-	S	-
Edison International Finance Abu Qir Bv	Amsterdam (NL)	EUR	18,000	100.00	100.00	100.00	Edison International Holding Nv	-	-	S	-
Edison International Holding Nv	Amsterdam (NL)	EUR	4,582,803	100.00	100.00	100.00	Edison Spa	-	-	S	-
Montedison Srl (single shareholder)	Milan (IT)	EUR	2,582,000	100.00	100.00	100.00	Edison Spa	-	-	S	(i)
Nuova Alba Srl (single shareholder)	Milan (IT)	EUR	2,016,457	100.00	100.00	100.00	Edison Spa	-	-	S	(i)
Selm Holding International Sa	Luxembourg (LU)	EUR	24,000,000	100.00	100.00	99.95	Edison Spa	-	-	S	-
						0.05	Montedison Srl (single shareholder)	-	-		

A.2) Companies consolidated by the proportional method

Company name	Head office	Currency	Share capital	Consolidated Group interest % (a) 03/31/10	Consolidated Group interest % (a) 12/31/09	Interest held in share capital % (b)	Interest held in share capital by	Voting securities held % (c)	Exercisable voting rights % (d)	Type of investment relationship (e)	Notes
Electric Power Operations											
Edipower Spa	Milan (IT)	EUR	1,441,300,000	50.00	50.00	50.00	Edison Spa	-	-	JV	-
Elpedison Power Sa	Maroussi Athens (GR)	EUR	98,198,000	37.89	37.50	75.78	Elpedison Bv	-	-	JV	-
Elpedison Trading Sa	Maroussi (GR)	EUR	500,000	50.00	50.00	100.00	Elpedison Bv	-	-	JV	-
Ibiritermo Sa	Ibirité - Estado de Minas Gerais (BR)	BRL	7,651,814	50.00	50.00	50.00	Edison Spa	-	-	JV	-
Kinopraxia Thisvi	N. Kiffissia (GR)	EUR	20,000	65.00	65.00	65.00	Edison Engineering Sa	-	-	JV	(iv)
Parco Eolico Castelnuovo Srl	Castelnuovo di Conza (SA) (IT)	EUR	10,200	50.00	50.00	50.00	Edison Energie Speciali Spa (single shareholder)	-	-	JV	-
Sel Edison Spa	Castelbello (BZ) (IT)	EUR	84,798,000	42.00	42.00	42.00	Edison Spa	-	-	JV	-
Hydrocarbons Operations											
Abu Qir Petroleum Company	Alexandria (ET)	EGP	20,000	50.00	50.00	50.00	Edison International Spa	-	-	JV	-
Ed-Ina D.o.o.	Zagabria (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	22,100,000	50.00	50.00	50.00	Edison International Holding Nv	-	-	JV	-
Corporate Activities and Other Operations											
Elpedison Bv	Amsterdam (NL)	EUR	20,000	50.00	50.00	50.00	Edison International Holding Nv	-	-	JV	-
International Water Holdings Bv	Amsterdam (NL)	EUR	40,000	50.00	50.00	50.00	Edison Spa	-	-	JV	-

List of Equity Investments (continued)

Company name	Head office	Currency	Share capital	Consolidated Group interest % (a) 12/31/09	Interest held in share capital % (b)	Interest held in share capital by	Voting securities held % (c)	Exercisable voting rights % (d)	Carrying value (in millions of euros) (f)	Type of investment relationship (e)	Notes
B) Investments in companies valued by the equity method											
Centrale Elettrica Winnebach Soc. Consortile Arl	Trento (BZ) (IT)	EUR	100,000		30.00	Hydros Srl - Hydros Gmbh	-	-	-	AC	-
Centrale Prati Società Consortile Arl	Val di Vizze (BZ) (IT)	EUR	300,000		30.00	Hydros Srl - Hydros Gmbh	-	-	-	AC	-
Consorzio Barchetta	Jesi (AN) (IT)	EUR	2,000		50.00	Jesi Energia Spa	-	-	-	AC	-
EL.IT.E Spa	Milan (IT)	EUR	2,888,500		48.45	Edison Spa	-	-	1.9	AC	-
Energia Senales Srl - Es Srl	Senales (BZ)(IT)	EUR	100,000		40.00	Hydros Srl - Hydros Gmbh	-	-	-	AC	-
Eta 3 Spa	Arezzo (IT)	EUR	2,000,000		33.01	Edison Spa	-	-	2.2	AC	-
GTI Dakar Ltd	George Town Gran Caiman (KY)	EUR	14,686,479		30.00	Sondel Dakar Bv	-	-	-	AC	-
Iniziativa Universitaria 1991 Spa	Varese (IT)	EUR	16,120,000		32.26	Montedison Srl (single shareholder)	-	-	4.4	AC	-
Kraftwerke Hinterrhein Ag	Thusis (CH)	CHF	100,000,000		20.00	Edison Spa	-	-	17.6	AC	-
Soc. Svil. Rea. Gest. Gasdot. Alg-Itav. Sardeg. Galsi Spa	Milan (IT)	EUR	35,838,000		20.81	Edison Spa	-	-	15.5	AC	-
Utilità Spa	Milan (IT)	EUR	2,307,692		35.00	Edison Spa	-	-	1.3	AC	-
Total investments in companies valued by the equity method									**42.9**		

List of Equity Investments (continued)

Company name	Head office	Currency	Share capital	Consolidated Group interest % (a) 12/31/09	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
C) Investments in companies in liquidation or subject to permanent restrictions											
Ascot Srl	Bressanone (BZ) (IT)	EUR	10,330	50.00	50.00	Eneco Energia Spa	-	-		JV	-
Auto Gas Company S.A.E. (in liquid.)	Il Cairo (ET)	EGP	1,700,000		30.00	Edison Internat. Spa	-	-	0.2	AC	-
Cempes Scrl (in liquidation)	Rome (IT)	EUR	15,492		33.33	Nuova C.I.S.A. Spa (in liquidation) (single shareholder)	-	-	-	AC	-
C.I.FAR. Scarl (in bankruptcy)	Udine (IT)	LIT	20,000,000		60.00	Nuova C.I.S.A. Spa (in liquidation) (single shareholder)	-	-	-	S	(ii)
Compagnia Elettrica Lombarda Spa (in liquidation)	Milan (IT)	EUR	408,000		60.00	Sistemi di Energia Spa	-	-	-	S	-
Coniel Spa (in liquidation)	Rome (IT)	EUR	1,020		35.25	Edison Spa	-	-	-	AC	-
Finsavi Srl	Palermo (IT)	EUR	18,698		50.00	Edison Spa	-	-	-	AC	-
Gasco Spa (in liquidation)	Bressanone (BZ) (IT)	EUR	350,000		40.00	Edison Spa	-	-	0.2	AC	-
Groupement Gambogi-Cisa (in liquid.)	Dakar (SN)	XAF	1,000,000		50.00	Nuova C.I.S.A. Spa (in liquidation) (single shareholder)	-	-	-	AC	-
Inica Sarl (in liquidation)	Lisbon (PT)	PTE	1,000,000		20.00	Edison Spa	-	-	-	AC	-
International Water (UK) Limited (in liquidation)	London (GB)	GBP	2,601,001		100.00	International Water Holdings Bv	-	-	0,1	JV	-
International Water Services Ltd (in liquidation)	Zug (CH)	CHF	100,000		100.00	International Water Holdings Bv	-	-	-	JV	-
Nuova C.I.S.A. Spa (in liquidation) (single shareholder)	Milan (IT)	EUR	1,549,350		100.00	Edison Spa	-	-	2.4	S	(i)
Nuova I.S.I. Impianti Selez. Inerti Srl (in bankruptcy)	Vazia (RI) (IT)	LIT	150,000,000		33.33	Montedison Srl (single shareholder)	-	-	-	AC	-
Poggio Mondello Srl (single shareholder)	Palermo (IT)	EUR	364,000		100.00	Nuova C.I.S.A. Spa (in liquidation) (single shareholder)	-	-	-	S	(i)
Sistema Permanente di Servizi Spa (in bankruptcy)	Rome (IT)	EUR	154,950		12.60	Edison Spa	-	-	-	NG	-
Soc. Gen. per Progr. Cons. e Part. Spa (in receivership)	Rome (IT)	LIT	300,000,000		59.33	Edison Spa	-	-	-	S	-
Sorrentina Scarl (in liquidation)	Rome (IT)	EUR	46,480		25.00	Nuova C.I.S.A. Spa (in liquidation) (single shareholder)	-	-	-	AC	-
Total investments in companies in liquidation or subject to permanent restrictions									**2.9**		

List of Equity Investments (continued)

Company name	Head office	Currency	Share capital	Consolidated Group interest % (a) 12/31/09	Interest held in share capital % (b)	Interest held in share capital by	Voting securities held % (c)	Exercisable voting rights % (d)	Carrying value (in millions of euros) (f)	Type of investment relationship (e)	Notes
D) Investments in other companies valued at fair value											
D.1) Investments held for trading											
Acegas-Aps Spa	Trieste (IT)	EUR	283,690,763		1.30	Edison Spa	-	-	2.9	NG	-
Acsm-Agam Spa	Monza (IT)	EUR	76,619,105		1.94	Edison Spa	-	-	1.4	NG	-
Amsc-American Superconductor	Devens (US)	USD	447,893.59		0.36	Edison Spa	-	-	3.4	NG	-
D.2) Available-for-sale investments											
Emittenti Titoli Spa	Milan (IT)	EUR	4,264,000		3.890	Edison Spa	-	-	0.2	NG	-
European Energy Exchange Ag - Eex	Leipzig (DE)	EUR	40,050,000		0.760	Edison Spa	-	-	0.7	NG	-
Istituto Europeo di Oncologia Srl	Milan (IT)	EUR	80,579,007		4.280	Edison Spa	-	-	3.5	NG	-
MB Venture Capital Fund I Participating Comp. e Nv	Amsterdam (NL)	EUR	50,000		7.000	Edison Spa	-	-	1.5	NG	-
Prometeo Spa	Osimo (AN) (IT)	EUR	2,292,436		17.760	Edison Spa	-	-	0.5	NG	-
RCS Mediagroup Spa	Milan (IT)	EUR	762,019,050		1.020	Edison Spa	1.060	1.060	10.3	NG	-
Syremont Spa	Messina (IT)	EUR	750,000		40.000	Edison Spa	-	-	-	AC	(iii)
Terminale GNL Adriatico Srl	Milan (IT)	EUR	200,000,000		10.000	Edison Spa	-	-	285.4	NG	-
Sundry investments									1.0		
Total investments in other companies valued at fair value									**310.8**		
Total equity investments									**356.6**		

Notes

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

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

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

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

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

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

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

(ii) Company for which deletion is pending, after the Court of Udine closed the bankruptcy proceedings on April 20, 2007 following distribution of all assets. The Udine Company Register recorded the Court decision on May 2, 2007, but is still showing the company as being active.

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

(iv) This company is a contractual joint venture.

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

BRL Brazilian real	HRK Croatian kuna
CHF Swiss franc	LIT Italian lira
EGP Egyptian pound	PTE Portuguese escudo
EUR Euro	USD U.S. dollar
GBP British pound	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 March 31, 2010 is consistent with the data in documents, accounting records and other records.

Milan, April 30, 2010

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

Edison Spa
31 Foro Buonaparte
20121 Milan, Italy

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