


SEPARATED FINANCIAL STATEMENTS

2009

EDISON

CONTENTS

SEPARATE FINANCIAL STATEMENTS
2009

EDISON

EDISON Spa
Balance Sheet

(in euros)	See Note	12/31/2009	12/31/2008
ASSETS			
Property, plant and equipment	1	3,699,853,371	3,857,556,798
Investment property	2	2,210,509	4,335,847
Goodwill	3	2,632,320,046	2,632,320,046
Hydrocarbon concessions	4	193,839,383	212,643,452
Other intangible assets	5	20,742,051	28,505,366
Investments in associates	6	2,011,838,365	1,908,831,692
Available-for-sale investments	6	302,987,790	247,450,535
Other financial assets	7	21,772,180	21,581,729
Deferred-tax assets	8	-	-
Other assets	9	8,590,676	17,837,839
Total non-current assets		**8,894,154,371**	**8,931,063,304**
Inventories		218,093,236	257,967,251
Trade receivables		976,238,162	1,616,799,526
Current-tax assets		188,666	3,502,156
Other receivables		319,026,599	249,657,124
Current financial assets		2,342,621,992	945,976,496
Cash and cash equivalents		567,252,676	19,957,735
Total current assets	10	**4,423,421,331**	**3,093,860,288**
Assets held for sale	11	**-**	**-**
Total assets		**13,317,575,702**	**12,024,923,592**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Share capital		5,291,700,671	5,291,700,671
Statutory reserve		90,313,590	71,608,395
Other reserves		612,914,104	408,887,905
Retained earnings (Loss carryforward)		710,615,256	623,119,343
Profit (Loss) for the period		423,257,535	374,103,915
Total shareholders' equity	12	**7,128,801,156**	**6,769,420,229**
Provision for employee severance indemnities and provision for pensions	13	29.559.806	30,981,502
Provision for deferred taxes	14	301.867.715	240,968,621
Provision for risks and charges	15	689.389.189	677,251,799
Bonds 16		1.198.770.873	1,198,301,050
Long-term financial debt and other financial liabilities	17	1.475.964.731	274,200,525
Other liabilities	18	22.342.857	22,342,857
Total non-current liabilities		**3.717.895.171**	**2,444,046,354**
Bonds		720,626,189	9,000,283
Short-term financial debt		702,631,624	1,017,969,464
Trade payables		758,937,035	1,224,606,486
Current taxes payable		17,735,445	16,106,734
Other liabilities		270,949,082	543,774,042
Total current liabilities	19	**2,470,879,375**	**2,811,457,009**
Liabilities held for sale	20	**-**	**-**
Total liabilities and shareholders' equity		**13,317,575,702**	**12,024,923,592**

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.”

EDISON Spa
Income Statement

(in euros)	See Note	2009	2008
Sales revenues	21	5,007,395,305	5,927,329,414
Other revenues and income	22	238,347,969	399,138,242
Total revenues		**5,245,743,274**	**6,326,467,656**
Raw materials and services used (-)	23	(4,462,674,358)	(5,511,464,604)
Labor costs (-)	24	(136,557,212)	(138,978,698)
EBITDA	25	**646,511,704**	**676,024,354**
Depreciation, amortization and writedowns (-)	26	(368,327,088)	(445,440,179)
EBIT		**278,184,616**	**230,584,175**
Net financial income (expense)	27	(49,166,484)	(32,567,380)
Income from (Expense on) equity investments	28	309,760,739	350,676,715
Other income (expense), net	29	(9,286,450)	(19,355,821)
Profit before taxes		**529,492,421**	**529,337,689**
Income taxes	30	(106,234,886)	(165,161,184)
Profit (Loss) from continuing operations		**423,257,535**	**364,176,505**
Profit (Loss) from discontinued operations	31	-	9,927,410
Profit (Loss) for the period		**423,257,535**	**374,103,915**

Other Components of the Comprehensive Income Statement

(in euros)	See Note	2009	2008
Net profit for the period (before minority interest)		**423,257,535**	**374,103,915**
Other components of comprehensive income			
- Change in the cash flow hedge reserve	12	320,439,925	(267,111,832)
- Profit (loss) from available-for-sale financial assets	12	2,309,368	(15,712,114)
Income taxes attributable to other components of comprehensive income (-)		(118,723,095)	99,216,252
Total other components of comprehensive income net of taxes		**204,026,198**	**(183,607,694)**
Total comprehensive profit for the period		**627,283,733**	**190,496,221**

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."

EDISON Spa
Statement of Cash Flows

The table below analyzes the **cash flows** as they apply to short-term liquid assets (i.e., due within 3 months) in 2009 (amounting to about 567 million euros), compared with the corresponding data for 2008.

(in euros)	2009	2008
Profit (Loss) of Edison Spa from continuing operations	423,257,535	364,176,505
Profit (Loss) of Edison Spa from discontinued operations	-	9,927,410
Total profit (loss) of Edison Spa	**423,257,535**	**374,103,915**
Amortization, depreciation and writedowns	368,327,088	445,440,179
(Gains) Losses on the sale of non-current assets	(8,557,596)	(92,477,919)
(Revaluations) Writedowns of non-current financial assets	15,001,971	12,685,471
Change in the provision for employee severance indemnities	(1,421,695)	(4,778,882)
Change in other operating assets and liabilities	341,661,694	(309,619,912)
A. Cash flow from continuing operations	**1,138,268,997**	**425,352,852**
Additions to intangibles and property, plant and equipment (-)	(217,039,345)	(232,705,000)
Additions to equity investments and other non-current financial assets (-)	(172,395,250)	(298,774,716)
Proceeds from the sale of intangibles and property, plant and equipment	37,007,495	43,528,815
Proceeds from the sale of non-current financial assets	-	374,767,418
Other current assets	(1,396,758,171)	(318,578,258)
B. Cash used in investing activities	**(1,749,185,271)**	**(431,761,741)**
Proceeds from new medium-term and long-term loans	2,050,000,000	210,520,000
Redemptions of medium-term and long-term loans (-)	(278,467,635)	(80,574,223)
Capital contributions provided by controlling companies or minority shareholders	-	49,193
Dividends paid to controlling companies or minority shareholders (-)	(267,902,807)	(267,900,998)
Change in short-term financial debt	(345,418,343)	142,480,574
C. Cash used in financing activities	**1,158,211,215**	**4,574,546**
D. Net change in cash and cash equivalents (A+B+C)	**547,294,941**	**(1,834,343)**
E. Cash and cash equivalents at the beginning of the year	**19,957,735**	**21,792,078**
F. Cash and cash equivalents at the end of the year (D+E)	**567,252,676**	**19,957,735**

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."

EDISON Spa
Statement of Changes in Shareholders' Equity

(in euros)	Share capital (a)	Statutory reserve (b)	Cash flow hedge reserve (c)	Available-for-sale investments (c)	Other reserves and ret, earnings (loss carryforw,) (c)	Profit for the year (d)	Total (a+b+c+d)=(e)
Balance at December 31, 2007	**5,291,664,500**	**49,164,075**	**(2,512,617)**	**10,995,456**	**1,048,577,999**	**448,886,400**	**6,846,775,813**
Appropriation of the 2007 profit and dividend distribution	-	22,444,320	-	-	158,541,082	(448,886,400)	(267,900,998)
Share capital increase	36,171	-	-	-	13,022	-	49,193
Change in comprehensive income for the period (*)	-	-	(168,402,056)	(15,205,638)	-	-	(183,607,694)
Net profit for 2008 (*)	-	-	-	-	-	374,103,915	374,103,915
Balance at December 31, 2008	**5,291,700,671**	**71,608,395**	**(170,914,673)**	**(4,210,182)**	**1,207,132,103**	**374,103,915**	**6,769,420,229**
Appropriation of the 2008 profit and dividend distribution	-	18,705,195	-	-	87,495,914	(374,103,915)	(267,902,806)
Change in comprehensive income for the period (*)	-	-	201,716,830	2,309,368	-	-	204,026,198
Net profit for 2009 (*)	-	-	-	-	-	423,257,535	423,257,535
Balance at December 31, 2009	**5,291,700,671**	**90,313,590**	**30,802,157**	**(1,900,814)**	**1,294,628,017**	**423,257,535**	**7,128,801,156**

(*) Combine to bring about comprehensive income statements.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

at December 31, 2009

ACCOUNTING PRINCIPLES AND VALUATION CRITERIA

Content and Format of the Financial Statements

Dear Shareholders:

We submit for your approval the separate financial statements of Edison Spa at December 31, 2009, which consist of a balance sheet, an income statement, a statement of cash flows, a statement of changes in shareholders' equity and the accompanying notes.
The financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Financial Accounting Standards Board (IASB), as published in the *Official Journal of the European Union* (*OJEU*).

In particular, with effect from January 1, 2009, some international accounting principles have been amended. However, none of these amendments had a material impact on the financial statements of Edison Spa. Specifically:

- IAS 23 revised, which no longer allows the alternative treatment with regard to the capitalization of borrowing costs (method used by Edison Spa until December 31, 2008). As a result, starting on January 1, 2009, borrowing costs directly attributable to the acquisition, construction or production of an asset must be capitalized when a significant period of time is required before the asset can be ready for its intended use or for sale. At December 31, 2009 the impact on the Edison Spa financial statements equal to 63 millions euros, is not material.
- IAS 1 revised, which introduces new disclosure requirements provided by means of a schedule showing "Other Components of the Comprehensive Income Statement." This schedule, which supplements the income statement, lists the result components provisionally recognized in equity, such as the change in the cash flow hedge reserve and the result from available-for-sale financial assets. Previously, information about any changes in these components could only be gleaned by analyzing the respective equity reserves.
- IFRS 8 "Operating Segments," which replaces IAS 14 "Segment Reporting." The required disclosure has been expanded to include an analysis of the products and services supplied by the enterprise and, if applicable, about major customers. This principle is not applicable to the separate financial statements.
- Revision of IFRS 2 "Share-based Payments," which introduces changes regarding a plan's vesting period conditions and the accounting treatment of cancellations.
- Certain amendments to IAS 39 and IFRS 7, mainly concerning fair value measurement and liquidity disclosures.
- IFRIC 13 "Customer Loyalty Programs" and IFRIC 14 "The Limit on a Defined Benefit Plan Asset, Minimum Funding Requirements and their Interaction."

Information about international accounting principles applicable in subsequent years is provided in the Consolidated Financial Statement.

The publication of these separate financial statements was authorized by the Board of Directors on February 8, 2010.

The separate financial statements were audited by PricewaterhouseCoopers in accordance with a three-year assignment (from 2005 to 2008) it received from the Shareholders' Meeting of April 19, 2005. On April 5, 2008, the assignment awarded to the abovementioned Independent Auditors was extended up to the approval of the financial statements at December 31, 2010.
Unless otherwise stated, the amounts that appear in the Notes to the Separate Financial Statements are in thousands of euros.

Presentation Formats of the Financial Statements

The presentation formats chosen by Edison Spa for its financial statements incorporate the changes required by the adoption of "IAS 1 Revised." They have the following characteristics:

- In the **Balance Sheet** assets and liabilities are analyzed by maturity. Current and non-current items, which are due within or after 12 months from the balance sheet date, respectively, are shown separately.
- The **Income Statement** is a step-by-step income statement.
- The **Other Components of the Comprehensive Income Statement** list the result components provisionally recognized in equity.
- The **Statement of Cash Flows** shows the cash flows in accordance with the indirect method, as allowed by IAS 7.
- The **Statement of Changes in Shareholders' Equity included in the separate financial statements** shows separately the flows from cash flow hedge transactions and available-for-sale investments.

Valuation Criteria

Property, Plant and Equipment and Investment Property

Property, plant and equipment used in the production process are classified as "Property, plant and equipment." Land and buildings that are not used in the production process are classified as "Investment property."
In the financial statements, these assets are shown at purchase or production cost, or at their conveyance value, including any attributable incidental costs and direct costs deemed necessary to make them operable, net of any capital grants.
Individual components of a facility that have different useful lives are recognized separately, so that each component may be depreciated at a rate consistent with its useful life. Under this principle, the value of a building and the value of the land over which it has been erected are recognized separately and only the building is depreciated.
Any costs that the Group expects to incur in the decommissioning of industrial sites are recognized as an amortizable asset component. The value at which these costs are recognized is equal to the present value of the costs that the Group expects to incur in the future.
Scheduled maintenance costs are charged in full to income in the year they are incurred.
Costs incurred for major maintenance that is performed at regular intervals are added to the respective assets and are written off over the remaining useful lives of the assets.
The estimated realizable value that the Group expects to recover at the end of an asset's useful life is not depreciated. Property, plant and equipment is depreciated each year on a straight-line basis at rates based on technical and financial estimates of the assets' remaining useful lives.

The range of depreciation rates applied is shown below:

	Electric Power		Hydrocarbons		Corporate	
	min.	max	min.	max	min.	max
Buildings	4.0%	11.1%	-	15.6%	-	2.0%
Plant and machinery	4.0%	20.0%	1.7%	40.2%	5.3%	25.6%
Manifacturing and distribution equipment	5.0%	10.0%	17.5%	35.0%	5.0%	25.0%
Other assets	6.0%	20.0%	6.0%	25.0%	6.0%	20.0%
Investment property	-	-	-	-	2.0%	2.4%

Items of property, plant and equipment appurtenant to hydrocarbon production concessions and the costs incurred to close well, abandon the site and decommission or remove equipment are recognized as assets and depreciated in accordance with the UOP method, which is also used to amortize the underlying concessions. Accordingly, depreciation is computed on the value determined by the ratio between the quantities produced during the year and the estimated remaining available reserves at the beginning of the year.
The depreciation method applied to thermoelectric power plants that sell energy under the CIP 6/92 rate schedule, which is based on the economic benefits produced, follows a step-down process, with straight line depreciation for each of the periods. This method reflects the differences between the amounts charged under the CIP 6/92 rate schedule for the 8-year incentivized period and the following 7-year contract period and the market terms applicable after the CIP 6/92 contract expires.
The depreciation of assets transferable free of charge is taken on a straight-line basis over the remaining term of the respective contracts or their estimated useful lives, whichever is less.
Assets acquired through financial leases must be booked under property, plant and equipment, with an offsetting entry of equal amount made to loans payable. The liability is gradually eliminated in accordance with the principal repayment schedule of the respective lease agreement. The value of the asset is depreciated on a straight-line basis, based on technical and financial estimates of its useful life.
Upon initial adoption of the IAS/IFRS principles, the Company used fair value as deemed cost. As a result, accumulated depreciation and amortization and the provision for writedowns booked through January 1, 2004 were derecognized. The accumulated depreciation and amortization and the provision

for writedowns discussed in the notes to the financial statements refer exclusively to depreciation, amortization and writedowns that accumulated after January 1, 2004.
If there are indications of a decline in value, assets are subjected to an impairment test in the manner described below under Impairment of Assets. When the reasons for a writedown no longer apply, the asset's cost is reinstated.
Beginning on January 1, 2009, borrowing costs directly attributable to the acquisition, construction or production of an asset must be capitalized when a significant period of time is required before the asset can be ready for its intended use or for sale. Until December 31, 2008, borrowing costs were not capitalized.

Goodwill

Goodwill acquired for consideration, which for transition purposes had been recognized at the same amount as in the statutory financial statements at December 31, 2003, and other intangible assets with indefinite useful lives are not amortized on a straight-line basis, but the recoverability of the carrying amounts is checked annually (impairment test) for each Cash Generating Unit (CGU) or group of CGUs to which assets with indefinite lives can be reasonably allocated. The impairment test is described below in the section entitled Impairment of Assets. When the reasons for a writedown no longer apply, the asset's cost is not reinstated.
The decision to take the conservative approach of using for the transition to the IAS/IFRS principles on January 1, 2004 the same values as those used in the statutory financial statements prepared in accordance with Italian accounting principles is justified by the uncertainty that currently exists with respect to the accounting treatment that should be applied to these assets in the separate financial statements prepared in accordance with the IAS/IFRS principles.

Hydrocarbon Concessions and Other Intangible Assets

Only identifiable assets that are controlled by the Company and are capable of producing future benefits can be identified as intangible assets. Intangibles are recorded at purchase or internal production cost, including incidentals, in accordance with the same criteria used for property, plant and equipment. Development costs can be capitalized, provided they can be identified reliably and it can be demonstrated that the asset is capable of producing future economic benefits.
Intangible assets with finite useful lives are amortized on a straight-line basis over their useful lives, starting when they are available for use.
The costs incurred to acquire mineral leases or extend the duration of existing permits are recognized as intangible assets. If an exploration project is later abandoned, the residual cost is charged immediately to income.
Exploration costs and costs incurred in connection with geological surveys, exploratory testing, geological and geophysical mapping and exploratory drilling are recognized as intangible assets but their full amount is amortized in the year they are incurred.
Development costs related to successful mineral wells and production costs incurred to build facilities to extract and store hydrocarbons are recognized as property, plant and equipment, depending on the type of asset, and are depreciated in accordance with the unit-of-product (UOP) method.
The costs incurred to close mineral wells, clear the well areas and dismantle or remove structures are recognized as assets and amortized in accordance with the UOP method.
Exploration and production activities in which Edison is the operator or the venturer are recorded only for the own interest in the activities and/or operations.
Hydrocarbon production concessions are amortized in accordance with the unit-of-product method. The amortization rate is computed on the value determined by the ratio between the quantities produced during the fiscal year and the estimated remaining available reserves at the beginning of the fiscal year, taking into account any significant change to reserves that occurred during the fiscal year. In addition, a test is conducted each year to make sure that the carrying amounts of these assets are not greater than their realizable value computed by discounting future cash flows, which are estimated based on future production programs and market values.

Environmental Securities (Emissions Rights and Green Certificates)

Edison Spa secures a supply of environmental securities (emissions rights and green certificates) to meet its own requirements in the exercise of its industrial activities (so-called "own use").
Specifically, other intangible assets can include emissions rights and green certificates, which are recognized at the cost incurred to acquire them if the rights or certificates carried by the Company on the balance sheet date exceed its requirements of such instruments, based on the emissions released during the year, for the emissions rights, or the production generated, for the green certificates. Emissions rights and green certificates allocated free of charge are recognized at a zero carrying value. Since these assets are designed for instantaneous use, they are tested for impairment and cannot be amortized. Their recoverable value is their value in use or their market value, whichever is greater. On the other hand, if, on the balance sheet date, the value of the actual emissions is greater than the value of the allocated emissions, including any purchased emissions, a special provision for risks is set aside to cover the difference. Any emissions rights and certificates that are turned back each year, based on the volume of polluting emissions released into the atmosphere each year or the production generated, will be deleted using any reserves for risks set aside the previous year.

Equity Investments in Subsidiaries and Affiliated Companies

Subsidiaries are companies with respect to which Edison has the power independently to make strategic corporate decisions for the purpose of obtaining the resulting benefits. As a rule, control is presumed to exist when the controlling company holds, directly or indirectly, more than half of the votes that can be cast at an Ordinary Shareholders' Meeting, also counting the so-called "potential votes" (i.e., votes conveyed by convertible instruments).
Affiliated companies are companies with respect to which Edison exercises a significant influence over the process of making strategic corporate decisions, even though it does not have control, when the so-called "potential votes" (i.e., votes conveyed by convertible instruments) are counted. A significant influence is presumed to exist when the controlling company holds, directly or indirectly, more than 20% of the votes that can be cast at an Ordinary Shareholders' Meeting.
Equity investments in subsidiaries and affiliated companies are valued at cost, written down to reflect any distributions of share capital or equity reserves or any impairment losses discovered as a result of an impairment test. If the reasons that justified the writedown cease to apply in subsequent years, the original cost is reinstated.

Impairment of Assets

IAS 36 requires that an entity test its property, plant and equipment and intangible assets for impairment when there are indications that an impairment has occurred.
In the case of goodwill and other assets with indefinite lives or assets that are not available for use, the impairment test must be conducted annually.
The recoverability of a carrying amount is tested by comparing it against an asset's fair value, less cost to sell, when there is an active market, or its value in use, whichever is greater.
As a rule, value in use is the present value of future cash flows expected to be derived from an asset or a CGU and from its disposal at the end of its useful life.
CGUs, which have been identified in a way that is consistent with the Edison's organizational and business structure, are homogeneous groups of assets that generate cash inflows independently, through the continued use of the assets included in each group.

Translation of Items Denominated in Foreign Currencies

Transactions in foreign currencies are translated into euros at the exchange rate in force on the transaction date. At the end of the year, cash assets and liabilities are translated at the exchange rates in force on the balance sheet date. Any resulting foreign exchange translation differences are recognized in earnings. Non-cash assets and liabilities denominated in foreign currencies are valued at cost and translated at the exchange rates in force on the transaction date.

Financial Instruments

Financial instruments include equity investments (other than investments in subsidiaries and affiliate companies) that the Company plans to sell, such as trading investments and available-for-sale investments. They also include long-term loans and receivables, trade receivables and other receivables generated by the Company, and current financial assets, such as cash and cash equivalents. Cash and cash equivalents include bank and postal deposit accounts, readily marketable securities purchased as temporary investments of cash and loans receivable due within three months. This item also includes loans payable, trade and other payables, other financial liabilities and derivatives.

Financial assets and liabilities are recognized in the accounting records at fair value when the Company acquires the contractual rights and obligations conveyed by the underlying financial instrument.

The initial amount at which financial instruments are recognized should include the directly attributable transaction costs incurred upon purchase or the issuance costs that are included in the initial valuation of all those assets and liabilities that can be classified as financial instruments. Subsequent measurements will depend on the type of instrument, as follows:

- With the exception of derivatives, **assets held for trading** are valued at fair value, and any resulting gains or losses are recognized in the income statement. This class of assets consists mainly of trading securities.
- Provided they are not derivatives and equity investments, **other financial assets and liabilities** with fixed or determinable payments and fixed maturities are valued at their amortized cost. Purchasing/Selling costs (e.g., issue premiums or discounts, the costs incurred to secure loans, etc.) are posted directly as adjustments to the face value of the corresponding asset or liability. Financial income and expense are computed in accordance with the effective interest rate method. The value of financial assets is assessed on a regular basis to determine if there is any objective evidence that their value may have been impaired. More specifically, the valuation of receivables takes into account the solvency of creditors and the level of credit risk, which is indicative of individual debtors' ability to pay. Any losses are recognized in the income statement for the corresponding period. This category includes long-term loans and receivables, trade receivables and other receivables generated by the Company, as well as loans payable, trade and other payables and other financial liabilities.
- **Available-for-sale assets** are valued at fair value and any resulting gains or losses are recognized in equity until disposal, when they are transferred to the income statement. Losses that result from measurement at fair value are recognized directly in earnings when there is objective evidence that the value of a financial asset has been impaired, even though the asset has not been sold. Equity investments in companies that are not publicly traded, the fair value of which cannot be measured reliably, are valued at cost less impairment losses, but the original cost can be reinstated in subsequent years if the reasons for the writedowns are no longer applicable. This category also includes equity investments representing an interest of less than 20%.
- **Derivatives** are recognized at their fair value. Changes in fair value are recognized in earnings when a derivative does not qualify as a hedging instrument because of the type of instrument or because the Company elects not to perform the effectiveness test. Derivatives can be classified as hedges when the relationship between the derivative and the hedged item is formally documented and the effectiveness of the hedge, which must be tested periodically, is high pursuant to IAS 39. When derivatives hedge the risk of fluctuations in the cash flow of the hedged items (cash flow hedge), the effective portion of any change in the fair value of the derivatives is recognized directly in equity, while the ineffective portion is recognized directly in earnings. The amounts recognized in equity are transferred to the income statement in conjunction with the gains or losses generated by the hedged item. When derivatives hedge the risk of changes in the fair value of the hedged items (fair value hedge), any changes in the fair value of the derivatives are reflected directly in earnings. The carrying value of the hedged items is adjusted accordingly, to reflect changes in fair value associated with the hedged risk.

Financial assets are derecognized when they no longer convey the right to receive the related cash flows and substantially all of the risks and benefits conveyed by the ownership of the assets have been

transferred or when an asset is deemed to be totally non-recoverable after all necessary recovery procedures have been carried out.
Financial liabilities are removed from the balance sheet when the corresponding contractual obligations have been satisfied.
The fair value of financial instruments that are traded on an active market is based on their market price on the date of the financial statements. The fair value of financial instruments that are not traded on an active market is determined using appropriate valuation techniques.

Inventories

Inventories are valued at the lesser of purchase or production cost, including incidental expenses, or estimated realizable value, based on market conditions. Cost is determined primarily by the FIFO method.

Employee Benefits

The **provision for employee severance indemnities and the provision for pensions** are computed on an actuarial basis. The value of benefits due to employees who have become vested during the year is charged to income under labor costs. The theoretical finance charge that the Company would incur if it were to borrow in the marketplace an amount equal to the provision for employee severance indemnities is posted to financial income (expense). Actuarial gains and losses that arise from changes in the actuarial assumptions used are reflected in the income statement, taking into account the average working lives of the employees.
Specifically, in accordance with Budget Law No. 296 of December 27, 2006, only the liability for the vested employee severance benefits that remained at the Company was valued for IAS 19 purposes, since the portion applicable to future vesting benefits is being paid to separate entities (supplemental pension funds or INPS funds). As a result of these payments, the Company has no further obligations with regard to the work that employees will perform in the future (defined-contribution plans).
Stock option plans are valued at the time the options are awarded by determining the fair value of the option rights issued. This value, net of any subscription costs, is allocated over the plan's vesting period. The corresponding cost is recognized in earnings, with an offsetting entry posted to an equity reserve (equity settled payments).

Provision for Risks and Charges

Provision for risks and charges are established exclusively to fund reliable estimate of current obligations that arise from past events. These obligations can be legal or contractual in nature or can be the result of representations or actions of the Company that create valid expectations in the relevant counterparties that the Company will be responsible for complying or will assume the responsibility of causing others to comply with an obligation (implied obligations). If the time value of money is significant the net present value of the provision is recorded in the financial statement.

Recognition of Revenues and Expenses

Revenues and income and **costs and expenses** are reflected in the financial statements net of returns, discounts, allowances, bonuses and any taxes directly related to the sale of products or the provision of services. Sales revenues are recognized when title to the goods passes to the buyer. As a rule, this occurs when the goods are delivered or shipped. The cost of materials used includes the costs incurred for green certificates and emissions rights attributable to the year. Financial income and expense is recognized when accrued. Dividends are recognized when the shareholders are awarded the rights to collect them, which generally occurs in the year when the disbursing investee company holds a Shareholders' Meeting that approves a distribution of earnings or reserves.

Income Taxes

Income taxes for the fiscal year are determined on the basis of its taxable income, computed in accordance with the tax rates and laws that have been enacted or substantively enacted by the balance

sheet date and taking into account any applicable exemptions or available tax credits.
Deferred-tax assets and liabilities are computed on the temporary differences between the values attributed to assets and liabilities for statutory and tax purposes, using the tax rates that are expected to be in force when the temporary differences are reversed. Deferred-tax assets are recognized only when their future recovery is reasonably certain. Otherwise, their value is written down. The valuation of deferred-tax assets must be carried out taking into account future tax liabilities, as projected in approved Company industrial plans. When gains and losses are recognized directly in equity, the corresponding deferred-tax assets or liabilities must also be reflected under shareholders' equity.

Use of Estimated Values

The preparation of the financial statements and the related notes requires the use of estimates and assumptions both in the measurement of certain assets and liabilities and in the valuation of contingent assets and liabilities. The actual results that arise upon the occurrence of the relevant events could thus differ from these estimates.
The estimates and assumptions used are revised on an ongoing basis, and the impact of any such revision is immediately recognized in profit or loss. The use of estimates is particularly significant for the following items:

- Amortization of intangible assets with a finite useful life and impairment tests of property, plant and equipment, goodwill and other intangible assets. The process of determining depreciation and amortization expense entails reviewing periodically the remaining useful lives of assets, the available hydrocarbon reserves, the decommissioning/shut down costs and the assets' recoverable value. Information about the impairment test is provided in the section of these Notes entitled "Impairment Test Applied to the Value of Goodwill, Property, Plant and Equipment and Other Intangibles," which includes a description of the methods and assumptions used.
- Valuation of derivatives and financial instruments in general. Information about valuation criteria was provided earlier in this section of these Notes to the Financial Statements, while quantitative disclosures may be found elsewhere in these Notes to the Financial Statements, which supplement and accompany the financial statements. The methods applied to determine the fair value of and the risks inherent in energy commodities traded by the Companies, foreign exchange rates and interest rates are described in the "Risk Management" section of these Notes to the Financial Statements.
- Measurement of certain sales revenues, in particular referring to CIP 6/92 agreement, the provisions for risks and charges, the allowances for doubtful accounts and other provisions for writedowns, employee benefits and income taxes. In these cases, the estimates used are the best estimates possible, based on currently available information.

FINANCIAL RISK MANAGEMENT

As required by IFRS 7, the paragraphs that follow provide information about the nature of risks concerning Edison Spa, the Group's Parent Company. Information about the policies and principles adopted to manage these risks and the methods applied to measure at fair value the financial derivatives held by Edison Spa is provided in the Consolidated Financial Statements.

Commodity Price Risk and Exchange Rates Risk Related to Commodity Transactions

Edison Spa is affected by the risk of fluctuations in the prices of all of the energy commodities that it handles (electric power, natural gas, coal, petroleum products and environmental securities) because they have an impact on the revenues and costs of its production, storage and buying and selling activities. These fluctuations affect the Company both directly and indirectly through indexing mechanisms contained in pricing formulas. Moreover, because some of the abovementioned commodity prices are quoted in U.S. dollars, Edison Spa is also exposed to the resulting exchange rate risk.

Insofar as the derivatives held by the Group's Parent Company that were outstanding at December 31, 2009 are concerned, the maximum negative variance in the fair value of financial instruments expected, over the time horizon of the current year, with a 97.5% probability, compared with the fair value determined at December 31, 2009, is 89.1 million euros (205 million euros at December 31, 2008), as shown in the table below:

(in millions of euros)	12/31/2009		12/31/2008	
	Level of probability	Expected negative variance in fair value	Level of probability	Expected negative variance in fair value
Edison Spa	97.5%	**89.1**	97.5%	**205.0**

In other words, compared with the fair value determined for the financial contracts outstanding at December 31, 2009, the probability of a negative variance greater than 89.1 million euros by the end of 2010 is limited to 2.5% of the scenarios.
The decrease compared with the level measured at December 31, 2008 is due primarily to a reduction in the total volume of financial contracts outstanding, as well as to different monthly profiles of the contracts.

Foreign Exchange Risk not Related to Commodity Risk

With the exception of the issues reviewed above in the paragraph that discusses the commodity risk, Edison Spa does not have a significant exposure to currency risks.

Interest Rate Risk

Edison Spa is exposed to fluctuations in interest rates primarily because they affect its debt service costs. The Group's main interest rate exposure is to the Euribor.

(in millions of euros)	12/31/2009			12/31/2008		
	without derivatives	with derivatives	% with derivatives	without derivatives	with derivatives	% with derivatives
- fixed rate portion	1,401	551	13%	702	911	36%
- variable rate portion	2,697	3,547	87%	1,798	1,589	64%
Total gross borrowings (*)	**4,098**	**4,098**	**100%**	**2,500**	**2,500**	**100%**

(*) For the composition of gross borrowings see also the table in the "Liquidity Risk" section of this Report.

As shown by the breakdown in the preceding table, at December 31, 2009, Edison's exposure to the risk of changes in interest rates was equivalent to about 87% of its total gross exposure (64% at December 31, 2008). The remaining 13% at fixed rates (36% at December 31, 2008), is the combined result of borrowings originally structured with a fixed rate and derivatives executed to hedge bank borrowings or bonds payable that are contractually indexed to a variable rate.

Most derivate transactions refer to the following bond issues, which constitute the most stable source of financing (for the main characteristics of the outstanding bond issues, see the table provided later in this Report in the following section entitled "Default Risk and Debt Covenants"):

- the interest rate on a portion (350 million euros) of a 700-million-euro bond issue, that matures in December 2010, was changed from a 5.125% fixed rate to a variable rate;
- the fixed interest rate (4.25%) on a portion (500 million euros) of a new 700-million-euro bond issue floated in July 2009 was changed to a variable interest rate, using interest swaps that are accounted for in accordance with the fair value hedge method;
- the transactions that hedged 500 million euros in bonds, maturing in July 2011, by converting to a fixed rate the interest rate on 200 million euros and applying to the remaining 300 million euros a structure that prevented the contractual interest rate from rising above 3.95% were closed out on July 20, 2009.

The table below provides a sensitivity analysis that shows the impact on the income statement (P&L) and shareholders' equity (S/E) of a hypothetical shift of the forward curve of plus or minus 50 basis points compared with the rates actually applied in 2009 and provides a comparison with the previous year.

Sensitivity analysis (in millions of euros)	for the year 2009 Impact on financial expense (P&L)			at December 31 2009 Impact on cash flow hedge reserve (S/E)		
	+50 bps	base	-50 bps	+50 bps	base	-50 bps
Edison Spa	108	83	59	-	-	-

Sensitivity analysis (in millions of euros)	for the year 2008 Impact on financial expense (P&L)			at December 31 2008 Impact on cash flow hedge reserve (S/E)		
	+50 bps	base	-50 bps	+50 bps	base	-50 bps
Edison Spa	88	79	71	-	-	-1

Credit Risk

The credit risk represents Edison's exposure to potential losses that could be incurred if a commercial or financial counterpart fails to meet its obligations. This risk arises primarily from economic/financial factors (i.e., that the counterpart defaults on its obligations), as well as from factors that are technical/commercial or administrative/legal in nature (disputes over the type/quantity of goods supplied, the interpretation of contractual clauses, supporting invoices, etc.).
In addition, during the year, Edison executed transaction assigning receivables without recourse on a revolving and spot basis for a total amount of 1.235 million of euros. At december 31, 2009, the risk of recourse that still existed on these transactions was not material.

The table that follows 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 decrease in receivables outstanding at December 31, 2009, compared with the balance a year earlier, is largely due to changed conditions in the international scenario, which caused a reduction in fuel prices, with an attendant decrease in revenue amounts.

(in millions of euros)	12/31/2009	12/31/2008
Gross trade receivables	1,020	1,641
Allowance for doubtful accounts (-)	(44)	(24)
Trade receivables	**976**	**1,617**
Guarantees held	200	139
Receivables 9 to 12 months in arrears	2	6
Receivables more than 12 months in arrears	41	10

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

Liquidity Risk

The liquidity risk represents the risk that the Company may not have access to sufficient financial resources to meet its financial and commercial obligations in accordance with agreed terms and maturities. The table that follows provides a worst-case scenario - showing undiscounted nominal future cash flows, both for principal and accrued interest, required for financial liabilities, including trade accounts payable and interest rate derivatives - in which assets (cash and cash equivalents, trade receivables, etc.) are not taken into account and financing facilities are treated as if repayable on demand, in the case of revocable lines of credit, or on the first due date when repayment can be demanded, in other cases.

Worst case (in millions of euros)	12/31/2009			12/31/2008		
	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	722	1,329	7	50	1,266
Financial debt and other financial liabilities	13	23	1,560	261	134	302
Trade accounts payable	851	35	-	1,201	24	-
Total	**866**	**830**	**2,889**	**1,469**	**208**	**1,568**
Guarantees provided to third parties (*)	**598**	**190**	**615**	**-**	**-**	**-**

(*) Guarantees are shown based on the remaining contractual maturity. They refer to commercial transactions related to operating activity.

The Company'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. As for the composition of the short-term financial debt, 810 million euros of which is due within a year, offset by 567 million euros in liquid assets, the main component (736 million euros) is represented by Edison Spa bonds (5.125% fixed interest rate) with a face value of 700 million euros issued in 2003. In any case, at December 31, 2009, Edison had access to unused committed lines of credit amounting to 850 million euros, provided by a standby credit line of 1,500 million euros that expires in 2013. A total of 650 million euros has been drawn against this credit line, which is shown under financial debt due after one year in the table above.

At the end of May 2009 Edison Spa signed a three-year agreement for a 600-million-euro loan with a pool of Italian and international banks, which is structured as a non-syndicated facility provided on a club-deal basis. This facility, which consists of Senior Unsecured Term Loan, is repayable in a lump sum in May 2012 and accrues interest at a rate indexed to the Euribor.

The table below provides a breakdown by maturity of Edison's gross borrowings at December 31, 2009. However, the amounts shown are not accurately indicative of the exposure to the liquidity risk in that they do not reflect expected nominal cash flow, using instead amortized cost valuations and the fair value of derivatives, or the amounts at which financial liabilities were recognized in the accounting records at December 31, 2009.

Lastly, the 650 million euros drawn against the 1,500-million-euro standby facility is shown in the table below based on the maturity of the underlying facility (April 2013), considering it a part of medium/long-term funding sources, based also on the funding requirements of the industrial plan.

(in millions of euros)	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014	After 5 years	Total
Bonds	721	501	-	-	698	-	1,920
Borrowings and other financial liabilities owed to outsiders	230	29	698	666	64	18	1,705
Gross financial debt owed to outsiders	**950**	**530**	**698**	**666**	**763**	**18**	**3,625**
Gross intra-Group financial debt	473	-	-	-	-	-	473
Total gross financial debt	**1,423**	**530**	**698**	**666**	**763**	**18**	**4,098**

Default Risk and Debt Covenants

This type of risk arises from the possibility that loan agreements or bond indentures to which Edison Spa is 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).
Three issues of debt securities (Euro Medium-term Notes), for a total face value of 1,900 million euros, are outstanding (see table below, in millions of euros):

Description	Issuer	Market where traded	ISIN code	Term (years)	Maturity	Face value (in millions of euros)	Coupon	Curr.
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	1.340%
EMTN 07/2009	Edison Spa	Luxembourg Stock Exch.	XS0441402681	5	07/22/2014	700	Fixed, annual	4.250%

In addition, Edison Spa is a party to non-syndicated loan agreements with a total face value of 229 million euros and syndicated loan agreements with a total face value of 2,100 million euro. A balance of 850 million euros was unused at December 31, 2009.
Generally, consistent with international practice for financial transactions of this type, these agreements provide the lenders with the right to demand the payment of the indebtedness and terminate their relationship with the borrower whenever the borrower is declared insolvent and/or is a party to bankruptcy proceedings (such as receivership or composition with creditors) or is undergoing liquidation or another procedure with similar effects.
Specifically, the bond indentures, consistent with market practices, include a series of standard clauses that, in the event of non-performance, require that the issuer immediately redeem the bonds. The main clauses of this type are: (i) negative pledge clauses, by virtue of which the borrower undertakes to refrain to provide Company assets as collateral beyond a specific amount; and (ii) cross default/cross acceleration clauses, which establish an obligation to immediately repay the bonds in the event of material failures to perform obligations that arise from or are generated by other loan agreements that affect a significant portion of the indebtedness owed by the Company.
As for credit line agreements and bilateral or syndicated loan agreements to which Edison is a party, it is important to note that the agreement for a syndicated credit line of 1,500 million euros provided to Edison sets forth, among other clauses, Edison's obligation to comply with certain commitments, which include making sure that the lender banks are being afforded a treatment equal to the one offered under other unsecured loan agreements, as well as restrictions on Edison's ability to provide collateral to new lenders (negative pledge clause).

Similar commitment are included in the loan agreement for the 600-million-euro facility provided to Edison, in May 2009, by a pool of Italian and international banks on a Club Deal basis. In this case, in addition to the obligations and restrictions mentioned above, the loan agreement also sets forth requirements concerning compliance with financial ratios (financial covenants). Specifically, the ratio of EBITDA to financial expense and the ratio of net financial debt to EBITDA must be neither higher nor lower, respectively, than predetermined thresholds. The threshold levels were determined conservatively, based on the Group's industrial plan.

At present, the Company is not aware of any situation that would cause it to be in default or in violation of any of the abovementioned covenants.

Analysis of Forward Transactions and Derivatives

Whenever possible, the Company uses hedge accounting to recognize derivative contracts executed to hedge the risk of fluctuations in the prices of energy commodities and in the relevant foreign exchange parities, as well as the risk of interest rate volatility, as it applies to its indebtedness, provided the corresponding transactions comply with the requirements of IAS 39.

Derivatives transactions can be classified as follows:

1) **Transactions that qualify as hedges in accordance with IAS 39**: This category includes cash flow hedges and fair value hedges. More specifically:
   a. In the case of **Cash Flow Hedges (CFH)**, realized results are either included in EBITDA, for commodity transactions, or recognized as financial income or expense, for financial transactions. The effective portion of the expected value is reflected in a special reserve of shareholders' equity and the changes that occurred in this reserve during the year are analyzed in the disclosures about "Other Components of the Comprehensive Income Statement." The ineffective portion is recognized in profit or loss.
   b. In the case of **Fair Value Hedges (FVH)**, which at this point refer only to a portion of the fixed-rate bonds issued in July 2009, both the fair value of the derivatives (expected value) and the realized result are recognized in profit or loss.

2) **Transactions that do not qualify as hedges in accordance with IAS 39**, which are used to manage interest rate and foreign exchange risks on energy commodities. For all hedging transactions that comply with internal risk 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.

Fair Value Hierarchy according to IFRS 7

IFRS 7 identifies a fair value hierarchy to rank the reliability of inputs used in a valuation approach of 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. There were no instruments ranked Level 1 at December 31, 2009.
- **Level 2**: Determination of fair value based on inputs other than the quoted prices of Level 1 but which are directly or indirectly observable. This category includes instruments with which the Company operates in over-the-counter markets that are insufficiently liquid or do not generate binding market quotes on a continuing basis. It also includes instruments with which Edison operates in markets ranked at "Level 1" the fair value of which is determined by models with unobservable input or market-based input (e.g., swaps based on futures markets, the valuation of which depends on futures prices, the interest rate and the remaining days to delivery).
- **Level 3:** Determination of fair value based on valuation models with inputs not based on observable market data (unobservable inputs). There were no instruments ranked Level 3 at December 31, 2009.

The ranking of financial instruments can entail significant subjective judgment. However, as required by IFRS 7, Edison uses prices quoted in active markets, when available, as the best estimate of the fair value of all derivatives.

Instruments Outstanding at December 31, 2009

The tables that follow provide an illustration of the information listed below:

- Fair value rank applied;
- Derivatives that were outstanding, classified by maturity;
- The value at which these contracts are reflected on the balance sheet, which is their fair value.
- The pro rata share of the fair value referred to above that was recognized on the income statement from the date of execution.

The difference, if any, between the value on the balance sheet and the fair value recognized on the income statement is the fair value of contracts that qualify as cash flow hedges, which, in accordance with the reference accounting principles, is posted directly to equity reserves.

A) Interest Rates and Foreign Exchange Rates Risk Management

(in thousands of euros)	Fair value hierarchy (****)	Notional amount (*)			Balance sheet amount (**)	Cumulative impact on the income statement at 12/31/2009 (***)
		due within 1 year	due between 2 and 5 years	due after 5 years		
Interest rate risk management						
- cash flow hedges in accordance with IAS 39		-	-	-	-	-
- fair value hedges in accordance with IAS 39	2	-	500,000	-	6,520	6,520
- contracts that do not qualify as hedges in accordance with IAS 39	2	350,000	50,892	-	10,332	10,332
Total interest rate derivatives		**350,000**	**550,892**	**-**	**16,852**	**16,852**
Foreign exchange rate risk management						
- contracts that qualify as hedges in accordance with IAS 39						
- On commercial transactions	2	787,640	29,336	-	(21,237)	(7)
- On financial transactions		-	-	-	-	-
- contracts that do not qualify as hedges in accordance with IAS 39						
- On commercial transactions	2	(15,210)	-	-	139	139
- On financial transactions	2	180,751	-	-	2,589	2,589
Total foreign exchange rate derivatives		**953,181**	**29,366**	**-**	**(18,509)**	**2,721**

(*) Represents the sum of the notional amounts of the basic contracts that would result from an unbundling of complex contracts.
(**) Represents the net receivable (+) or payable (-) recognized on the balance sheet following the measurement of derivatives at fair value.
(***) Represents the cumulative adjustment to fair value recognized on the income statement from the inception of the contract until the date of the financial statements.
(****) For the definition refer to the previous paragraph "Fair Value Hierarchy according to IFRS7".

B) Commodities Risk Management

(in thousands of euros)	Fair value hierarchy (****)	Unit of measure of notional amount	Notional amount			Balance sheet value (**)	Cumulative impact on the income statement at 12/31/2009 (***)
			due within one year (*)	due within two years (*)	after two years (**)		
Price risk management for energy products							
A. Cash flow hedges pursuant to IAS 39, broken down as follows:						**72,977**	**2,146**
- Electric power		TWh	-	-	-	-	-
- Natural gas		Millions of Terms	-	-	-	-	-
- LNG, oil	2	Barrels	13,160,580	415,520	-	72,997	2,139
- Coal		Millions of tons	-	-	-	-	-
- CO_2		Millions of tons	-	-	-	-	-
- Other commodities		-	-	-	-	-	-
B. Contracts that qualify as fair value hedges pursuant to IAS 39						**-**	**-**
C. Contracts that do not qualify as fair value hedges pursuant to IAS 39, broken down as follows:						**(2,554)**	**(2,554)**
C1. Margin hedges						*(2,554)*	*(2,554)*
- Electric power		TWh	-	-	-	-	-
- Natural gas		Millions of Terms	-	-	-	-	-
- LNG, oil	2	Barrels	1,035,590	21,000	-	(2,639)	(2,639)
- Coal	2	Millions of tons	0.03	-	-	85	85
C2. Trading contracts			-	-	-	-	-
- Electric power		TWh	-	-	-	-	-
- LNG, oil		Barrels	-	-	-	-	-
Total						**70,423**	**(408)**

(*) + for net purchases, - for net sales.
(**) Represents the net receivable (+) or payable (-) recognized on the balance sheet following the measurement of derivatives at fair value.
(***) Represents the cumulative adjustment to fair value recognized in the income statement from the inception of the contract until the date of the financial statements.
(****) For the definition refer to the previous paragraph "Fair Value Hierarchy according to IFRS7".

Effects of Derivative Transactions on the Income Statement and Balance Sheet in 2009

The table below provides an analysis of the financial results of derivative transactions in 2009. Purchases of natural gas included in "Materials and services used" include 16,770,000 euros representing the negative impact of the effective portion of commodity-related foreign exchange hedges.

(in thousands of euros)	Realized in 2009 (A)	Fair value recognized for contracts outstanding at 12/31/2008 (B)	Portion of (B) contracts realized in 2008 (B1)	Fair value recognized for contracts outstanding at 12/31/2009 (C)	Change in fair value in 2009 (D=C-B)	Amounts recognized in earnings (A+D)
Other revenues and income (see Note 22 in the Income statement)						
Price risk hedges for energy products						
- definable as hedges pursuant to IAS 39 (CFH)	25,320	21	21	2,432	2,411	27,731
- not definable as hedges pursuant to IAS 39	29,993	9,080	9,080	9,416	336	30,329
Exchange risk hedges for commodities						
- definable as hedges pursuant to IAS 39 (CFH)	-	62	62		(62)	(62)
- not definable as hedges pursuant to IAS 39	2,316	858	858	139	(719)	1,597
Total (A)	**57,629**	**10,021**	**10,021**	**11,987**	**1,966**	**59,595**
Raw materials and services used (see Note 23 in the Income statement)						
Price risk hedges for energy products						
- definable as hedges pursuant to IAS 39 (CFH)	(178,705)	(4,947)	(4,947)	(294)	4,653	(174,052)
- not definable as hedges pursuant to IAS 39	(24,649)	(17,425)	(17,425)	(11,969)	5,456	(19,193)
Exchange risk hedges for commodities						
- definable as hedges pursuant to IAS 39 (CFH)	(15,822)	948	948	-	(948)	(16,770)
- not definable as hedges pursuant to IAS 39	(11,075)	-			-	(11,075)
Total (B)	**(230,251)**	**(21,424)**	**(21,424)**	**(12,263)**	**9,161**	**(221,090)**
TOTAL INCLUDED IN EBITDA (A+B) = (C)	**(172,622)**	**(11,403)**	**(11,403)**	**(276)**	**11,127**	**(161,495)**
Interest rate hedges, broken down as follows:						
Financial income						
- definable as hedges pursuant to IAS 39 (CFH)	1,358	600	600	-	(600)	758
- Fair value Hedge	-			6,520	6,520	6,520
- not definable as hedges pursuant to IAS 39	33,478	16,406	6,777	12,056	(4,350)	29,128
Total financial income (D)	**34,836**	**17,006**	**7,377**	**18,576**	**1,570**	**36,406**
Financial expense						
- definable as hedges pursuant to IAS 39 (CFH)	(2,248)	-				(2,248)
- Fair value Hedge	-				-	-
- not definable as hedges pursuant to IAS 39	(21,703)	(6,862)	(2,150)	(1,724)	5,138	(16,565)
Total financial expense (E)	**(23,951)**	**(6,862)**	**(2,150)**	**(1,724)**	**5,138**	**(18,813)**
Margin on interest rate hedging transactions (D+E)=(F)	**10,885**	**10,144**	**5,227**	**16,852**	**6,708**	**17,593**
Foreign exchange rate hedges broken down as follows:						
Foreign exchange gains						
- definable as hedges pursuant to IAS 39	2,536				-	2,536
- not definable as hedges pursuant to IAS 39	6,182			2,589	2,589	8,771
Total foreign exchange gains (G)	**8,718**	**-**	**-**	**2,589**	**2,589**	**11,307**
Foreign exchange losses						
- definable as hedges pursuant to IAS 39	(11,875)				-	(11,875)
- not definable as hedges pursuant to IAS 39	(8,548)	(920)	-	-	920	(7,628)
Total foreign exchange losses (H)	**(20,423)**	**(920)**	**-**	**-**	**920**	**(19,503)**
Margin on foreign exchange hedging transactions (G+H)= (I)	**(11,705)**	**(920)**	**-**	**2,589**	**3,509**	**(8,196)**
TOTAL INCLUDED IN NET FINANCIAL INCOME (F+I) (see Note 27 in the Income statement)	**(820)**	**9,224**	**5,227**	**19,441**	**10,217**	**9,397**

The table below provides a breakdown of the amounts recognized in the balance sheet following the measurement at fair value of the derivatives outstanding at December 31, 2009:

(in thousands of euros)	12/31/2009		12/31/2008	
	Receivab.	Payables	Receivab.	Payables
Interest rate transactions	18,047	(1,195)	11,100	(1,356)
Foreign exchange transactions	11,851	(30,360)	23,845	(56,377)
Commodity transactions	96,943	(31,407)	10,332	(260,500)
Fair value recognized as current asset or current liability	**126,841**	**(62,962)**	**45,277**	**(318,233)**
Broken down as follows:				
- recognized as "Other receivables and payables"	108,609	(61,767)	34,177	(315,957)
- recognized as "Current financial assets" and "Short-term borrowings"	18,232	(1,195)	11,100	(2,276)

With regard to these items, consistent with the information provided in the preceding pages, the values of all receivables and payables arising from foreign exchange and interest rate transactions are ranked at Level 2 in the fair value hierarchy.

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 49,601,000 euros before the effect of the applicable deferred-taxes.

Classes of Financial Instruments

The table provided below, which lists the types of financial instruments recognized in the financial statements showing the valuation criteria applied and, in the case of financial instruments measured at fair value, whether gains or losses were recognized in earnings or in equity, completes the disclosures required by IFRS 7. The last column in the table shows, if applicable, the fair value of financial instruments at December 31, 2009.

Edison has chosen not to adopt the value option and, consequently, as the table shows, neither borrowings nor bonds were restated at fair value.

(in thousands of euros)	Criteria applied to value financial instruments in the financial statements						
	Fin. instruments valued at fair value with change in fair value recognized in:			Financial instruments valued at amortized cost	Investments (not publicly traded) valued at cost	**Carrying value at 12/31/2009**	Fair Value as at 12/31/2009
Financial instrument type	income statement (1)	Shareholder's equity (2)	(3)	(4)	(5)		
ASSETS							
Available-for-sale equity investments, including:							
- unlisted securities	-	-	-	-	293,096	293,096	n.d.
- listed securities	-	-	9,892	-	-	9,892	9,892
						302,988	n.d.
Other financial assets (8)	-	-	-	21,772	-	21,772	21,772
Other assets (8)	-	-	-	8,591	-	8,591	8,591
Trade receivables (8)	-	-	-	976,238	-	976,238	976,238
Other receivables (8)	16,915	91,694	-	210,418	-	319,027	319,027
Current financial assets (7) (8)	18,232	-	-	2,324,390	-	2,342,622	2,342,622
Cash and cash equivalents (8)	-	-	-	567,253	-	567,253	567,253
LIABILITIES							
Bonds long and short term	-	-	-	1,919,397	-	1,919,397	1,948,147
Long and short-term financial debt (6) (8)	1,195	-	-	2,177,401	-	2,178,596	2,188,341
Trade payables (8)	-	-	-	758,937	-	758,937	758,937
Other liabilities (8)	21,811	39,956	-	209,182	-	270,949	270,949

(1) Financial assets and liabilities measured at fair value, with changes in fair value recognized in earnings.
(2) Cash Flow Hedges.
(3) Available-for-sale financial assets measured at fair value, with gains/losses recognized in equity.
(4) Loans, receivables and financial liabilities valued at amortized cost.
(5) Available-for-sale financial assets consisting of investments in unlisted securities the fair value of which cannot be measured reliably are valued at cost, reduced by any impairment losses.
(6) Includes receivables and payables resulting from the measurement of derivatives at fair value.
(7) Includes equity investments held for trading.
(8) The fair value of the components of these items that are not derivatives or loans was not computed because it is substantially the same at their carrying value.

NOTES TO THE BALANCE SHEET

Assets

1. Property, Plant and Equipment

Property, plant and equipment, which comprise the Company's production assets, totaled 3,699,853,000 euros. The table below provides a breakdown of this item and shows the changes that occurred in 2009:

(in thousands of euros)	Land and buildings	Plant and machinery	Manufact. and distrib. equipment	Other assets	Constr. in progress and advances	Total
Balance at 12/31/08 (A)	**467,131**	**3,227,586**	**5,709**	**2,792**	**154,339**	**3,857,557**
Changes in 2009:						
- Additions	1,888	156,235	369	237	45,987	204,716
- Disposals (-)	(6,647)	(16,511)	(21)	(2)	(1,191)	(24,372)
- Depreciation (-)	(22,154)	(299,063)	(1,240)	(832)	-	(323,289)
- Writedowns (-)	(2,296)	(12,450)	(317)	(6)	-	(15,069)
- Other changes	2,391	60,818	6	387	(63,292)	310
Total changes (B)	**(26,818)**	**(111,971)**	**(1,093)**	**(214)**	**(18,496)**	**(157,704)**
Balance at 12/31/09 (A+B)	**440,313**	**3,116,615**	**4,616**	**2,578**	**135,843**	**3,699,853**
Breakdown:						
- Historical cost	559,017	4,797,179	11,314	9,752	135,843	5,513,105
- Writedowns (-)	(2,606)	(139,202)	(317)	(6)		(142,131)
- Accumulated depreciation (-)	(116,098)	(1,541,362)	(6,491)	(7,170)		(1,671,121)
Net carrying amount	**440,313**	**3,116,615**	**4,506**	**2,576**	**135,843**	**3,699,853**

The total value of these assets includes "Construction in progress and advances" totaling 135,843,000 euros, attributable mainly to the repowering of some power plants (38,696,000 euros), and the development of some hydrocarbon fields (about 56,064,000 euros).

Additions include the following:

- 133,648,000 euros invested by the **electric power operations** in projects to repower the Marghera Azotati thermoelectric power plant (46,276,000 euros), the Bussi thermoelectric power plant (12,981,000 euros) and some hydroelectric power plants (23,526,000 euros).
- 68,762,000 euros invested by the **hydrocarbons operations** mainly in connection with the finance lease for the Leonis ship, a floating storage, acquired for the Vega field supporting the hydrocarbon operations.

Disposals refer mainly to the sale of components from thermoelectric and hydroelectric power plants, which generated total proceeds of about 12,441,000 euros.

Depreciation totaled 323,289,000 euros, for a decrease of 53,207,000 euros compared with 2008, due mainly to the conveyance of business operations, consisting of five thermoelectric power plants and 10 hydroelectric power plants, in 2008. In 2009, the residual value of some hydroelectric power plants was restated with a positive effect of 13.865.000 euros. More detailed information about these transactions is provided in the note to the corresponding income statement item.

Writedowns include charges of 7,382,000 euros to write down the carrying amount of two thermoelectric power plants, 6,187,000 euros to restate the value of some gas fields and 1,500,000 euros to write down some land that is currently the subject of expropriation proceedings.

The net carrying amount of property, plant and equipment also includes:

- **Assets transferable at no cost** valued at 127,057,000 euros (155,350,000 euros at December 31, 2008), attributable mainly to Edison's hydroelectric operations, which hold directly 24 concessions (the same as at December 31, 2008).
  A breakdown is as follows:

Assets transferable at no cost (in thousands of euros)	Historical cost	Depreciation & writedowns	Net carrying amount at 12/31/2009	Net carrying amount at 12/31/2008
Buildings and other assets	12,098	(5,622)	6,476	7,720
Plant and machinery	286,075	(165,494)	120,581	147,630
Total	**298,173**	**(171,116)**	**127,057**	**155,350**

- **Assets acquired under finance leases**, which at December 31, 2009 referred exclusively to the Leonis ship, acquired for the Vega field were recognized in accordance with the IAS 17 (revised) method. The remaining financial liability under this lease was 30,733,000 euros.

Assets acquired under finance (in thousands of euros)	Historical cost	Depreciation & writedowns	Net carrying amount at 12/31/2009	Net carrying amount al 31/12/2008
Plant and machinery	34,224	(38)	34,186	2,488
Total	**34,224**	**(38)**	**34,186**	**2,488**

2. Investment Property

The Group's investment property consists of land and buildings that are not used for production purposes.
A breakdown of the changes that occurred in this account is provided below:

(in thousands of euros)	12/31/2009
Balance at 12/31/2008 (A)	**4,336**
Changes in 2009:	
- Disposals	(2,005)
- Depreciation	(120)
Total changes (B)	**(2,125)**
Balance at 12/31/2009 (A+B)	**2,211**
Breakdown:	
- Historical cost	8,903
- Accumulated depreciation	(944)
- Writedowns	(5,748)
Net carrying amount at 12/31/2009	**2,211**

3. Goodwill

Goodwill totaled 2,632,320,000 euros. The residual value of goodwill 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. The method applied to determine the value of goodwill is consistent with the criteria for allocation by business operations, which are set forth in the definition of cash generating units provided in the Notes to the Consolidated Financial Statements.
An impairment test of goodwill showed that no writedowns were required.

4. Hydrocarbon Concessions

Concessions for the production of hydrocarbons include 47 hydrocarbon production leases in Italy. The decrease of 18,804,000 euros compared with December 31, 2008 is the result of the amortization for the period. The table below shows the balance in this account and the changes that occurred in 2009:

(in thousands of euros)	12/31/2009
Balance at 12/31/2008 (A)	**212,643**
Changes in 2009:	
- Amortization	(18,804)
Total changes (B)	**(18,804)**
Balance at 12/31/2009 (A+B)	**193,839**
Breakdown:	
- Historical cost	329,566
- Accumulated amortization (-)	(135,638)
- Writedowns (-)	(89)
Net carrying amount at 12/31/2009	**193,839**

Information About the Concessions Held by Edison Spa

The table below shows a breakdown of the concessions held by Edison. As explained earlier, the corresponding carrying amounts are included under "Intangibles" and "Hydrocarbon concessions."

	Number	Remaining life	
		from	to
Hydroelectric concessions	24	1	20
Hydrocarbon concessions	47	unit of production (*)	

(*) The amortization and the remaining life of mineral deposits is computed as a ratio of the quantity extracted to the available reserve.

5. Other Intangible Assets

The balance of 20,742,000 euros refers to patents, licenses and similar rights consisting mainly of software licenses (16,713,000 euros) and work in progress (3,510,000 euros). Disposals refer mainly to the divestment of an exclusivity right that generated proceeds of 959,000 euros.
The table that follows shows the changes that occurred in 2009:

(in thousands of euros)	12/31/2009
Balance at 12/31/2008 (A)	**28,505**
Changes in 2009:	
- Additions	12,323
- Amortization	(11,027)
- Disposals	(9,041)
- Writedowns	(18)
- Other changes	-
Total changes (B)	**(7,763)**
Balance at 12/31/2009 (A+B)	**20,742**
Breakdown:	
- Historical cost	95,578
- Accumulated amortization (-)	(74,001)
- Writedowns (-)	(835)
Net carrying amount at 12/31/2009	**20,742**

Impairment Test Applied to the Value of Goodwill, Property, Plant and Equipment and Other Intangibles

Because goodwill is an intangible asset with an indefinite useful life and, therefore, cannot be amortized in regular installments, IAS 36 requires that its value be tested for impairment at least once a year. Since goodwill does not generate cash flow independently and cannot be sold separately, IAS 36 requires a test of the value that can be recovered on a residual basis. This is accomplished by determining the cash flows generated by the complex of assets that constitute the business or businesses to which goodwill is attributable (the cash generating unit or units - CGUs).

In 2009, the carrying amount of two thermoelectric power plants was written down by 7,400,000 euros to reflect their recoverable value, in addition to other writedowns already mentioned referring to some gas fields (6,187,000 euros) and some land (1,500,000 euros).

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

The balance of 2,011,838,000 euros includes 880,194,000 euros in investments in subsidiaries and 1,131,644,000 euros in investments in joint ventures and affiliated companies. Available-for-sale investments were valued at 302,988,000 euros. They include 286,444,000 euros for a 10% interest in Terminale GNL, the company that owns the offshore regasification terminal near Porto Viro.

The table below shows the main changes that occurred in 2009:

(in thousands of euros)	Investments in associates	Available-for-sale investments	Total
Balance at 12/31/2008 (A)	**1,908,832**	**247,451**	**2,156,283**
Changes in 2009:			
- Additions	25,100	21	25,121
- Changes in share capital and reserves	16,094	54,300	70,394
- Coverage of losses	76,880	-	76,880
- Revaluations (Writedowns) recog, in P&L (-)	(15,002)	(1,093)	(16,095)
- Revaluations (Writedowns) recog, in equity (-)	-	2,309	2,309
- Other changes (-)	(66)	-	(66)
Total changes (B)	**103,006**	**55,537**	**158,543**
Balance at 12/31/2009 (A+B)	**2,011,838**	**302,988**	**2,314,826**
Breakdown:			
- Historical cost	2,344,708	328,343	2,673,051
- Writedowns (-)	(332,870)	(25,355)	(358,225)
Net carrying amount	**2,011,838**	**302,988**	**2,314,826**

An analysis of the changes is provided below:

- **Additions** refer mainly to the purchase of an 80% interest in AMG Gas Srl, a company that sells natural gas to customers in the Palermo area.
- **Changes in share capital and reserves** include the contributions provided to Selm Holding International (13,493,000 euros), Terminale GNL Adriatico (54,300,000 euros) and to the Galsi affiliate (2,081,000 euros).
- **Coverage of losses** mainly include 60,200,000 euros provided to Edison International Spa and 15,500,000 euros contributed to Edison Energia Spa.
- **Revaluations and Writedowns recognized in P&L** refer to:
  - writedowns totaling 19,387,000 euros of the carrying amounts of investments in some subsidiaries the recoverable value of which had been impaired;
  - a revaluation of 4,385,000 euros that reflects the impact of the acquisition of control of Sistemi di Energia, recognized pursuant to IFRS 3.
- **Revaluations recognized in equity** refer to the investment in RCS Mediagroup Spa, which was marked to market at the end of the year.

7. Other Financial Assets

The net carrying amount of 21,772,000 euros represents loans receivable due in more than one year and long-term investment securities.
Specifically, this item includes:

- 14,082,000 euros for an interest-bearing escrow deposit provided in connection with the sale of Serene Spa, pending a final agreement with the counterparty.
- 7,690,000 euros in receivables owed mainly by the Gever Spa subsidiary.

8. Deferred-tax Assets

As was done in the past, since this item met the requirements of IAS 12, it was offset against the "Provision for deferred taxes." Additional information is provided in the corresponding note.

9. Other Assets

Other assets, which totaled 8,591,000 euros, decreased by 9,247,000 euros compared with December 31, 2008 (17,838,000 euros), due mainly to collections of accrued interest on tax refunds receivable. This item includes tax refunds receivable and accrued interest totaling 5,942,000 euros at December 31, 2009 and security deposits amounting to 2,649,000 euros.

10. Current Assets

(in thousands of euros)	12/31/2009	12/31/2008	Change
Inventories	218,093	257,967	(39,874)
Trade receivables	976,238	1,616,800	(640,562)
Current-tax assets	189	3,502	(3,313)
Other receivables	319,026	249,657	69,369
Current financial assets	2,342,622	945,977	1,396,645
Cash and cash equivalents	567,253	19,958	547,295
Total current assets	**4,423,421**	**3,093,861**	**1,329,560**

A review of the individual components is provided below:

- **Inventories** consist mainly of stored hydrocarbon products (194,966,000 euros) and supplies and equipment used to maintain and operate the Company's facilities (32,675,000 euros).
- **Trade receivables** stem mainly from contracts to supply energy and steam, contracts to supply natural gas and sales of natural gas. A breakdown by type of business is provided below:

(in thousands of euros)	12/31/2009	12/31/2008	Change
Electric power operations	576,425	821,862	(245,437)
Hydrocarbons operations	399,813	794,938	(395,125)
Total trade receivables	**976,238**	**1,616,800**	**(640,562)**
Broken down as follows:			
- amount owed by outside customers	453,723	1,072,749	(619,026)
- amount owed by subsidiaries and affiliated companies	522,515	544,051	(21,536)

A breakdown of trade receivables owed by subsidiaries and affiliated companies is provided below:

(in thousands of euros)	12/31/2009	12/31/2008	Change
Subsidiaries			
Edison Trading	440,690	436,600	4,090
Edison Energia	50,822	57,475	(6,653)
Termica Milazzo	11,462	12,300	(838)
Jesi Energia	9,895	8,327	1,568
Sarmato Energia	2,432	4,190	(1,758)
Termica Cologno	4,066	3,390	676
Edison International	511	-	511
Dolomiti Edison Energy	425	456	(31)
Montedison srl	354	354	-
Other companies	48	-	48
Subtotal A	**520,705**	**523,092**	**(2,387)**
Affiliated Companies			
Prometeo	-	12,819	(12,819)
Utilità	850	7,242	(6,392)
Gasco	960	898	62
Subtotal B	**1,810**	**20,959**	**(19,149)**
Total A+B	**522,515**	**544,051**	**(21,536)**

Trade receivables are shown net of an allowance for doubtful accounts. The table below shows the changes that occurred in this allowance in 2009:

(in thousands of euros)	Balance at 12/31/08	Utilizations	Additions	Balance at 12/31/2009
Electric power operations	10,175	(1,043)	4,758	13,890
Hydrocarbons operations	5,326	(1,430)	17,784	21,680
Corporate activities	8,975	(374)	-	8,601
Total allowance for doubtful accounts	**24,476**	**(2,847)**	**22,542**	**44,171**

- In 2009, Edison has outstanding monthly revolving basis and spot transactions involving the definitive assignment of receivables without recourse according with the controlling credit risk policy by means of these transactions too. At December 31, 2009, the total value of the assigned receivables amounted to about 1,235 million euros (566 million euros at December 31, 2008). Among assigned receivables outstanding at December 31, 2009, those subject to the risk of recourse do not represent a material amount.

- **Current-tax assets,** which totaled 189,000 euros, or 3,313,000 euros less than at December 31, 2008 (3,502,000 euros), reflects primarily a receivable owed by the tax authorities for estimated payments made in 2009 for income from investments in foreign companies, which is taxed separately.

- **Other receivables** are shown net of an allowance for doubtful accounts of 15,965,000 euros. The table below provides a breakdown of the main components of this account:

(in thousands of euros)	12/31/2009	12/31/2008	Change
Valuation of derivatives	103,654	34,177	69,477
Advances paid to suppliers	30,624	25,177	5,447
Provision of technical, administrative and financial services to Group companies	37,081	34,420	2,661
Dividends receivable from subsidiaries	29,008	31,398	(2,390)
Amounts owed by partners and associates in hydrocarbon exploration projects	21,108	27,132	(6,024)
Amounts owed by the tax administration	16,823	9,857	6,966
Prepaid insurance premiums	15,223	13,619	1,604
Amounts owed by local governments	11,284	11,173	111
Prepaid contributions to pension funds	8,656	10,077	(1,421)
Prepaid hydroelectric concession fees	1,049	1,120	(71)
Sundry items	44,516	51,507	(6,991)
Total	**319,026**	**249,657**	**69,369**
Broken down as follows:			
- amount owed by outsiders	252,447	180,275	72,172
- amount owed by subsidiaries and affiliated companies	66,579	69,382	(2,803)

Receivables owed by the other Group companies refer mainly to dividends receivable from subsidiaries, in particular from Termica Milazzo (22.463.000 euros), and to receivables owed for the provision of centralized services.

- A breakdown of **current financial assets** is as follows:

(in thousands of euros)	12/31/2009	12/31/2008	Change
Equity investments held for trading	9,025	6,753	2,272
Loans receivable	2,315,365	928,124	1,387,241
Derivatives	18,232	11,100	7,132
Total current financial assets	**2,342,622**	**945,977**	**1,396,645**

Equity Investments Held for Trading

This account, which totaled 9,025,000 euros, includes investments in the following publicly traded companies: ACEGAS APS Spa (2,911,000 euros), ACSM Spa (1,571,000 euros) and AMCS American Superconductor Spa (4,543,000 euros). The carrying values of these investments were marked to market at the end of 2009.

Loans Receivable

Loans receivable reflect financial transactions with subsidiaries and affiliated companies. They represent the balances in the corresponding intra-Group current accounts, a list of which is provided below:

(in thousands of euros)	12/31/2009	12/31/2008	Change
Subsidiaries:			
Edison International	1,425,028	221,153	1,203,875
Edison Energia	304,386	253,613	50,773
Edison Energie Speciali	250,046	159,388	90,658
Edison Stoccaggio	233,579	186,261	47,318
Edison DG	39,552	42,943	(3,391)
Hydros	24,002	-	24,002
Dolomiti Edison Energy	14,709	-	14,709
CEB	4,801	-	4,801
Montedison	3,991	5,620	(1,629)
SDE	2,086	-	2,086
Edison International Holding	846	-	846
Eneco Energia	68	40,925	(40,857)
Jesi Energia	-	4,409	(4,409)
Ecofuture	-	10	(10)
Subtotal (A)	**2,303,094**	**693,169**	**184,897**
Affiliated companies:			
Ibiritermo	11,770	12,865	(1,095)
Parco Eolico Castelnuovo	501	937	(436)
Subtotal (B)	**12,271**	**13,802**	**(1,531)**
Total (A+B)	**2,315,365**	**706,971**	**183,366**

The increase in the amount owed by the Edison International Spa is related to the acquisition of the Abu Qir concession, in January, for 1,011 million euros.

Derivatives

This item refers in its entirety to the measurement at fair value of derivatives outstanding at December 31, 2008, which hedged interest rate and foreign exchange risks.
A comprehensive overview of the impact of derivatives is provided in a separate disclosure included in the “Risk Management” section of this Report.

- **Cash and cash equivalents,** which totaled 567,253,000 euros, consist of short-term deposits in bank and postal accounts and other readily available assets. The increase compared with the beginning of the year is chiefly the result of working capital management strategies.

11. Assets held for sale

This account had a zero balance at December 31, 2009.

Liabilities and Shareholders' Equity

12. Shareholders' Equity

Edison's shareholders' equity amounted to 7,128,801,000 euros, for a net increase of 359.381,000 euros compared with December 31, 2008. This improvement is the result of the profit earned in 2009 (423.258,000 euros) and a positive change of 201,717,000 euros in the Reserve for cash flow hedge transactions, offset in part by the distribution of dividends totaling 267,903,000 euros (equal to a dividend of 0.05 euros per common share and 0.08 euros per savings share).

The main component of **Other reserves** is a reserve of 467,109,000 euros established in connection with the adjustment to fair value as the deemed cost of property, plant and equipment upon transition to the IFRSs.

The capital stock of Edison Spa consisted of shares with a par value of 1 euro each, regular ranking for dividends. A breakdown 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 shows the changes that occurred in the Reserve for cash flow hedge transactions related to the adoption of IAS 32 and IAS 39 to value derivatives, most of which were executed to hedge price and exchange rate risks related to energy commodities.

Reserve for cash flow hedge transactions

(in thousands of euros)	Gross reserve	Deferred taxes	Net reserve
Reserve at December 31, 2008	(270,839)	99,924	(170,915)
- Changes in 2009	320,440	(118,723)	201,717
Reserve at December 31, 2009	**49,601**	**(18,799)**	**30,802**

The following changes occurred in the Reserve for available-for-sale investments:

Reserve for available-for-sale investments

(in thousands of euros)	Gross reserve	Deferred taxes	Net reserve
Reserve at December 31, 2008	(4,210)	-	(4,210)
- Changes in 2009	2,309	-	2,309
Reserve at December 31, 2009	**(1,901)**	**-**	**(1,901)**

13. Provision for Employee Severance Indemnities and Provisions for Pensions

These provisions, which amounted to 29,560,000 euros, reflect the accrued severance indemnities and other benefits owed to employees at December 31, 2009. A valuation in accordance with the 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 economic and financial parameters used for valuation purposes are listed below:

- Technical annual discount rate	4.60%
- Annual inflation rate	2.00%

The table below shows the changes that occurred in 2009:

(in thousands of euros)	12/31/2009
Balance at 12/31/2008 (A)	**30,982**
Changes in 2009:	
- Utilizations (-)	(1,839)
- Service costs (+)	-
- Actuarial (gains) losses (+/-)	(1,008)
- Financial expense (+)	1,425
Total changes (B)	**(1,422)**
Balance at 12/31/2009 (A+B)	**29,560**

14. Provision for Deferred Taxes

The balance of 301,868,000 euros, which is net of offsettable deferred-tax assets, reflects mainly the deferred-tax liability from the use during transition to the IFRSs of fair value as the deemed cost of property, plant and equipment.

As explained in detail later in this Report, in the note on Income taxes, the change in deferred-tax liabilities reflects the increase of one percentage point in the rate of the "Robin Hood Tax."

Since these provisions met the requirements of IAS 12, they were offset against the Deferred-tax assets account. The table below shows a breakdown of these provisions:

(in thousands of euros)	12/31/2009	12/31/2008	Change
Deferred-tax liabilities:			
- Differences in the valuation of property, plant and equipment	304,953	350,928	(45,975)
- Adoption of the standard on finance leases (IAS 17)	28,305	28,183	122
- Adoption of the standard on financial instruments (IAS 39) with impact on:			
- the income statement	-	-	-
- shareholders' equity	18,799	-	18,799
- Other deferred taxes	416	3,475	(3,059)
Total deferred-tax liabilities (A)	**352,473**	**382,586**	**(30,113)**
Deferred-tax assets available for offsetting purposes:			
- Taxed provisions for risks	49,230	38,840	10,390
- Adoption of the standard on financial instruments (IAS 39) with impact on:			
- the income statement	592	2,222	(1,630)
- shareholders' equity	-	99,924	(99,924)
- Other prepaid taxes	783	631	152
Total deferred-tax assets (B)	**50,605**	**141,617**	**(91,012)**
Total provision for deferred taxes (A-B)	**301,868**	**240,969**	**60,899**

Insofar as the recognition of deferred-tax assets is concerned, they were valued in accordance with realistic assumptions that they would be realized and the tax benefits would be recovered within the limited time horizon covered by the industrial plans approved by the Company. Accordingly, only a portion of the amount of the theoretical prepaid taxes computed on the reserves for risks was used for valuation purposes.

15. Provisions for Risks and Charges

The provisions for risks and charges, which were established to cover contingent liabilities, increased to 689,389,0000 euros, or 12,137,000 euros more than at December 31, 2008, as a result of the changes listed in the table that follows:

(in thousands of euros)	12/31/2008	Additions	Utilizations	Other changes and reclassif.	12/31/2009
- Disputed tax items	54,364	2,137	(779)	-	55,722
- Risks for disputes, litigation and contracts	139,795	6,827	(1,658)	(240)	144,724
- Charges for contractual guarantees on the sale of equity investments	81,648	230	(3,343)	-	78,535
- Provisions for decommissioning and remediation of industrial sites	288,009	12,746	(1,653)	-	299,102
- Environmental risks	13,000	-	-	-	13,000
- Provision for CO_2 emissions rights and Green Certificates	9,517	31,271	(9,516)	-	31,272
- Other risks and charges	90,919	12,861	(36,746)	-	67,034
Total provisions for risks and charges	**677,252**	**66,072**	**(53,695)**	**(240)**	**689,389**

More specifically:

- The main components of **additions** concern financial expense on decommissioning provisions (12,746,000 euros), and additions to provisions for environmental, legal and tax related risks (22,055,000 euros).
- **Utilizations** reflect primarily disbursements to settle a dispute with UBS concerning the savings shareholders (29,000,000 euros) and to purchase green certificates (6,797,000 euros) and CO_2 emissions rights (2,720,000 euros).

More detailed information about the entries that resulted in the current composition of the provisions for risks and charges is provided in the section of the Notes to the Consolidated Financial Statements entitled “Status of the Main Legal and Tax Disputes Pending at December 31, 2009.”

16. Bonds

The balance of 1,198,771,000 euros represents the non-current portion of the bonds issued, valued at amortized cost.

The table below shows the balance outstanding at December 31, 2009 and indicates the fair value of each bond issue:

(in thousands of euros)	Market where traded	Currency	Par value outstanding	Coupon	Rate	Maturity	Financial statetement amounts current	Financial statetement amounts non current	Fair value
Euro Medium Term Notes:									
Edison Spa	Luxembourg Security Ex.	EUR	700,000	Annual in arrears	5.125%	12/10/10	-	701,549	726,088
Edison Spa	Luxembourg Security Ex.	EUR	500,000	Quarterly in arrears	1.340%	07/19/11	502,248	1,077	501,500
Edison Spa	Luxembourg Security Ex.	EUR	700,000	Annual in arrears	4.250%	07/22/14	696,523	18,000	720,559
Total Edison Spa			**1,900,000**				**1,198,771**	**720,626**	**1,948,147**

In July 2009, within the framework of a Euro Medium-term Loan Program of up to 2 billion euros, the Company issued 700 million euros in five-year bonds, sold exclusively to qualified investors. The bonds, which are traded on the Luxembourg Securities Exchange, have a minimum denomination of 50,000 euros, mature on July 22, 2014, carry a coupon of 4.25% and were offered at a 99.841 issue price. The effective gross yield to maturity is 4.286%, which represents a yield 145 basis points higher than the reference rate (five-year mid-swap rate).

17. Long-term Borrowings and Other Financial Liabilities

A breakdown of these liabilities is as follows:

(in thousands of euros)	12/31/2009	12/31/2008	Change
Due to banks	1,446,654	273,114	1,173,540
Due to other lenders	29,311	1,087	28,224
Total at 12/31/2009	**1,475,965**	**274,201**	**1,201,764**

The increase compared with December 31, 2008 is due mainly to:

- The utilization of committed credit lines to provide the Edison International Spa subsidiary with the resources needed to cover a payment of 1,011 million euros for the acquisition of the Abu Qir concession, in Egypt;
- In May 2009, the signing of a three-year loan agreement for a 600-million-euro facility provided by a pool of international banks. This facility, which is repayable in a lump sum in May 2012, accrues interest at an interest rate indexed to the Euribor plus a spread consistent with the best market terms currently available.

The amount due to other lenders includes the long-term portion of the liability under the lease for the new Leonis ship (28,442,000 euros), which was commissioned in the fourth quarter of 2009.

18. Other Liabilities

The balance of 22,343,000 euros reflects the suspension of the gain earned by Edison Spa on the sale of a 51% interest in Dolomiti Edison Energy in 2008, while agreements providing both parties with put and call options are in effect.

19. Current Liabilities

A breakdown of current liabilities, which amounted to 2,470,879,000 euros, is provided below:

(in thousands of euros)	12/31/2009	12/31/2008	Change
Bonds	720,626	9,000	711,626
Short-term financial debt	702,632	1,017,969	(315,337)
Trade payables	758,937	1,224,607	(465,670)
Current taxes payable	17,735	16,107	1,628
Other liabilities	270,949	543,774	(272,825)
Total current liabilities	**2,470,879**	**2,811,457**	**(340,578)**

The main current liability accounts are reviewed below:

- **Bonds** include the full amount of a bond issue maturing on December 10, 2010 (701,549,000 euros) and the value of accrued interest at December 31, 2009, which also reflects the effects of the valuation of this item at amortized cost.

- **Short-term financial debt** includes 472,711,000 euros owed to subsidiaries and affiliated companies; 199,082,000 euros in liabilities toward factors; 27,349,000 euros due to banks; 1,195,000 euros arising from the measurement at fair value of interest rates and currency derivatives; and 2,295,000 euros for the short-term portion of the liabilities under finance leases.

The table below shows the amounts owed to subsidiaries and affiliated companies:

(in thousands of euros)	12/31/2009	12/31/2008	Change
EdisonTrading	354,737	355,174	(437)
Termica Milazzo	41,897	3,658	38,239
Jesi Energia	28,777	-	28,777
Termica Cologno	15,339	1,593	13,746
Poggio Mondello	11,075	12,101	(1,026)
Euroil Exploration	10,622	10,187	435
Nuova Alba	5,677	6,588	(911)
Nuova Cisa	4,447	4,493	(46)
Edison International Holding NV	-	55,883	(55,883)
Selm Holding International	-	11,451	(11,451)
Dolomiti Edison Energy	-	5,011	(5,011)
Other subsidiaries	140	470	(330)
Total	**472,711**	**466,609**	**6,102**

- A breakdown of **Trade payables** by business segment is provided below:

(in thousands of euros)	12/31/2009	12/31/2008	Change
Electric power operations	300,316	450,102	(149,786)
Hydrocarbons operations	436,671	752,059	(315,388)
Corporate activities	21,950	22,446	(496)
Total trade payables	**758,937**	**1,224,607**	**(465,670)**

Trade payables reflect mainly purchases of electric power, natural gas and other utilities, as well as services related to plant maintenance.
The decrease in trade payables is due for the most part to a reduction in the quantities of natural gas purchased as a result of lower in demand in the market served by the Company.

- **Current taxes payable** reflect the liability for the 6.5% corporate income tax (IRES) surcharge introduced by Decree Law No. 112 of June 25, 2008 (the so-called "Robin Hood Tax"), as amended by Law No. 99 of July 23, 2009, amounting to 11,309,000 euros. The balance of 6,426,000 euros represents the liability for the regional tax (IRAP), net of estimated payments made.
- A breakdown of **Other liabilities** is provided below:

(in thousands of euros)	12/31/2009	12/31/2008	Change
Payables owed for consulting and other services	55,633	52,910	2,723
Valuation of derivatives	51,924	315,956	(264,032)
Transalpina di Energia for the consolidated income tax return	46,025	7,737	38,288
Joint holders of permits and concessions for the production of hydrocarbons	37,568	66,143	(28,575)
Amounts payable to employees	22,466	20,294	2,172
Amounts owed to pension and social security institutions	19,631	18,517	1,114
Royalties payable	8,037	11,044	(3,007)
Excise and other taxes payable	5,119	10,487	(5,368)
Group companies in connection with the filing of a Group VAT return	3,826	9,748	(5,922)
Customer advances	491	9,769	(9,278)
Sundry items	20,229	21,169	(940)
Total	**270,949**	**543,774**	**(272,825)**

20. Liabilities held for sale

This account had a zero balance at December 31, 2009.

Net Financial Debt

At December 31, 2009, net financial debt totaled 1,188,118,000 euros, or 345,418,000 euros less than the 1,533,536,000 euros owed at December 31, 2008. This improvement is mainly the net result of the following items:

Decreases:

- 1.138 million euros from the operating cash flow from continuing operations;
- 323 million euros from the collection of dividends from subsidiaries;

Increases:

- 268 million euros for dividend payments;
- 217 million euros for additions to property, plant and equipment;
- 172 million euros for new equity investments, including the contributions provided in 2009 to cover losses;
- 120 million euros for tax payments;
- 49 million euros for borrowing costs.

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

(in thousands of euros)	Ref. Balance Sheet note	12/31/2009	12/31/2008	Change
Long-term financial debt				
Bonds - non-current portion	16	1,198,771	1,198,301	470
Non-current bank loans	17	1,446,654	273,114	1,173,540
Amounts due to other lenders - non current portion	17	29,311	1,087	28,224
Total long-term financial debt		**2,674,736**	**1,472,502**	**1,202,234**
Short-term financial debt				
Bonds - current portion	19	720,626	9,000	711,626
Current loans payable	19	702,631	1,017,969	(315,338)
Current financial assets	10	(2,342,622)	(945,977)	(1,396,645)
Cash and cash equivalents	10	(567,253)	(19,958)	(547,295)
Total short-term financial debt		**(1,486,618)**	**61,034**	**(1,547,652)**
Net financial debt		**1,188,118**	**1,533,536**	**(345,418)**

Net financial debt includes 104 million euros stemming from transactions with related and significant parties such as Mediobanca.

NOTES TO THE INCOME STATEMENT

The **net profit** earned by Edison Spa in 2009 grew to 423 million euros, or 49 million euros more than the 374 million euros reported at December 31, 2008.

EBITDA totaled 647 million euros. The decrease of 30 million euros (-4,4%), compared with the 676 million euros earned in 2008, is the net result of the following factors:

- A decrease of 147 million euros (-41,2%) reported by the **hydrocarbon operations,** due mainly due a reduction in unit sales caused by sharply lower prices of benchmark oil commodities and by a contraction in national demand for natural gas, offset only in part by a reduction in the average price paid for natural gas;
- an increase of 126 million euros (+30,2%) reported by the **electric power operations** resulting from the lower costs paid for natural gas and a greater utilization of the hydroelectric power plants.

In the case of the hydrocarbons operations, EBITDA were reduced by charges for foreign exchange and commodity hedges amounting to 134 million euros, compared with 2008.

The difference in reported **net profit** compared with the previous year reflects the combined effect of the following factors:

- A decrease of 61 million euros in depreciation and amortization caused by the change in scope of operations that resulted from the divestment of some hydroelectric power plants in 2008.
- A decrease of 16 million euros in net financial expense made possible mainly by a reduction in the average borrowing rate.
- A rise of 33 million euros in currency translation losses, referred both to commercial transactions and to transactions hedging fluctuations in the U.S. dollar exchange rate.
- A decrease of 41 million euros in net income from equity investments. Specifically, the positive effect on the year-over-year comparison of an increase of 52 million euros in dividends reported in 2009 was more than offset by the 92 million euro gains on the sale of equity investments recognized in 2008.
- A decrease of 59 million euros in income tax expense, despite an increase of one percentage point in the corporate income tax surcharge (the Robin Hood Tax). This decrease is due mainly to the fact that in 2008, following the introduction of the Robin Hood Tax (5.5% in 2008), the deferred-tax amounts recognized at that time were adjusted accordingly, with a negative effect of 53 million euros.

21. Sales Revenues

A breakdown by type of the Company's sales revenues, which were booked mainly in Italy, is provided below:

(in thousands of euros)	2009	2008	Change	% change
Revenues from the sale of:				
- Electric power	2,299,580	3,119,742	(820,162)	(26.3%)
- Natural gas	2,483,903	2,512,532	(28,629)	(1.1%)
- Steam	74,761	106,495	(31,734)	(29.8%)
- Oil	54,166	104,235	(50,069)	(48.0%)
- Green certificates	1,745	-	1,745	n.a.
- Water and other utilities	894	1,130	(236)	(20.9%)
- Sundry items	7,157	2,946	4,211	n.a.
Revenues from the sale of products	**4,922,206**	**5,847,080**	**(924,874)**	**(15.8%)**
Revenues from services provided	69,656	63,699	5,957	9.4%
Revenues from power plant maintenance	11,036	11,702	(666)	(5.7%)
Transmission revenues	4,497	4,848	(351)	(7.2%)
Revenues from the provision of services	**85,189**	**80,249**	**4,940**	**6.2%**
Sales revenues	**5,007,395**	**5,927,329**	**(919,934)**	**(15.5%)**

Breakdown by Type of Business

(in thousands of euros)	2009	2008	Change	% change
Electric power operations	2,412,509	3,263,329	(850,820)	(26.1%)
Hydrocarbons operations	2,567,549	2,635,165	(67,616)	(2.6%)
Corporate activities	27,337	28,835	(1,498)	(5.2%)
Total	**5,007,395**	**5,927,329**	**(919,934)**	**(15.5%)**

In April 2009, following the outcome of an action filed before the Regional Administrative Court challenging Resolution No. 154/08, which defined the avoided-fuel-cost rate component, the AEEG issued on a provisional basis Resolution No. 50/09, which determines the estimated rates that should be charged in monthly billing to the Electrical Services Manager. Absent explicit statutory guidance, the Company estimated the avoided-fuel-cost rate component for 2008 and 2009 taking into account the findings of illegality set forth in the Regional Administrative Court's decision.

The revenue shortfall that occurred in both business segments is analyzed below:

- The main reason for the 26.1% decrease in sales revenues reported by the **electric power operations** is a drop in unit sales, caused both by a reduction in demand for electric power and by the divestment of some thermoelectric and hydroelectric power plants in 2008.
  Electric power revenues also reflect the positive impact of Resolution No. 77/08 (84 million euros), which defined the criteria for the reimbursement of costs incurred by companies with CIP 6/92 power plants to comply with emissions rights requirements.
- In the case of the **hydrocarbons operations,** the 2.6% decrease in revenues is due to a reduction in unit sales caused by lower demand for natural gas.

Revenues from services provided refer mainly to the coordination support provided by Edison to the other Group companies and to engineering services.

22. Other Revenues and Income

(in thousands of euros)	2009	2008	Change	% change
Commodity derivatives	59,596	32,502	27,094	83.4%
Out of period income	44,204	123,393	(79,189)	n.m.
Utilizations of allowances for doubtful accounts and sundry provisions for risks	12,888	66,434	(53,546)	(80.6%)
Recovery of costs from partners in hydrocarbon exploration projects	16,080	19,519	(3,439)	(17.6%)
Swaps and exchanges of natural gas	40,161	79,974	(39,813)	n.m.
Gains on the sale of property, plant & equip.	16,237	18,429	(2,192)	(11.9%)
Recovery of payroll costs	6,885	6,585	300	4.6%
Insurance settlements	9,716	14,782	(5,066)	n.m.
Contractutal compensation - free energy	4,843	5,839	(996)	(17.1%)
Leases of Company-owned property	3,030	2,939	91	3.1%
Operating grants	1,840	360	1,480	n.m.
Revenues from sales of sundry materials	1,215	982	233	23.7%
Sundry items	21,653	27,400	(5,747)	n.m.
Total	**238,348**	**399,138**	**(160,790)**	**(40.3%)**

Out of period income reflects the portion attributable to previous years (17,036,000 euros) of the positive impact produced by AEEG Resolutions No. 30/09 and No. 80/08, which provided for the reimbursement of costs incurred to purchase green certificates; the derecognition of costs accrued in previous years (11,374,000 euros); the proceeds generated from the redefinition of contractual stipulations with a partner (10,000,000 euros); and positive differences on provisions recognized in connection with Resolution No. 248/06 (2,991,000 euros). In 2008, out of period income included the positive effect of AEEG Resolutions No. 77/08 and No. 80/08 concerning CO_2 emissions certificates and green certificates.

Insurance settlements refer mainly to accidents that occurred in previous years at two thermoelectric power plants.

Utilizations of provisions for risks include 2,382,000 euros for the reversal in earnings of provisions established in connection with the sale of some industrial properties.

23. Raw Materials and Services Used

The table below provides a breakdown of raw materials and services used. The decrease compared with the previous year is consistent with the information provided about sales revenues.

(in thousands of euros)	2009	2008	Change	% change
- Natural gas	3,019,911	3,869,881	(849,970)	(22.0%)
- Electric power	8,097	8,107	(10)	(0.1%)
- Blast furnace, recycled and coke furnace gas	229,255	445,470	(216,215)	(48.5%)
- Oil and fuel	29,468	78,778	(49,310)	(62.6%)
- Demineralized industrial water	31,348	36,815	(5,467)	(14.8%)
- Green certificates	87,267	70,009	17,258	24.7%
- CO_2 emissions rights	27,169	188,510	(161,341)	(85.6%)
- Coal, utilities and other materials	41,792	62,899	(21,107)	(33.6%)
Total	**3,474,307**	**4,760,469**	**(1,286,162)**	**(27.0%)**
- Facilities maintenance	101,333	121,882	(20,549)	(16.9%)
- Transmission of electric power and natural gas	380,490	290,361	90,129	31.0%
- Professional services	84,159	87,802	(3,643)	(4.1%)
- Insurance services	20,205	17,496	2,709	15.5%
- Additions to allowances and writedowns of receivables	23,505	13,908	9,597	69.0%
- Commodity derivatives	204,321	107,229	97,092	90,5%
- Additions to provisions for miscellaneous risks	11,181	2,792	8,389	n.m.
- Change in inventories	40,466	(64,896)	105,362	n.m.
- Use of property not owned	39,935	54,641	(14,706)	(26.9%)
- Sundry charges	82,772	119,781	(37,009)	(30.9%)
Total	**4,462,674**	**5,511,465**	**(1,048,791)**	**(19.0%)**

The decrease in costs for **CO_2 emissions rights** reflects both the drop in the level of emissions generated that resulted from a decrease in production volumes and a reduction in the unit cost paid to purchase the certificates.

The sharp increase shown for **commodity derivatives** is consistent with the price and foreign exchange trends for the hedged commodities, as discussed in the Risk Management section of this Report.

Additions to provisions for risks refer mainly to costs that the Company expects to incur in future years for environmental remediation projects at some decommissioned industrial sites.

The main components of **sundry charges** are out of period charges (10,208,000 euros), advertising expenses (7,088,000 euros) incurred mainly for corporate communications, corporate expenses (6,474,000 euros), losses on disposals of property, plant and equipment (7,680,000 euros) and indirect taxes and fees (5,708,000 euros).

Breakdown of Raw Materials and Services Used by Type of Business

(in thousands of euros)	2009	2008	Change	% change
Electric power operations	583,233	1,047,112	(463,879)	(44.3%)
Hydrocarbons operations	3,763,810	4,347,195	(583,385)	(13.4%)
Corporate activities	115,631	117,158	(1,527)	(1.3%)
Total	**4,462,674**	**5,511,465**	**(1,048,791)**	**(19.0%)**

24. Labor Costs

Labor costs totaled 136,557,000 euros, or 2,422,000 euros less than in 2008 (138,979,000 euros).

At December 31, 2009, the Company had 1,735 employees, 38 more than at the end of 2008. The table below provides a breakdown by category of the Company's staff:

(Employee category)	01/01/2009	Added to payroll	Removed to payroll	Change of classific./Other	12/31/2009	Average payroll
Executives	122	1	(6)	8	125	127
Office staff and middle managers	1,271	87	(48)	6	1,316	1,298
Production staff	304	8	(5)	(13)	294	295
Total	**1,697**	**96**	**(59)**	**1**	**1,735**	**1,720**

25. EBITDA

(in thousands of euros)	2009 EBITDA	as a % of sales revenues	2008 EBITDA	as a % of sales revenues	2008-2009 % change
Electric power operations	540,693	22.4%	415,123	12.7%	30.2%
Hydrocarbons operations	208,922	8.1%	355,535	13.5%	(41.2%)
Corporate activities	(103,103)	n.m.	(94,634)	n.m.	8.9%
Total	**646,512**	**12.9%**	**676,024**	**11.4%**	**(4.4%)**

The decrease in EBITDA is basically the net result of the following contrasting factors:
Negative factors:

- Lower unit sales both by the electric power operations and by the hydrocarbons operations;
- Charges related to financial derivatives hedging foreign exchange and commodity price fluctuations (134,042,000 euros);
- The change in scope of operations that resulted from the conveyance of assets to Co Energy Power, Dolomiti Edison Energy and Hydros in 2009.

Positive factors:

- An increase of the operating margins of the electric power operations resulting from the lower prices paid for the main components of the cost of production and a greater utilization of the hydroelectric power plants;
- The positive impact produced by AEEG Resolutions No. 30/09 and No. 80/08 (17,036,000 euros), which provided for the reimbursement of costs incurred in previous years to purchase green certificates;
- The positive impact of Resolution No. 77/08 (84,100,000 euros), which defined the criteria for the reimbursement of costs incurred by companies with CIP 6/92 power plants to comply with emissions rights requirements.

26. Depreciation, Amortization and Writedowns

A breakdown of this item is as follows:

(in thousands of euros)	2009	2008	Change	% change
Depreciation of property, plant and equipment	323,289	376,496	(53,207)	(14,1%)
Depreciation of investment property	120	96	24	25,0%
Amortization of hydrocarbon concessions	18,804	21,577	(2,773)	(12,9%)
Amortization of other intangible assets	11,027	15,962	(4,935)	(30,9%)
Writedown of property, plant and equipment	15,069	45,890	(30,821)	n.m.
Writedown of other intangible assets	18	-	18	n.m.
Reversal of writedown of prop., plant and equip.	-	(14,581)	14,581	n.m.
Total for Edison Spa	**368,327**	**445,440**	**(77,113)**	**(17,3%)**

Breakdown by Business Segment

An analysis of the main changes that occurred compared with 2008 is provided below:

(in thousands of euros)	2009	2008	Change	% change
Electric power operations	290,430	351,505	(61,075)	(17.4%)
Hydrocarbons operations	68,301	84,231	(15,930)	(18.9%)
Corporate activities	9,596	9,704	(108)	(1.1%)
Total for Edison Spa	**368,327**	**445,440**	**(77,113)**	**(17.3%)**

- The decrease shown for the **electric power operations** is due to the adjustment of the residual value of some thermoelectric and hydroelectric power plant in addition to the following factors:
  - The conveyance, in 2008, to Dolomiti Edison Energy and Hydros Srl of 10 hydroelectric power plants in the provinces of Trent and Bolzano (22,288,000 euros);
  - End of depreciation of equipment replaced at a thermoelectric power plant (14,504,000 euros);
  - Expiration of the CIP 6/92 contract for a thermoelectric power plant (12,108,000 euros).

Amortization of other intangible assets refers to patents, trademarks and similar rights (8,115,000 euros) and hydrocarbon exploration costs (2,912,000 euros).

The net **writedowns**, for 15,087,000 euros are substantially due to impairment test; additional information about the impairment test is provided in the section of these Notes entitled "Impairment Test Applied to the Value of Goodwill, Property, Plant and Equipment and Other Intangibles".

27. Net Financial Income (Expense)

Net financial expense amounted to 49,166,000 euros, for a net increase of 16,599,000 euros compared with 2008. This increase reflects the combined effect of these two contrasting factors:

- A negative change of 33,058,000 euros in the result from foreign exchange transactions related both to commercial transactions and derivative transactions executed to hedge the risk of fluctuations in foreign exchange rates;
- A reduction of 16,459,000 euros in net financial expense due mainly to the effect of lower interest rates in 2009.

A breakdown of the components of financial income and expense is as follows:

(in thousands of euros)	2009	2008	Change
Financial income			
Financial income from financial derivatives	36,407	57,494	(21,087)
Financial income from Group companies	74,179	46,195	27,984
Bank interest earned	537	1,512	(975)
Interest earned on trade receivables	2,578	2,120	458
Other financial income	942	2,171	(1,229)
Total financial income	**114,643**	**109,492**	**5,151**
Financial expense			
Interest paid on bond issues	(67,806)	(60,713)	(7,093)
Financial expense from financial derivatives	(18,814)	(36,860)	18,046
Financial expense paid to Group companies	(2,170)	(6,992)	4,822
Interest paid to banks	(39,243)	(34,701)	(4,542)
Bank fees paid	(4,960)	(2,691)	(2,269)
Financial expense on decommissioning projects	(12,746)	(12,179)	(567)
Other financial expense	(3,100)	(6,011)	2,911
Total financial expense	**(148,839)**	**(160,147)**	**11,308**
Net financial income (expense)	**(34,196)**	**(50,655)**	**16,459**
Foreign exchange translation gains (losses)			
Foreign exchange translation gains	60,155	44,258	15,897
Foreign exchange translation losses	(75,125)	(26,170)	(48,955)
Net foreign exchange translation gain (loss)	**(14,970)**	**18,088**	**(33,058)**
Total net financial income (expense)	**(49,166)**	**(32,567)**	**(16,599)**

More specifically:

- Information about other **transactions involving financial derivatives** is provided in a separate disclosure elsewhere in this Report;
- **Interest paid to other lenders** includes the charges incurred for transactions to factor receivables without recourse;
- **Other financial expense** includes 1.425.000 euros in accrued interest on employee severance indemnities, computed in accordance with IAS 19 (1.658.000 at December 31, 2008);
- Commercial transactions generated **foreign exchange translation losses** of 6,796,000 euros.

Foreign exchange translation gains and losses also included derivative transactions executed to hedge foreign exchange risks on purchases of commodities. These transactions generated a **net loss** of 8,879,000 euros in 2009.

28. Income from (Expense on) Equity Investments

The table that follows provides a breakdown of this item:

(in thousands of euros)	2009	2008	Change
Income from equity investments			
Dividends			
Dividends from subsidiaries and affiliated companies			
- Edison Trading	255,000	210,000	45,000
- Ibiritermo	18,268	7,158	11,110
- Edison Energie Speciali	15,000	15,000	-
- Edison Stoccaggio	10,000	7,000	3,000
- Jesi Energia	6,300	7,000	(700)
- Sel Edison	5,200	1,710	3,490
- Termica Milazzo	4,561	8,916	(4,355)
- Dolomiti Edison Energy	4,460	-	4,460
- Termica Cologno	2,275	2,275	-
- AMG Gas	809	-	809
- Other subsidiaries and affiliated companies	1,609	10,322	(8,713)
	323,482	**269,381**	**54,101**
Dividends from other companies			
- RCS	-	858	(858)
- Other companies	150	645	(495)
	150	**1,503**	**(1,353)**
Total dividends	**323,632**	**270,884**	**52,748**
Gain on the sale of equity investments	**4,385**	**-**	**4,385**
Revaluation of trading securities	**2,871**	**-**	**2,871**
Gain on the sale of equity investments	**-**	**92,478**	**(92,478)**
Total income from equity investments	**330,888**	**363,362**	**(32,474)**
Expense on equity investments			
Writedowns of equity investments			
- Sarmato Energia	(12,800)	-	(12,800)
- Nuova Alba	(2,019)	(1,058)	(961)
- Montedison Srl	(2,036)	(1,003)	(1,033)
- Galsi	(2,400)	-	(2,400)
- Other equity investments	(1,274)	(7,005)	5,731
Total writedowns of equity investments	**(20,529)**	**(9,066)**	**(11,463)**
Writedowns of trading securities	**(598)**	**(3,619)**	**3,021**
Total expense on equity investments	**(21,127)**	**(12,685)**	**(8,442)**
Income (Loss) from equity investments, net	**309,761**	**350,677**	**(40,916)**

29. Other Income (Expense), Net

Net other expense of 9,286,000 euros is the result of nonrecurring items that are not related directly to the core businesses operations. The main items included in this account are:

- **Income** of 16,529,000 euros, of which 8,000,000 euros from settlements with several insurance companies of claims and 4,000,000 euros in compensation for breech of contractual guarantees in connection with the acquisition of EDF Energia Italia;
- **Expense** of 25,815,000 euros, the main components of which are 12,647,000 euros in expenses related to litigation and tax disputes, 8,303,000 euros for adjustments to some provisions for risks.

30. Income Taxes

A breakdown of income taxes and a comparison with the data for 2008 is provided below:

(in thousands of euros)	2009	2008	Change
Current taxes	166,392	113,776	52,616
Net deferred-tax liabilities (assets)	(57,824)	53,395	(111,219)
Income taxes attributable to previous years	(2,333)	(2,010)	(323)
Total	**106,235**	**165,161**	**(58,926)**

The total tax liability at December 31, 2009 reflects the impact of an increase of one percentage point in the corporate income tax surcharge (the so-called Robin Hood Tax) introduced by Law No. 99 of July 23, 2009, which had a negative impact of 11,760,000 euros, including 7,495,000 euros in deferred-tax liabilities. At December 31, 2008, the restatements of deferred-tax assets and liabilities required by the introduction of the Robin Hood Tax resulted in a charge of 52,568,000 euros.

Current taxes include 144,000,000 euros for corporate income taxes (4,235,000 euros attributable to the surcharge increase), 23,800,000 euros for regional taxes and a benefit of about 1,241,000 euros generated by filing a consolidated income tax return.

The effective tax rate for the period was 19%. The difference compared with the nominal tax rate of 37.9% is the net result of the positive effect of the participation exemption on dividends, partially offset by the abovementioned increase of the "Robin Hood Tax".

The table that follows provides a breakdown of **deferred-tax liabilities and assets** and shows the changes that occurred in the first half of 2009:

(in thousands of euros)	12/31/2008	Additions	Utilizations	Restatement for new rates	12/31/2009
Provision for deferred taxes:					
Valuation differences of property, plant and equipment	350,928	-	(54,117)	8,142	304,953
Adoption of IAS 17 to value finance leases	28,183	-	(625)	747	28,305
Adoption of IAS 39 to value financial instruments:					
- impact on the income statement	-	-	-	-	-
- impact on shareholders' equity	-	18,303	-	496	18,799
Other deferred taxes	3,475	76	(3,148)	13	416
	382,586	**18,379**	**(57,890)**	**9,398**	**352,473**
Offsets	(141,617)	(19,301)	111,719	(1,406)	(50,605)
Provision for deferred taxes net of offsets	**240,969**	**(922)**	**53,829**	**7,992**	**301,868**
Deferred-tax assets:					
Taxed reserves for risks	38,840	18,541	(9,517)	1,366	49,230
Adoption of IAS 39 to value financial instruments:					
- impact on the income statement	2,222	-	(1,647)	17	592
- impact on shareholders' equity	99,924	-	(99,924)	-	-
Other deferred-tax assets	631	760	(631)	23	783
	141,617	**19,301**	**(111,719)**	**1,406**	**50,605**
Offsets	(141,617)	(19,301)	111,719	(1,406)	(50,605)
Deferred-tax assets net of offsets	**-**	**-**	**-**	**-**	**-**

31. Profit (Loss) from Discontinued Operations

This account had a zero balance at December 31, 2009, as against a net profit of 9,927,000 euros a year earlier, generated by the sale of the business operations consisting of five thermoelectric power plants operating under CIP 6/92 contracts and of Termica Boffalora and Termica Celano (the “Disposal Group”).

OTHER INFORMATION

Commitments and Contingent Risks

(in thousands of euros)	12/31/2009	12/31/2008	Change
Guarantees provided	1,402,842	1,274,315	128,527
Collateral provided	1,159,514	1,164,275	(4,761)
Other commitments and risks	658,391	603,739	54,652
Total	**3,220,747**	**3,042,329**	**178,418**

Guarantees Provided

The balance of 1,402,842,000 euros, which is determined based on the undiscounted amount of the contingent commitment on the balance sheet date, is virtually the same as at the end of 2008.
Guarantees provided included the following:

- 402,211,000 euros in guarantees provided by Edison Spa to the Milan tax office on behalf of subsidiaries for offsetting VAT credits and those provided to subsidiaries in connection with the intra-Group assignment of tax credits.
- 50,000,000 euros pursuant to the Tolling and Power Purchasing Agreements, according to which Edison is responsible for the commercial obligations undertaken by its Edison Trading Spa subsidiary toward Edipower.
- Guaranteed provided by the Group's Parent Company on its own behalf and on behalf of subsidiaries and affiliated companies to secure the performance of contractual obligations account for the balance.

Collateral Provided

Collateral provided, which totaled 1,159,514,000 euros, or 4,761,000 euros less than at December 31, 2008, represents the value of the assets or rights provided as collateral on the balance sheet date. This item includes collateral provided for liabilities carried on the balance sheet, such as a pledge on Edipower shares (1,066 million euros) provided to a pool of banks to secure a loan. Encumbrances provided to secure other loans (62,804,000 euros) account for the remaining balance.

Other Commitments and Risks

This item, which totaled 638 million euros, reflects primarily commitments undertaken to complete investment projects under construction.

In particular:

- the following contracts were signed for 97 million euros to address the deficit in CO_2 emission quotas:
  - Emission Reductions Purchase Agreements (ERPAs) for the purchase of Certified Emission Reduction certificates (CERs) in China within 2012.
  - A Management Agreement with EDF Trading (EDF Carbon Fund) involving the purchase for a fixed price of Certified Emission Reduction/Emission Reduction Units within 2013.
  - An agreement with Natsource to join the Natsource Carbon Asset Pool, a fund established to purchase CO_2 emissions reduction credits generated by Clean Development Mechanism/Joint Implementation projects within 2013
- The company have entered into the contracts for the importation of natural gas, which contain the take-or-pay clauses that obligate the buyer to pay for any shortage between the stipulated maximum quantities and the quantity actually used (unless the shortage is due to causes not provided for in the contract), with the option for the buyer to make up, at certain conditions, the paid but unused volume over the life of the contract. In particular at the end of year, a balance of 29 million euros is included

in advances to suppliers and 53 million euros not yet paid are recognized as a commitment. Gas delivery profiles and the economic recoverability are periodically updated during the year.

Unrecognized Commitments and Risks

Significant commitments and risks not included in the amounts listed above are reviewed below:

1) The **hydrocarbons operations** have entered into long term contracts for the importation of natural gas with Russia, Libya, Norway, Algeria and Qatar (which supply contract went into effect in 2009), that provide total supplies, at full capacity, of 15.8 billion cubic meters of natural gas a year. The duration of these contracts ranges between 2 and 25 years.
   Concerning the gas natural import for next years, a contract to import natural gas from Algeria (Protocolle d'accord) has been signed with Sonatrach in November 2006 that calls for the supply of 2 billion cubic meters of natural gas a year through the new pipeline linking Algeria with Sardinia and Tuscany that will be built by Galsi. The implementation of this agreement is subject to the construction of the pipeline, which is currently in the project development phase.
   The contract concerning Terminale GNL Adriatico Srl went into effect in the second half of 2009 and for which Edison, while owning just 10% of the infrastructure, will have access to about 80% of the terminal's gasification capacity, includes the following conditions:
   - For all shareholders, the obligation not to transfer their equity interest until 36 months have passed from the startup of the terminal, but, in any case, not later than July 1, 2011 (lockup clause).
   - For the two majority shareholders, the right to buy the 10% interest held by Edison if the supply contract with RasGas should be cancelled for reasons for which Edison is responsible (call option). The price for the sale of shares, if the call option is exercised, will be determined based on the sum of the capital contributions provided until the options are exercised.

2) In the **electric power operations**:

- Edison granted to Cartiere Burgo Spa a "call option" to purchase a 51% interest in Gever. This option is exercisable when the contract under which Gever supplies Cartiere Burgo with electric power and steam expires (in 2017) at a price equal to the corresponding pro rata interest in the company's shareholders' equity.
- Edison granted to Petrobras an option to buy its interest in Ibiritermo, exercisable in 2022 when the lease expires.
- Agreements executed in connection with the sale of a 51% interest in Dolomiti Edison Energy Srl provide Edison with a call option, which may be exercised only if the hydroelectric concessions have not been extended by March 31, 2018.
- Edison Spa and Akarport Sa extended to June 30, 2010 the Preliminary Agreement that sets forth the obligations of both parties with regard to the handling of coal and coal-based products at a new power plant in Greece. Under the terms of the Preliminary Agreement, if Edison cancels the agreement before June 30, 2010 after obtaining the Power Generation License and the Installation License, Edison will be required to pay Akarport compensation in the amount of 50,000 euros. If by June 30, 2010 Edison communicates in a Confirmation Letter its unchallengeable decision to build the facility and subsequently decides to abandon the project, the Agreement will be cancelled and Edison will incur penalties of up to 20 million euros.

As part of the agreements among the shareholders of RCS Mediagroup who are members of the Blocking and Consultation Syndicate, any Participant who, in response to a tender offer, wishes to exit the Syndicate will be required to sell the syndicated shares to the other Participants. The buyers will have the right, but not the obligation, to buy the shares that are being offered in proportion to the percentage of the shares they contributed to the Syndicate.

Tax Status of Share Capital and Reserves in the Event of Repayment or Distribution

The types of tax status and utilization options of the different items that constitute the Company's shareholders' equity are reviewed below:

(in thousands of euros)	Balance sheet amount	Tax status Type	Tax status Amount	Utilization options	Distributable portion
Share capital	**5,291,701**				
	breakdown	C	192,082	-	-
		D	588,628	-	-
Share capital reserves					
Additional paid-in capital	**13**	E	13	1, 2, 3	13
Earnings reserves					
Statutory reserve	**90,313**				
	breakdown	A	72,760	2	-
		D	17,553	2	-
Other reserves	**594,076**				
	breakdown	A	7,292	1, 2, 3	7,292
		A	467,109	1, 2	-
		A	119,675	-	-
Reserve for grants	**18,825**	B	18,825	-	-
Retained earnings	**710,615**				
		A	637,670	1, 2, 3	637,670
		D	72,945	1, 2, 3	72,945

Tax Status

B: Reserves the taxation of which has been suspended and which, if utilized, would be included in the Company's taxable income.

C: Reserves the taxation of which has been suspended that are part of share capital. If the share capital is reduced upon a shareholder distribution, these reserves would become taxable.

D: Portion of shareholders' equity restricted pursuant to Section 469 of Law No. 266/2005 (so-called realignment), which, if utilized, would be included in the Company's taxable income, increased by a 12% substitute tax, with the concurrent earning of a 12% tax credit (equal to the substitute tax paid).

E: Reserves that, if distributed, would not be included in the taxable income of the shareholders.

Utilization Options

1: Capital increase.

2: Replenishment of losses.

3: Distribution to shareholders.

A breakdown according to tax status is provided below:

- The reserves for government grants, with **B** status, include the following:
  - former Edison - grants under Article 55 3,770
  - former Edison Gas - Law No. 488/92 15,055

- The reserves the taxation of which has been suspended that are part of share capital, with **C** status, include the following

- No. 576 of 12/1/75 (old Edison form. Montedison)	31,064
- No. 72 of 3/19/83 (old Edison form. Montedison)	15,283
- No. 576 of 12/1/75 (former Finagro)	1,331
- No. 72 of 3/19/83 (former Finagro)	3,310
- No. 72 of 3/19/83 (former Montedison)	8,561
- No. 72 of 3/19/83 (former Silos di Genova Spa)	186
- No. 413 of 12/30/91 (former Finagro)	4,762
- No. 576 of 12/1/75 (former Calcemento)	976
- No. 72 of 3/19/83 (former Calcemento)	4,722
- 413 of 12/30/91 (former Sondel)	2,976
- No. 413 of 12/30/91 (former Edison)	118,911

Any taxes that may be due (counting also the 6.5% corporate income tax surcharge) on the reserves listed above would amount to 7.1 million euros for those of Item B, 65.3 million euros for those of Item C and 170 million euros (net of tax credit) for those of Item D.

As for the negative income components that are not reflected in the income statement, which until 2008 could be deducted by listing them on a separate schedule annexed to the income tax return, the provision of the tax code require that a corresponding amount of the unrestricted reserves and retained earnings should be maintained on the Company's financial statements and, if the abovementioned amount is distributed, it would be included in the Company's taxable income.

As a result of non-accounting depreciation and amortization taken in 2006 and 2007 and the derecognition in 2004 of entries booked for tax purposes but which had no relevance for statutory reporting purposes, non-accounting deductions still available totaled about 223 million euros. Deferred taxes totaling about 76 million euros were recognized in connection with these entries.

Therefore, should the Company choose to distribute earnings or reserves, it must have residual qualified reserves, as defined in Article 109 of the Uniform Tax Code, totaling 147 million euros. If the Company lacks or has insufficient qualified reserves, any uncovered portion of the distribution, increased by the applicable deferred taxes, would become part of the Company's taxable income.

Lastly, the reform of the corporate income tax system, which went into effect on January 1, 2004, introduced the overriding presumption that the profit for the year and the portion of reserves other than share capital reserves that has not been set aside in a suspended taxation status will be distributed, irrespective of the motions approved by the Shareholder's Meeting (Article 47 of the Uniform Tax Code).

Intercompany and Related Parties Transaction

The table below provides, 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 and significant parties. The disclosure moreover complies with IAS 24.

In 2009, Edison Spa and some of its subsidiaries entered into commercial and financial transactions with the Company's shareholders and/or their subsidiaries. The abovementioned transactions were executed in the normal course of business and on contractual terms that were consistent with standard market practices. The amounts involved by these transactions are listed below:

(in thousands of euros)			Other related parties							
			Related		Relevant					
	with Group companies	with the controlling company	EdF Group	A2A Group	ENIA Group	Banca Popolare Milano	Mediobanca	**Total related parties**	**Tot. per fin. stat. item**	**% impact on financ. stat. items**
Balance sheet transactions										
Trade receivables	522,515	-	1,781	12,355	3,925	-	-	540,576	976,238	55.4%
Other receivables	66,598	333	10,752	16	-	-	-	77,699	319,027	24.4%
Trade payables	122,129	-	731	93	2,104	998	-	126,055	758,937	16.6%
Other payables	9	46,025	297	64	-	-	370	46,765	270,949	17.3%
Current financial assets	2,315,366	-	-	-	-	130	-	2,315,496	2,342,622	98.8%
Other financial assets	-	-	-	-	-	-	-	-	21,772	n.s.
Short-term financial debt	472,411	-	-	-	-	-	10,961	483,372	702,632	68.8%
Long-term financial debt and other financial liabilities	-	-	-	-	-	-	92,727	92,727	1,475,965	6.3%
Income statement transactions										
Sales revenues	2,271,973	289	155	64,624	1,133	61	-	2,338,235	5,007,395	46.7%
Other sales revenues	17,476	-	9,746	-	-	-	-	27,222	238,348	11.4%
Raw materials and services used	104,751	-	2,295	363	1,633	-	-	109,042	4,462,674	2.4%
Financial income	74,179	-	-	-	-	-	-	74,179	114,643	64.7%
Financial expense	2,170	-	58	-	-	42	-	2,270	148,839	1.5%
Income from equity investments	323,482	-	-	-	-	-	-	323,482	330,888	97.8%
Transactions with impact on cash flow										
Dividends declared	-	158,753	-	-	-	-	-	158,753	267,903	59.3%
Commitments and contingent risks										
Guarantees provided	-	-	-	-	-	15,000	-	15,000	1,402,842	1.1%
Other commitments and risks	-	-	30,000	-	-	-	-	30,000	658,391	4.6%

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 and natural gas, green certificates and CO_2 emissions rights.
- 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).

With the exception of transactions related to the VAT Pool and the consolidated corporate income tax return, which are executed pursuant to law, all of the transactions listed above are governed by contracts with conditions that are consistent with market terms, i.e., the terms that would be applied by two independent parties.

In the area of commercial transactions, the Group's Parent Company, Edison Spa, sells natural gas and electric power to Edison Trading Spa and Edison Energia Spa, respectively, under special contracts that, taking into account the specific functions of the two buyer companies within the Group, provide the seller with adequate coverage of its fixed and variable costs. In addition, the rate earned on transactions involving intra-Group current accounts is the Deposit Rate, while the rate paid is the Marginal Refinance Rate, both of which are determined by the European Central Bank.

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, as amended, and of the Ministerial Decree dated December 13, 1979. Under the consolidated return system, Group companies transfer to Edison Spa, either monthly or quarterly, VAT payable and receivable positions in order to allow Edison Spa to offset these positions and pay only the resulting debit balance, if any. The Group VAT return for December 2009 shows that the Group had a net credit toward the tax administration of about 16,428,000 euros.

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

Group companies that engage in the exploration for and production of hydrocarbons and in the production and distribution of electric power are subject to the 6.5% corporate income tax (IRES) surcharge and are required to pay this surcharge directly, even if they are included in the consolidated IRES return. In 2009, the IRES surcharge was raised from 5.5% to 6.5%, pursuant to a provision of Law No. 99 of July, 23 2009.

B. Transactions with Other Related Parties

In 2009, Edison Spa engaged in a number of commercial and financial transactions with some of its current shareholders and/or companies controlled by them. An overview of these transactions, which were carried out in the normal course of business based on contractual terms mutually agreed upon by the parties and consistent with regular market practices, is provided below.

1. Commercial Transactions

As shown in the summary schedule, these transactions refer mainly to revenues generated by sales of natural gas, electric power and transmission services and the rebilling of maintenance costs.

2. Financial Transactions

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

- Banca Popolare di Milano provided Edison with an 70-million-euro revocable line of credit that accrues interest at market rates. At December 31, 2009, 37.4 million euros in sureties had been drawn against this credit line, which, however, had not been used for short-term borrowings and current account overdrafts.
- In 2004, Mediobanca provided Edison Spa with 120 million euros in financing against EIB funds, which has been partially repaid in accordance with the amortization plan. At December 31, 2009, the outstanding balance was about 104 million euros.

3. Other Transactions

In May 2009, further to the acquisition in 2006 of the entire share capital of EDF Energia Italia (later merged by absorption into Edison Energia) from EDF International and, in subsequent years, the filing by Edison of compensation claims for breaches of the contractual guarantees provided by the seller, the parties reached a settlement pursuant to which EDF International paid Edison 4 million euros.

Significant Nonrecurring Events and Transactions

The following significant nonrecurring transactions were executed in 2009:

- Financing facility in the amount of 1,011 million euros provided to the Edison International Spa subsidiary to fund the acquisition of the Abu Qir hydrocarbon concession, north of Alexandria, In Egypt.
- Purchase for 25 million euros of an 80% interest in AMG Gas Srl, a company that distributes natural gas to customers in the Palermo area.
- Acquisition of control of Sistemi di Energia.

Transactions Resulting from Atypical and/or Unusual Activities

As required by CONSOB Communication No. DEM/6064293 of July 28, 2006, Edison Spa declares that in 2009 it did not execute atypical and/or unusual transactions, as defined in the abovementioned Communication.

Treasury Shares

At December 31, 2009, the Company did not own any treasury shares.

Compensation of Directors and Statutory Auditors, Stock Options Awarded to Directors and Equity Investments of Directors

For information concerning:

- the compensation of Directors and Statutory Auditors;
- stock options awarded to Directors;
- equity investments of Directors;

please consult the Report on Corporate Governance and on the Company's Ownership Structure.

SIGNIFICANT EVENTS OCCURRING AFTER DECEMBER 31, 2009

Please consult the information provided in the corresponding section of the notes to the Consolidated Financial Statements.

Milan, February 8, 2010

The Board of Directors
by Giuliano Zuccoli
Chairman

LIST OF EQUITY INVESTMENTS

at December 31, 2009

LIST OF EQUITY INVESTMENTS

Company	Head office	Share capital Currency	Amount	Par value per share
A1. Equity Investments in Subsidiaries				
AMG Gas Srl	**(*) Palermo**			
Balance at 12.31.2008		EUR	-	-
Purchase		EUR	100,000	-
Balance at 12.31.2009		EUR	100,000	-
Atema Ltd	**Dublin (Ireland)**			
Balance at 12.31.2008		EUR	1,500,000	0.50
Balance at 12.31.2009		EUR	1,500,000	0.50
Dolomiti Edison Energy Srl	**Trent**			
Balance at 12.31.2008		EUR	5,000,000	-
Balance at 12.31.2009		EUR	5,000,000	-
Ecofuture Srl (single shareholder)	**(*) Milan**			
Balance at 12.31.2008		EUR	10,200	-
Advance by shareholders on future capital contributions		EUR	-	-
Writedown		EUR	-	-
Balance at 12.31.2009		EUR	10,200	-
Edison D.G. Spa (single shareholder)	**(*) Selvazzano Dentro (PD)**			
Balance at 12.31.2008		EUR	460,000	1.00
Balance at 12.31.2009		EUR	460,000	1.00
Edison Energia Spa (single shareholder)	**(*) Milan**			
Balance at 12.31.2008		EUR	22,000,000	1.00
Contribution to cover losses		EUR	-	-
Balance at 12.31.2009		EUR	22,000,000	1.00
Edison Energie Speciali Spa (single shareholder)	**(*) Milan**			
Balance at 12.31.2008		EUR	4,200,000	1.00
Balance at 12.31.2009		EUR	4,200,000	1.00
Edison Engineering Sa	**Athens (Greece)**			
Balance at 12.31.2008		EUR	60,000	-
Share capital increase		EUR	200,001	-
Balance at 12.31.2009		EUR	260,001	-
Edison Hellas Sa	**Athens (Greece)**			
Balance at 12.31.2008		EUR	263,700	2.93
Balance at 12.31.2009		EUR	263,700	2.93
Edison Idrocarburi Sicilia Srl formerly ISE Srl (single shareholder)	**(*) Ragusa**			
Balance at 12.31.2008		EUR	10,000	-
Balance at 12.31.2009		EUR	10,000	-
Edison International Spa	**(*) Milan**			
Balance at 12.31.2008		EUR	17,850,000	1.00
Advance by shareholders on future capital contributions		EUR	-	-
Balance at 12.31.2009		EUR	17,850,000	1.00

(1) Amounts in euros.
(2) Draft financial statements.
(*) Company over which Edison Spa exercises management and coordination authority.

% interest held in share capital	No. of shares or face value of capital interests held	Cost [1]	Revaluations (Writedowns)	Net carrying value [1]	Sharehold. equity in last fin. statements [2]	Pro-rata interest in sharehold. equity	Net profit in last fin. statements [2]	Pro-rata interest in net profit
-	-	-	-	-	-	-	-	-
80.000	80,000	25,100,000	-	25,100,000	-	-	-	-
80.000	80,000	25,100,000		25,100,000	4,391,344	3,513,075	929,233	743,386
100.000	3,000,000	1,381,681	-	1,381,681	-	-	-	-
100.000	3,000,000	1,381,681	-	1,381,681	2,052,394	2,052,394	503,023	503,023
49.000	2,450,000	8,187,900	-	8,187,900	-	-	-	-
49.000	2,450,000	8,187,900	-	8,187,900	23,034,758	11,287,031	5,802,429	2,843,190
100.000	10,200	568,801	(516,680)	52,121	-	-	-	-
-	-	120,000	-	120,000	-	-	-	-
-	-	-	(122,990)	(122,990)	-	-	-	-
100.000	10,200	688,801	(639,670)	49,131	49,131	49,131	(11,081)	(11,081)
100.000	460,000	38,512,802	-	38,512,802	-	-	-	-
100.000	460,000	38,512,802	-	38,512,802	25,395,977	25,395,977	2,392,280	2,392,280
100.000	22,000,000	58,473,621	-	58,473,621	-	-	-	-
-	-	15,500,000	-	15,500,000	-	-	-	-
100.000	22,000,000	73,973,621	-	73,973,621	49,780,877	49,780,877	23,917,318	23,917,318
100.000	4,200,000	205,342,755	-	205,342,755	-	-	-	-
100.000	4,200,000	205,342,755	-	205,342,755	132,018,652	132,018,652	6,830,533	6,830,533
100.000	60.000	60,000	-	60,000	-	-	-	-
-	-	200,001	-	200,001	-	-	-	-
100.000	60,000	260,001	-	260,001	383,311	383,311	127,563	127,563
100.000	90,000	187,458	(8,000)	179,458	-	-	-	-
100.000	90,000	187,458	(8,000)	179,458	216,899	216,899	36,182	36,182
100.000	10,000	10,000	-	10,000	-	-	-	-
100.000	10,000	10,000	-	10,000	7,392	7,392	(1,484)	(1,484)
70.000	12,495,000	53,978,794	-	53,978,794	-	-	-	-
-	-	60,200,000	-	60,200,000	-	-	-	-
70.000	12,495,000	114,178,794	-	114,178,794	(4,190,618)	(2,933,433)	(109,960,015)	(76,972,011)

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

CHF Swiss franc	EUR euro	NLG Dutch guilder	PTE Portuguese escudo	BRL Brazilian real	GBP British pound
EGP Egyptian pound	USD U.S. dollar	LIT Italian lira	TRL Turkish lira		

LIST OF EQUITY INVESTMENTS (continued)

Company	Head office	Share capital		
		Currency	Amount	Par value per share
Edison International Holding NV	**Amsterdam (Netherlands)**			
Balance at 12.31.2008		EUR	4,582,803	1.00
Advance by shareholders on future capital contributions		EUR	-	-
Balance at 12.31.2009		EUR	4,582,803	1.00
Edison Stoccaggio Spa (single shareholder)	**(*) Milan**			
Balance at 12.31.2008		EUR	81,497,301	1.00
Balance at 12.31.2009		EUR	81,497,301	1.00
Edison Trading Spa (single shareholder)	**(*) Milan**			
Balance at 12.31.2008		EUR	30,000,000	1.00
Balance at 12.31.2009		Eur	30,000,000	1.00
Eneco Energia Spa	**(*) Bolzano**			
Balance at 12.31.2008		EUR	222,000	1.00
Balance at 12.31.2009		EUR	222,000	1.00
Euroil Exploration Ltd	**London (England)**			
Balance at 12.31.2008		GBP	9,250,000	1.00
Balance at 12.31.2009		GBP	9,250,000	1.00
Gever Spa (pledged shares)	**Milan**			
Balance at 12.31.2008		EUR	10,500,000	1,000.00
Balance at 12.31.2009		EUR	10,500,000	1,000.00
Hydro Power Energy HPE Srl (single shareholder)	**(*) Bolzano**			
Balance at 12.31.2008		EUR	50,000	-
Writedown		EUR	-	-
Balance at 12.31.2009		EUR	50,000	-
Hydros Srl	**Bolzano**			
Balance at 12.31.2008		EUR	30,018,000	-
Balance at 12.31.2009		EUR	30,018,000	-
Jesi Energia Spa	**(*) Milan**			
Balance at 12.31.2008		EUR	5,350,000	1.00
Balance at 12.31.2009		EUR	5,350,000	1.00
Montedison Srl (single shareholder)	**(*) Milan**			
Balance at 12.31.2008		EUR	2,583,000	-
Writedown		EUR	-	-
Balance at 12.31.2009		EUR	2,583,000	-
Nuova Alba Srl (single shareholder)	**(*) Milan**			
Balance at 12.31.2008		EUR	2,016,457	-
Advance by shareholders on future capital contributions		EUR	-	-
Writedown		EUR	-	-
Balance at 12.31.2009		EUR	2,016,457	-
Nuova C.I.S.A. Spa in liquidation (single shareholder)	**(*) Milan**			
Balance at 12.31.2008		EUR	1,549,350	1.00
Balance at 12.31.2009		EUR	1,549,350	1.00

(1) Amounts in euros.
(2) Draft financial statements.
(*) Company over which Edison Spa exercises management and coordination authority.

% interest held in share capital	No. of shares or face value of capital interests held	Cost [1]	Revaluations (Writedowns)	Net carrying value [1]	Sharehold. equity in last fin. statements [2]	Pro-rata interest in sharehold. equity	Net profit in last fin. statements [2]	Pro-rata interest in net profit
100.000	4,582,803	76,937,200	(11,354,934)	65,582,266	-	-	-	-
-	-	200,000	-	200,000	-	-	-	-
100.000	4,582,803	77,137,200	(11,354,934)	65,782,266	57,555,588	57,555,588	6,941,142	6,941,142
100.000	81,497,301	81,497,301	-	81,497,301	-	-	-	-
100.000	81,497,301	81,497,301	-	81,497,301	105,848,754	105,848,754	13,083,383	13,083,383
100.000	30,000,000	30,000,000	-	30,000,000	-	-	-	-
100.000	30,000,000	30,000,000	-	30,000,000	298,332,945	298,332,945	145,492,355	145,492,355
90.000	199,800	7,850,898	(3,868,128)	3,982,770	-	-	-	-
90.000	199,800	7,850,898	(3,868,128)	3,982,770	1,514,757	1,363,281	974,500	877,050
0.000	1	950	-	950	-	-	-	-
0.000	1	950	-	950	9,530,623	-	124,417	-
51.000	5,355	24,055,699	(13,500,000)	10,555,699	-	-	-	-
51.000	5,355	24,055,699	(13,500,000)	10,555,699	21,776,185	11,105,854	3,094,858	1,578,378
100.000	-	70,000	(28,621)	41,379	-	-	-	-
-	-	-	(8,821)	(8,821)	-	-	-	-
100.000	-	70,000	(37,442)	32,558	34,170	34,170	(4,238)	(4,238)
40.000	12,007,200	33,379,456	-	33,379,456	-	-	-	-
40.000	12,007,200	33,379,456	-	33,379,456	90,762,173	36,304,869	7,829,078	3,131,631
70.000	3,745,000	15,537,145	-	15,537,145	-	-	-	-
70.000	3,745,000	15,537,145	-	15,537,145	18,069,441	12,648,609	7,140,215	4,998,151
100.000	2,583,000	68,760,329	(64,004,263)	4,756,066	-	-	-	-
-	-	-	(2,036,410)	(2,036,410)	-	-	-	-
100.000	2,583,000	68,760,329	(66,040,673)	2,719,656	2,756,656	2,756,656	(1,907,720)	(1,907,720)
100.000	2,016,457	21,418,550	(20,459,799)	958,751	-	-	-	-
-	-	1,060,000	-	1,060,000	-	-	-	-
-	-	-	(2,018,751)	(2,018,751)	-	-	-	-
100.000	2,016,457	22,478,550	(22,478,550)	-	(109,977)	(109,977)	(2,128,638)	(2,128,638)
100.000	1,549,350	3,500,109	(1,086,596)	2,413,513	-	-	-	-
100.000	1,549,350	3,500,109	(1,086,596)	2,413,513	4,596,129	4,596,129	(157,085)	(157,085)

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

CHF Swiss franc
EUR euro
NLG Dutch guilder
PTE Portuguese escudo
BRL Brazilian real
GBP British pound
EGP Egyptian pound
USD U.S. dollar
LIT Italian lira
TRL Turkish lira

LIST OF EQUITY INVESTMENTS (continued)

Company	Head office	Share capital		
		Currency	Amount	Par value per share
Presenzano Energia Srl (single shareholder)	**Milan**			
Balance at 12.31.2008		EUR	-	-
Newly established company		EUR	120,000	1.00
Balance at 12.31.2009		EUR	120,000	1.00
Sarmato Energia Spa	**Milan**			
Balance at 12.31.2008		EUR	14,420,000	1.00
Writedown		EUR	-	-
Balance at 12.31.2009		EUR	14,420,000	1.00
Selm Holding International Sa	**Luxembourg**			
Balance at 12.31.2008		EUR	24,000,000	120.00
Advance by shareholders on future capital contributions		EUR	-	-
Balance at 12.31.2009		Eur	24,000,000	120.00
Sistemi di Energia Spa	**(*) Milan**			
Balance at 12.31.2008		EUR	-	-
Reclassification to investments in subsidiaries		EUR	10,083,205	1.00
Revaluation		EUR	-	-
Balance at 12.31.2009		EUR	10,083,205	1.00
Società Generale per Progettazioni Consulenze e Partecipazioni Spa (under extraordinary administration)	**Rome**			
Balance at 12.31.2008		LIT	300,000,000	10,000.00
Balance at 12.31.2009		LIT	300,000,000	10,000.00
Termica Cologno Srl	**(*) Milan**			
Balance at 12.31.2008		EUR	9,296,220	-
Esistenza al 31.12.2009		EUR	9,296,220	-
Termica Milazzo Srl	**(*) Milan**			
Balance at 12.31.2008		EUR	23,241,000	-
Balance at 12.31.2009		EUR	23,241,000	-
Volta Spa in liquidation	**Milan**			
Balance at 12.31.2008		EUR	130,000	1.00
Liquidation		EUR	-	-
Balance at 12.31.2009		EUR	130,000	1.00
Total A1. Equity investments in subsidiaries				

(1) Amounts in euros.
(2) Draft financial statements.
(*) Company over which Edison Spa exercises management and coordination authority.

% interest held in share capital	No. of shares or face value of capital interests held	Cost[1]	Revaluations (Writedowns)	Net carrying value[1]	Sharehold. equity in last fin. statements[2]	Pro-rata interest in sharehold. equity	Net profit in last fin. statements[2]	Pro-rata interest in net profit
-	-	-	-	-	-	-	-	-
100.000	120,000	120,000	-	120,000	-	-	-	-
100.000	120,000	120,000	-	120,000	-	-	-	-
55.000	7,931,000	32,180,341	-	32,180,341	-	-	-	-
-	-	-	(12,800,000)	(12,800,000)	-	-	-	-
55.000	7,931,000	32,180,341	(12,800,000)	19,380,341	13,995,999	7,697,699	(5,310,240)	(2,920,632)
99.950	199,900	226,732,571	(177,036,223)	49,696,348	-	-	-	-
-	-	13,493,250	-	13,493,250	-	-	-	-
99.950	199,900	240,225,821	(177,036,223)	63,189,598	62,674,986	62,674,986	812,466	812,466
-	-	-	-	-	-	-	-	-
86.122	8,683,858	4,249,906	(235,669)	4,014,237	-	-	-	-
-	-	-	4,385,763	4,385,763	-	-	-	-
86.122	8,683,858	4,249,906	4,150,094	8,400,000	6,621,510	5,702,577	(1,982,597)	(1,707,452)
59.333	17,800	1	-	1	-	-	-	-
59.333	17,800	1	-	1	-	-	-	-
65.000	6,042,543	6,069,782	-	6,069,782	-	-	-	-
65.000	6,042,543	6,069,782	-	6,069,782	13,524,999	8,791,249	3,480,732	2,262,476
60.000	13,944,600	69,957,191	-	69,957,191	-	-	-	-
60.000	13,944,600	69,957,191	-	69,957,191	55,593,084	33,355,850	11,997,083	7,198,250
51.000	66,300	107,406	(41,106)	66,300	-	-	-	-
-	(66,300)	(107,405)	41,106	(66,299)	-	-	-	-
51.000	-	1	-	1	-	-	-	-
		1,184,894,493	**(304,700,122)**	**880,194,371**				

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

CHF Swiss franc, EUR euro, NLG Dutch guilder, PTE Portuguese escudo, BRL Brazilian real, GBP British pound
EGP Egyptian pound, USD U.S. dollar, LIT Italian lira, TRL Turkish lira

LIST OF EQUITY INVESTMENTS (continued)

Company	Head office	Share capital Currency	Amount	Par value per share
A2. Equity Investments in Joint Ventures (°) and Affiliated Companies				
Coniel Spa in liquidation	**Rome**			
Balance at 12.31.2008		EUR	1,020	0.51
Balance at 12.31.2009		EUR	1,020	0.51
Edipower Spa (pledged shares) (°)	**Milan**			
Balance at 12.31.2008		EUR	1,441,300,000	1.00
Balance at 12.31.2009		EUR	1,441,300,000	1.00
EL.I.T.E. Spa	**Milan**			
Balance at 12.31.2008		EUR	3,888,500	1.00
Balance at 12.31.2009		EUR	3,888,500	1.00
Eta 3 Spa	**Arezzo**			
Balance at 12.31.2008		EUR	2,000,000	1.00
Balance at 12.31.2009		EUR	2,000,000	1.00
Finsavi Srl	**Palermo**			
Balance at 12.31.2008		EUR	18,698	-
Balance at 12.31.2009		EUR	18,698	-
Fiumicino Energia Srl	**Milan**			
Balance at 12.31.2008		EUR	-	-
From the proportional demerger of Energia Spa		EUR	391,795	1.00
Exchange		EUR	(391,795)	(1.00)
Balance at 12.31.2009		EUR	-	-
GASCO Spa (in liquidation)	**Bressanone (BZ)**			
Balance at 12.31.2008		EUR	350,000	1.00
Balance at 12.31.2009		EUR	350,000	1.00
Ibiritermo Sa (pledged shares) (°)	**Ibiritè (Brazil)**			
Balance at 12.31.2008		BRL	7,651,814	1.00
Balance at 12.31.2009		BRL	7,651,814	1.00
Inica Sarl in liquidation	**Lisbon (Portugal)**			
Balance at 12.31.2008		PTE	1,000,000	-
Balance at 12.31.2009		PTE	1,000,000	-
International Water Holdings Bv (°)	**Amsterdam (Netherlands)**			
Balance at 12.31.2008		EUR	40,000	10.00
Balance at 12.31.2009		EUR	40,000	10.00
Kraftwerke Hinterrhein (KHR) Ag	**Thusis (Switzerland)**			
Balance at 12.31.2008		CHF	100,000,000	1,000.00
Balance at 12.31.2009		CHF	100,000,000	1,000.00
Roma Energia Srl in liquidation	**Rome**			
Balance at 12.31.2008		EUR	50,000	-
Liquidation		EUR	(50,000)	-
Balance at 12.31.2009		EUR	-	-

(1) Amounts in euros.
(2) Draft financial statements.
(*) Company over which Edison Spa exercises management and coordination authority.

% interest held in share capital	No. of shares or face value of capital interests held	Cost [1]	Revaluations (Writedowns)	Net carrying value [1]	Sharehold. equity in last fin. statements [2]	Pro-rata interest in sharehold. equity	Net profit in last fin. statements [2]	Pro-rata interest in net profit
35.250	705	308	-	308	-	-	-	-
35.250	705	308	-	308	-	-	-	-
50.000	720,650,000	1,066,368,322		1,066,368,322	-	-	-	-
50.000	720,650,000	1,066,368,322	-	1,066,368,322	2,071,024,741	1,035,512,371	37,139,826	18,569,913
48.450	1,883,940	1,883,940	-	1,883,940	-	-	-	-
48.450	1,883,940	1,883,940	-	1,883,940	3,956,365	1,916,859	128,112	62,070
33.013	660,262	660,262	-	660,262	-	-	-	-
33.013	660,262	660,262	-	660,262	-	-	-	-
50.000	9,349	1	-	1	-	-	-	-
50.000	9,349	1	-	1	-	-	-	-
-	-	-	-	-	-	-	-	-
40.573	158,964	167,804	(9,305)	158,499	-	-	-	-
(40.573)	(158,964)	(167,804)	9,305	(158,499)	-	-	-	-
-	-	-	-	-	-	-	-	-
40.000	140,000	140,000	-	140,000	-	-	-	-
40.000	140,000	140,000	-	140,000	-	-	-	-
50.000	3,825,907	1,161,904	-	1,161,904	-	-	-	-
50.000	3,825,907	1,161,904	-	1,161,904	-	-	-	-
20.000	200,000	1	-	1	-	-	-	-
20.000	200,000	1	-	1	-	-	-	-
50.000	2,000	20,858,497	(20,858,496)	1	-	-	-	-
50.000	2,000	20,858,497	(20,858,496)	1	-	-	-	-
20.000	20,000	11,362,052	-	11,362,052	-	-	-	-
20.000	20,000	11,362,052	-	11,362,052	-	-	-	-
35.000	17,500	455,000	(454,999)	1	-	-	-	-
(35.000)	(17,500)	(455,000)	454,999	(1)	-	-	-	-
-	-	-	-	-	-	-	-	-

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

CHF Swiss franc	EUR euro	NLG Dutch guilder	PTE Portuguese escudo	BRL Brazilian real	GBP British pound
EGP Egyptian pound	USD U.S. dollar	LIT Italian lira	TRL Turkish lira		

LIST OF EQUITY INVESTMENTS (continued)

Company	Head office	Share capital Currency	Amount	Par value per share
Sel-Edison Spa (°)	**Castelbello (BZ)**			
Balance at 12.31.2008		EUR	84,798,000	1.00
Balance at 12.31.2009		EUR	84,798,000	1.00
Sistemi di Energia Spa	**Milan**			
Balance at 12.31.2008		EUR	10,475,000	1.00
Proportional demerger for the benefit of Fiumicino Energia Srl		EUR	(391,795)	(1.00)
Exchange		EUR	-	-
Reclassification to investments in subsidiaries		EUR	(10,083,205)	-
Balance at 12.31.2009		EUR	-	-
Società Gasdotti Algeria Italia - Galsi Spa	**Milan**			
Balance at 12.31.2008		EUR	33,838,000	1.00
Share capital increase		EUR	1,000,000	-
Writedown		EUR	-	-
Balance at 12.31.2009		EUR	34,838,000	1.00
Syremont Spa	**Messina**			
Balance at 12.31.2008		EUR	750,000.00	1.00
Balance at 12.31.2009		EUR	750,000.00	1.00
Utilità Spa	**Milan**			
Balance at 12.31.2008		EUR	2,307,692	1.00
Balance at 12.31.2009		EUR	2,307,692	1.00
Total A2. Equity investments in affiliated companies				
Total A. Equity investments				

(1) Amounts in euros.
(2) Draft financial statements.
(*) Company over which Edison Spa exercises management and coordination authority.

% interest held in share capital	No. of shares or face value of capital interests held	Cost [1]	Revaluations (Writedowns)	Net carrying value [1]	Sharehold. equity in last fin. statements [2]	Pro-rata interest in sharehold. equity	Net profit in last fin. statements [2]	Pro-rata interest in net profit
42.000	35,615,160	35,615,160	-	35,615,160	-	-	-	-
42.000	35,615,160	35,615,160	-	35,615,160	-	-	-	-
40.573	4,250,057	4,249,906	(235,669)	4,014,237	-	-	-	-
-	-	(167,804)	9,305	(158,499)	-	-	-	-
45.549	-	167,804	(9,305)	158,499	-	-	-	-
(86.122)	(4,250,057)	(4,249,906)	235,669	(4,014,237)	-	-	-	-
-	-	-	-	-	-	-	-	-
20.809	7,041,435	13,963,021	-	13,963,021	-	-	-	-
-	208,093	2,080,930	-	2,080,930	-	-	-	-
-	-	-	(2,400,000)	(2,400,000)	-	-	-	-
20.809	7,249,528	16,043,951	(2,400,000)	13,643,951	-	-	-	-
40.000	300,000	400	-	400	-	-	-	-
40.000	300,000	400	-	400	-	-	-	-
35.000	807,692	807,692	-	807,692	-	-	-	-
35.000	807,692	807,692	-	807,692	-	-	-	-
		1,154,902,490	**(23,258,496)**	**1,131,643,994**				
		2,339,796,983	**(327,958,618)**	**2,011,838,365**				

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

CHF Swiss franc EUR euro NLG Dutch guilder PTE Portuguese escudo BRL Brazilian real GBP British pound
EGP Egyptian pound USD U.S. dollar LIT Italian lira TRL Turkish lira

LIST OF EQUITY INVESTMENTS (continued)

Company	Head office	Share capital		
		Currency	Amount	Par value per share

B. Equity Investments Held for Sale Valued at Cost

Company	Head office	Currency	Amount	Par value per share
Aquapur Multiservizi Spa	**Porcari (Lu)**			
Balance at 12.31.2008		EUR	1,073,677	5.16
Balance at 12.31.2009		EUR	1,073,677	5.16
Cerset Srl	**Bari**			
Balance at 12.31.2008		EUR	117,088	-
Balance at 12.31.2009		EUR	117,088	-
Cesi Spa	**Milan**			
Balance at 12.31.2008		EUR	8,550,000	2.50
Balance at 12.31.2009		EUR	8,550,000	2.50
Compagnia Paramatti Finanziaria Spa	**Milan**			
Balance at 12.31.2008 - common shares		LIT	217,631,352	3.00
Balance at 12.31.2009 - common shares		LIT	217,631,352	3.00
Consorzio Industriale Depurazione	**Lucca**			
Balance at 12.31.2008		EUR	45,695	-
Balance at 12.31.2009		EUR	45,695	-
Costruttori Romani Riuniti Spa	**Rome**			
Balance at 12.31.2008		EUR	3,274,429	8,186.07
Balance at 12.31.2009		EUR	3,274,429	8,186.07
Dolomiti Energia Spa (ex Trentino Servizi Spa - T.S. Spa)	**Rovereto (TN)**			
Balance at 12.31.2008		EUR	224,790,159	1.00
Merged in Dolomiti Energia		EUR	186,706,010	-
Balance at 12.31.2009		EUR	411,496,169	1.00
Emittenti Titoli Spa	**Milan**			
Balance at 12.31.2008		EUR	4,264,000	0.52
Balance at 12.31.2009		EUR	4,264,000	0.52
European Energy Exchange Ag - EEX	**Leipzig (Germany)**			
Balance at 12.31.2008		EUR	40,050,000	1.00
Purchase		EUR	-	-
Balance at 12.31.2009		EUR	40,050,000	1.00
Finligure Spa (in bankruptcy)	**Genoa**			
Balance at 12.31.2008		LIT	6,261,874,080	3.135
Balance at 12.31.2009		LIT	6,261,874,080	3.135
Finutenti Spezia Srl in liquidation	**La Spezia**			
Balance at 12.31.2008		EUR	575,841	-
Liquidation		EUR	(575,841)	-
Balance at 12.31.2009		EUR	-	-
Fornara Spa (under extraordinary administration)	**Turin**			
Balance at 12.31.2008 - preferred shares		EUR	3,235,700	0.26
Balance at 12.31.2009 - preferred shares		EUR	3,235,700	0.26

(1) Amounts in euros.

% interest held in share capital	No. of shares or face value of capital interests held	Cost (1)	Revaluations (Writedowns)	Net carrying value (1)	Sharehold. equity in last fin. statements	Pro-rata interest in sharehold. equity	Net profit in last fin. statements	Pro-rata interest in net profit
0.275	573	1	-	1	-	-	-	-
0.275	573	1	-	1	-	-	-	-
0.060	70,380	222	-	222	-	-	-	-
0.060	70,380	222	-	222	-	-	-	-
1.055	36,065	142,910	-	142,910	-	-	-	-
1.055	36,065	142,910	-	142,910	-	-	-	-
0.004	3,992	1	-	1	-	-	-	-
0.004	3,992	1	-	1	-	-	-	-
7.303	3,357	1	-	1	-	-	-	-
7.303	3,357	1	-	1	-	-	-	-
0.500	2	25,823	-	25,823	-	-	-	-
0.500	2	25,823	-	25,823	-	-	-	-
0.010	22,250	25,823	-	25,823	-	-	-	-
(0.005)	-	-	-	-	-	-	-	-
0.005	22,250	25,823	-	25,823	-	-	-	-
3.890	319,000	164,263	-	164,263	-	-	-	-
3.890	319,000	164,263	-	164,263	-	-	-	-
0.749	300,000	660,000		660,000	-	-	-	-
-	3,106	20,500	-	20,500	-	-	-	-
0.757	303,106	680,500		680,500	-	-	-	-
0.035	700	1	-	1	-	-	-	-
0.035	700	1	-	1	-	-	-	-
0.448	2,582	1,937	(1,936)	1	-	-	-	-
(0.448)	(2,582)	(1,937)	1,936	(1)	-	-	-	-
-	-	-	-	-	-	-	-	-
-	63	77	(76)	1	-	-	-	-
-	63	77	(76)	1	-	-	-	-

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

CHF Swiss franc · EUR euro · NLG Dutch guilder · PTE Portuguese escudo · BRL Brazilian real · GBP British pound

EGP Egyptian pound · USD U.S. dollar · LIT Italian lira · TRL Turkish lira

LIST OF EQUITY INVESTMENTS (continued)

Company	Head office	Share capital		
		Currency	Amount	Par value per share
Idroenergia Scrl	**Chatillon (Ao)**			
Balance at 12.31.2008		EUR	1,548,000	-
Balance at 12.31.2009		EUR	1,548,000	-
Immobiliare Caprazucca Spa	**Parma**			
Balance at 12.31.2008		EUR	7,517,948	0.43
Balance at 12.31.2009		EUR	7,517,948	0.43
Istituto Europeo di Oncologia Srl	**Milan**			
Balance at 12.31.2008		EUR	80,579,007	-
Balance at 12.31.2009		EUR	80,579,007	-
Istituto Immobiliare di Catania Istica Spa	**Catania**			
Balance at 12.31.2008		EUR	6,200,000	3.10
Balance at 12.31.2009		EUR	6,200,000	3.10
I.SV.E.UR. Spa	**Rome**			
Balance at 12.31.2008		EUR	2,500,000	1,000.00
Balance at 12.31.2009		EUR	2,500,000	1,000.00
MB Venture Capital Fund I Participating Comp e Nv	**Amsterdam (Netherlands)**			
Balance at 12.31.2008		EUR	50,000	-
Writedown		EUR	-	-
Balance at 12.31.2009		EUR	50,000	-
Mandelli Spa (under extraordinary administration)	**Piacenza**			
Balance at 12.31.2008		EUR	10,200,000	0.51
Balance at 12.31.2009		EUR	10,200,000	0.51
Nomisma - Società di studi economici Spa	**Bologna**			
Balance at 12.31.2008		EUR	5,345,328	0.37
Balance at 12.31.2009		EUR	5,345,328	0.37
Orione - Soc. Ind. per Sic. e Vig. Cons. per Azioni	**Turin**			
Balance at 12.31.2008		EUR	-	-
Purchase		EUR	120,000	1.00
Balance at 12.31.2009		EUR	120,000	-
Pro.Cal Scrl (in bankruptcy)	**Naples**			
Balance at 12.31.2008		LIT	500,000,000	-
Balance at 12.31.2009		LIT	500,000,000	-
Prometeo Spa	**Osimo (AN)**			
Balance at 12.31.2008		EUR	2,164,498	1.00
Third parties conveyence		EUR	127,938	-
Balance at 12.31.2009		EUR	2,292,436	1.00
Reggente Spa	**Lucera (FG)**			
Balance at 12.31.2008		EUR	260,000	0.52
Balance at 12.31.2009		EUR	260,000	0.52

(1) Amounts in euros.

% interest held in share capital	No. of shares or face value of capital interests held	Cost [1]	Revaluations (Writedowns)	Net carrying value [1]	Sharehold. equity in last fin. statements	Pro-rata interest in sharehold. equity	Net profit in last fin. statements	Pro-rata interest in net profit
0.067	1,032	1,032	-	1,032	-	-	-	-
0.067	1,032	1,032	-	1,032	-	-	-	-
0.003	546	1	-	1	-	-	-	-
0.003	546	1	-	1	-	-	-	-
4.284	3,451,632	4,074,528	(550,686)	3,523,842	-	-	-	-
4.284	3,451,632	4,074,528	(550,686)	3,523,842	-	-	-	-
0.058	1,150	1	-	1	-	-	-	-
0.058	1,150	1	-	1	-	-	-	-
1.000	25	5,620	-	5,620	-	-	-	-
1.000	25	5,620	-	5,620	-	-	-	-
7.000	3,500	3,021,823	(436,514)	2,585,309	-	-	-	-
-	-	-	(1,092,871)	(1,092,871)	-	-	-	-
7.000	3,500	3,021,823	(1,529,385)	1,492,438	-	-	-	-
0.000	11	13	(12)	1	-	-	-	-
0.000	11	13	(12)	1	-	-	-	-
2.215	320,000	479,473	(372,000)	107,473	-	-	-	-
2.215	320,000	479,473	(372,000)	107,473	-	-	-	-
-	-	-		-	-	-	-	-
0.218	262	261	-	261	-	-	-	-
0.218	262	261	-	261	-	-	-	-
4.348	21,739,000	11,228	(11,227)	1	-	-	-	-
4.348	21,739,000	11,228	(11,227)	1	-	-	-	-
18.810	407,136	451,289	-	451,289	-	-	-	-
(1.05)	-	-	-	-	-	-	-	-
17.760	407,136	451,289	-	451,289	-	-	-	-
5.209	26,043	13,450	-	13,450	-	-	-	-
5.209	26,043	13,450	-	13,450	-	-	-	-

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

CHF Swiss franc	EUR euro	NLG Dutch guilder	PTE Portuguese escudo	BRL Brazilian real	GBP British pound
EGP Egyptian pound	USD U.S. dollar	LIT Italian lira	TRL Turkish lira		

LIST OF EQUITY INVESTMENTS (continued)

Company	Head office	Share capital		
		Currency	Amount	Par value per share
Sago Spa (in composition with creditors proceedings)	**Florence**			
Balance at 12.31.2008		EUR	1,162,961	2.07
Disposal		EUR	(1,162,961)	(2.07)
Balance at 12.31.2009		EUR	-	-
Sirio - Sicurezza Industriale Scpa - Sirio Scpa	**Turin**			
Balance at 12.31.2008		EUR	120,000	1.00
Balance at 12.31.2009		EUR	120,000	1.00
Sistemi Formativi Confindustria Scpa	**Rome**			
Balance at 12.31.2008		EUR	236,022	516.46
Balance at 12.31.2009		EUR	236,022	516.46
Sistema Permanente di Servizi Spa (in bankruptcy)	**Rome**			
Balance at 12.31.2008		EUR	154,950	51.65
Balance at 12.31.2009		EUR	154,950	51.65
Terminale GNL Adriatico Srl	**Milan**			
Balance at 12.31.2008		EUR	200,000,000	-
Advance on future capital contributions		EUR	-	-
Balance at 12.31.2009		EUR	200,000,000	-
3 R Associati Srl in liquidation	**Bergamo**			
Balance at 12.31.2008		EUR	10,000	-
Balance at 12.31.2009		EUR	10,000	-
Total B1. Equity investments held for sale valued at cost				

(1) Amounts in euros.

% interest held in share capital	No. of shares or face value of capital interests held	Cost [1]	Revaluations (Writedowns)	Net carrying value [1]	Sharehold. equity in last fin. statements	Pro-rata interest in sharehold. equity	Net profit in last fin. statements	Pro-rata interest in net profit
0.997	5,600	15,260	(15,259)	1	-	-	-	-
(0.997)	(5,600)	(15,260)	15,259	(1)	-	-	-	-
-	-	-	-	-	-	-	-	-
0.259	311,00	27		27	-	-	-	-
0.259	311,00	27		27	-	-	-	-
6.565	30	15,494		15,494	-	-	-	-
6.565	30	15,494		15,494	-	-	-	-
12.600	378	1		1	-	-	-	-
12.600	378	1		1	-	-	-	-
10.000	20,000,000	232,144,481		232,144,481	-	-	-	-
-	-	54,300,000		54,300,000	-	-	-	-
10.000	20,000,000	286,444,481		286,444,481	-	-	-	-
0.180	17,98	387,343	(387,342)	1	-	-	-	-
0.180	17,98	387,343	(387,342)	1	-	-	-	-
		295,945,687	**(2,850,728)**	**293,094,959**				

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

CHF Swiss franc	EUR euro	NLG Dutch guilder	PTE Portuguese escudo	BRL Brazilian real	GBP British pound
EGP Egyptian pound	USD U.S. dollar	LIT Italian lira	TRL Turkish lira		

LIST OF EQUITY INVESTMENTS (continued)

Company	Head office	Share capital Currency	Amount	Par value per share
B. Equity Investments Held for Sale Valued at Fair Value				
RCS Mediagroup Spa	**Milan**			
Balance at 12.31.2008:				
- common shares		EUR	732,669,457	1.00
- savings shares		EUR	29,349,593	1.00
		EUR	762,019,050	1.00
Mark-to-market adjustment:				
- common shares		EUR	-	-
- savings shares		EUR	-	-
		EUR	-	-
Balance at 12.31.2009				
- common shares		EUR	732,669,457	1.00
- savings shares		EUR	29,349,593	1.00
		EUR	762,019,050	1.00
Total B2. Equity investments held for sale valued at fair value				
Total B. Equity investments held for sale				

[1] Amounts in euros.

% interest held in share capital	No. of shares or face value of capital interests held	Cost [(1)]	Revaluations (Writedowns)	Net carrying value [(1)]	Sharehold. equity in last fin. statements	Pro-rata interest in sharehold. equity	Net profit in last fin. statements	Pro-rata interest in net profit
1.065	7,801,918	31,163,484	(23,580,020)	7,583,464	-	-	-	-
-	-	-	-	-	-	-	-	-
1.024	7,801,918	31,163,484	(23,580,020)	7,583,464	-	-	-	-
-	-	-	2,309,367	2,309,367	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	2,309,367	2,309,367	-	-	-	-
1.065	7,801,918	31,163,484	(21,270,653)	9,892,831	-	-	-	-
-	-	-	-	-	-	-	-	-
1.024	7,801,918	31,163,484	(21,270,653)	9,892,831	-	-	-	-
		31,163,484	**(21,270,653)**	**9,892,831**	-	-	-	-
		327,109,171	**(24,121,381)**	**302,987,790**	-	-	-	-

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

CHF Swiss franc	EUR euro	NLG Dutch guilder	PTE Portuguese escudo	BRL Brazilian real	GBP British pound
EGP Egyptian pound	USD U.S. dollar	LIT Italian lira	TRL Turkish lira		

LIST OF EQUITY INVESTMENTS (continued)

Company	Head office	Share capital Currency	Amount	Par value per share
C. Equity Investments Held for Trading				
Acegas - APS Spa	**Trieste**			
Balance at 12.31.2008		EUR	283,690,763	5.16
Mark-to-market adjustment		EUR	-	-
Balance at 12.31.2009		EUR	283,690,763	5.16
ACSM - AGAM Spa	**Monza**			
Balance at 12.31.2008		EUR	46,870,625	1.00
Merged in AGAM Spa		EUR	29,748,480	-
Mark-to-market adjustment		EUR	-	-
Balance at 12.31.2009		EUR	76,619,105	1.00
American Superconductor Corp.	**Devens (USA)**			
Balance at 12.31.2008		USD	43,287,057	0.01
Mark-to-market adjustment		USD	-	-
Balance at 12.31.2009		USD	44.788.359	0.01
Totale C. Equity investmente held for trading				

(1) Amounts in euros.

% interest held in share capital	No. of shares or face value of capital interests held	Cost [1]	Revaluations (Writedowns)	Net carrying value [1]	Sharehold. equity in last fin. statements	Pro-rata interest in sharehold. equity	Net profit in last fin. statements	Pro-rata interest in net profit
1.295	712,000	7,466,306	(3,957,570)	3,508,736	-	-	-	-
-	-	-	(598,080)	(598,080)	-	-	-	-
1.295	712,000	7,466,306	(4,555,650)	2,910,656	-	-	-	-
3.175	1,488,000	5,360,000	(3,991,040)	1,368,960	-	-	-	-
(1.233)	-	-	-	-	-	-	-	-
-	-	-	202,368	202,368	-	-	-	-
1.942	1,488,000	5,360,000	(3,788,672)	1,571,328	-	-	-	-
0.357	160,000	4,975,111	(3,099,994)	1,875,117	-	-	-	-
-	-	-	2,667,434	2,667,434	-	-	-	-
0.357	160,000	4,975,111	(432,560)	4,542,551	-	-	-	-
		17,801,417	**(8,776,882)**	**9,024,535**				

CERTIFICATION OF THE STATUTORY FINANCIAL STATEMENTS PURSUANT TO ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 OF MAY 14, 1999, AS AMENDED

1. We, the undersigned Umberto Quadrino, in my capacity as "Chief Executive Officer," and Marco Andreasi, in my capacity as "Dirigente Preposto alla redazione dei documenti contabili societari," employees of Edison Spa, taking into account the provisions of Article 154-*bis*, Sections 3 and 4, of Legislative Decree No. 58 of February 24, 1998, certify that the administrative and accounting procedures applied to prepare the Statutory Financial Statements for the period from January 1, 2009 to December 31, 2009:

   - were adequate in light of the Company's characteristics; and
   - were properly applied.

2. We further certify that:

   2.1. the Statutory Financial Statements:

   a. were prepared in accordance with applicable international accounting principles recognized by the European Union pursuant to Regulation (CE) No. 1606/2002 of the European Parliament and Council of July 19, 2002;
   b. are consistent with the data in the accounting records and other corporate documents;
   c. provide a truthful and fair presentation of the balance sheet, income statement and financial position of the issuer;

   2.2. the Report on Operations includes a reliable analysis of the Group performance and results from operations and of the position of the issuer and of all of the companies included in the scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

Milan, February 8, 2010

Umberto Quadrino	Marco Andreasi
	Il Dirigente Preposto alla redazione
Chief Executive Officer	dei documenti contabili societari

REPORT OF INDEPENDENT AUDITORS

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers SpA

AUDITORS' REPORT IN ACCORDANCE WITH ARTICLE 156 OF LAW DECREE NO. 58 DATED 24 FEBRUARY 1998

To the shareholders of
EDISON SPA

1 We have audited the financial statements of EDISON SpA as of 31 December 2009, comprising the balance sheet, income statement and other components of the comprehensive income statement, cash flow statement, statement of changes in shareholders' equity and related notes. The preparation of these financial statements in compliance with the International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005, is the responsibility of EDISON's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards and criteria recommended by CONSOB. Those standards and criteria require that we plan and perform the audit to obtain the necessary assurance about whether the financial statements are free of material misstatement and, taken as a whole, are presented fairly. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the financial statements of the prior period, which are presented for comparative purposes, reference is made to our report dated 20 February 2009.

3 In our opinion, the financial statements of EDISON SpA as of 31 December 2009 comply with the International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005; accordingly, they have been drawn up clearly and give a true and fair view of the financial position, results of operations and other components of the comprehensive income statement, cash flows and changes in shareholders' equity of EDISON SpA for the year then ended.

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. 3.754.400,00 Euro i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n. 43 dell'Albo Consob – Altri Uffici: **Bari** 70124 Via Don Luigi Guanella 17 Tel. 0805640211 – **Bologna** Zola Predosa 40069 Via Tevere 18 Tel. 0516186211 – **Brescia** 25123 Via Borgo Pietro Wuhrer 23 Tel. 0303697501 – **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 – **Genova** 16121 Piazza Dante 7 Tel. 01029041 – **Napoli** 80121 Piazza dei Martiri 58 Tel. 08136181 – **Padova** 35138 Via Vicenza 4 Tel. 049873481 – **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 – **Parma** 43100 Viale Tanara 20/A Tel. 0521242848 – **Roma** 00154 Largo Fochetti 29 Tel. 06570251 – **Torino** 10129 Corso Montevecchio 37 Tel. 011556771 – **Trento** 38122 Via Grazioli 73 Tel. 0461237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 – **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Poscolle 43 Tel. 043225789 – **Verona** 37122 Corso Porta Nuova 125 Tel.0458002561

PRICEWATERHOUSECOOPERS

4 The preparation of a report on operations and a corporate governance report in compliance with the applicable laws and regulations is the responsibility of the directors of EDISON SpA. Our responsibility is to express an opinion on the consistency of the report on operations and of the information referred to in paragraph 1, letters c), d), f), l), m), and paragraph 2, letter b), of article 123-bis of Legislative Decree No.58/98, presented in the corporate governance report, with the financial statements, as required by article 156, paragraph 4-bis, letter d), of Legislative Decree No.58/98. To this end, we have performed the procedures required under Auditing Standard No. 001 issued by the Italian accounting profession (*Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili*) and recommended by CONSOB. In our opinion, the report on operations and the information referred to in paragraph 1, letters c), d), f), l), m), and paragraph 2, letter b), of article 123-bis of Legislative Decree No.58/98 presented in the corporate governance report are consistent with the financial statements of EDISON SpA as of 31 December 2009.

Milan, 18 February 2010

PricewaterhouseCoopers SpA

Giulio Grandi
(Partner)

This report has been translated from the original which was issued in accordance with Italian legislation

(2)

This document is also available on the
Company website: www.edison.it

Editorial coordination
External Relations and Communications Department

Art direction by
In Pagina, Saronno

Printed by
Grafiche Mariano, Mariano Comense

Milan, March 2010

This publication has been printed on ecological paper with a low environmental impact.

Edison Spa
31 Foro Buonaparte
20121 Milan, Italy

Capital stock: 5,291,700,671.00 euros, fully paid in
Milan Company Register and Tax I.D. No 06722600019
VAT No. 08263330014
REA Milan No. 1698754

EDISON SPA
Foro Buonaparte 31
20121 Milan, Italy
Ph +39 02 6222.1
www.edison.it

EDISON