



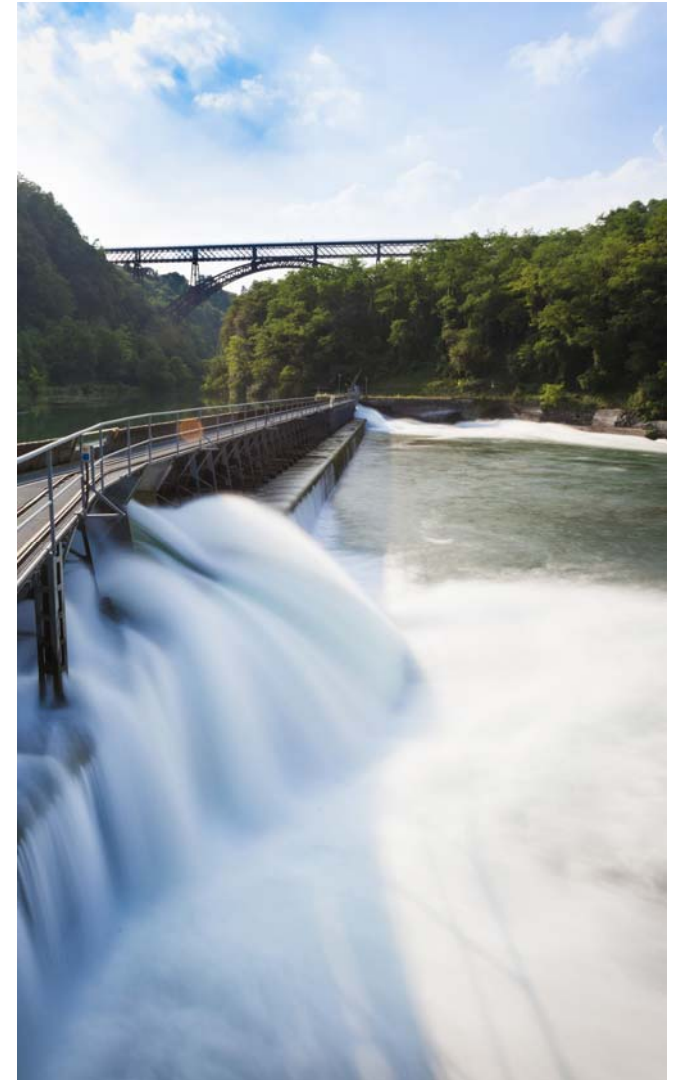
FULL YEAR 2016 RESULTS

Milan, February 2017

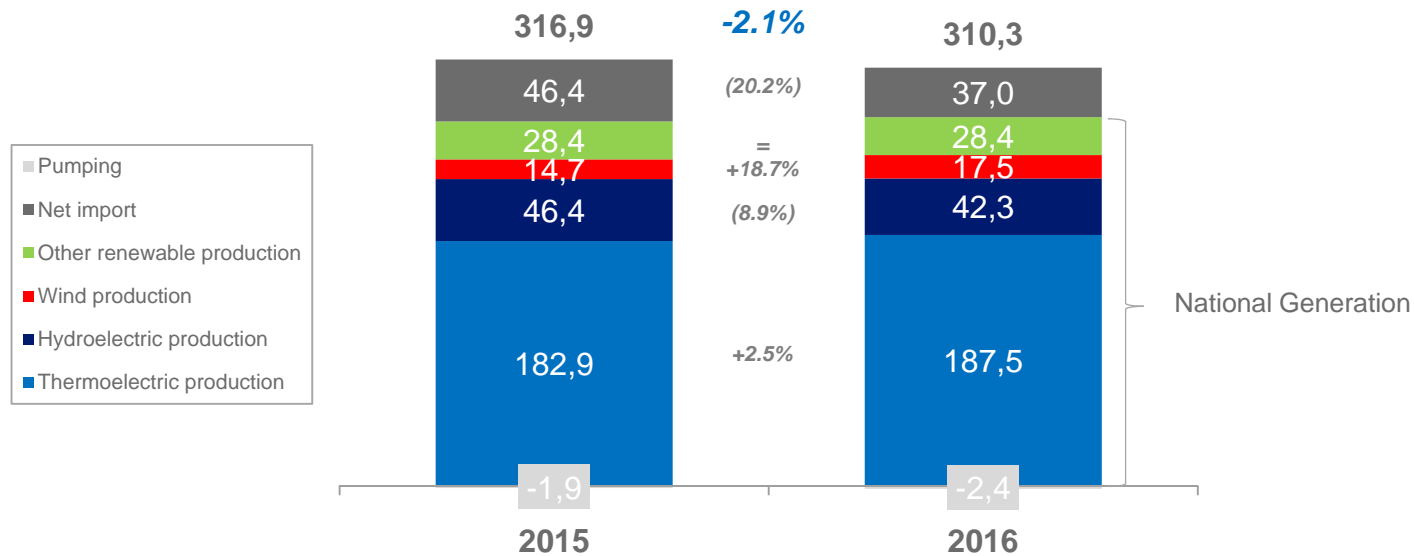


Full Year 2016 results | Feb. 17

BUSINESS ENVIRONMENT

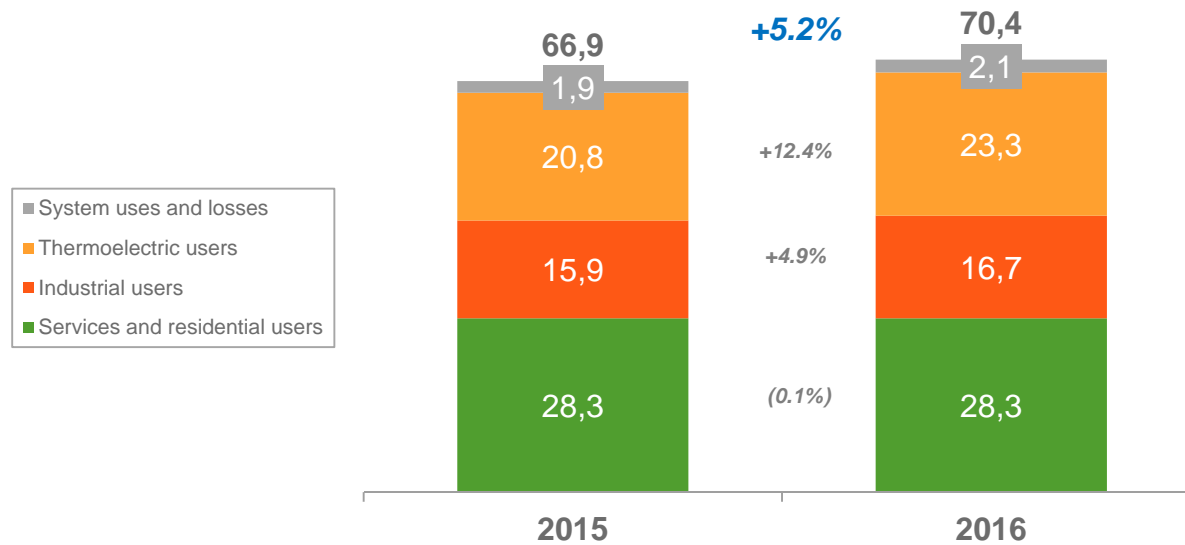


ELECTRIC POWER AVAILABILITY MIX IN ITALY



Power demand decreased by 2.1% due to exceptional temperatures recorded in Q3 2015. The reduction in net imports was balanced by the increase in national generation (+1.2%), enhanced by higher thermal and wind generation.

GAS DEMAND IN ITALY

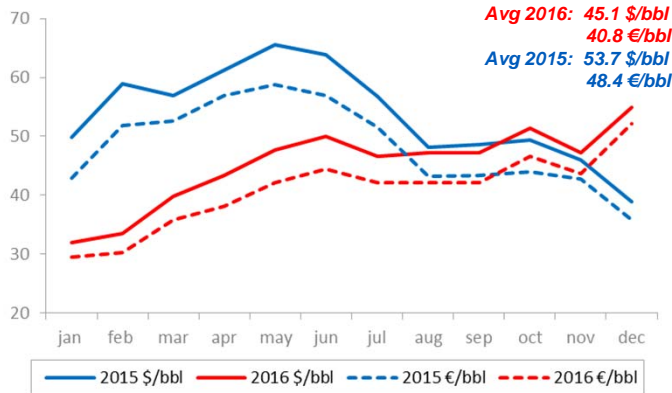


Gas demand remained weak, despite the 5.2% increase due to:

- higher thermal generation, linked to lower hydro and coal power production
- higher consumption of industrial users

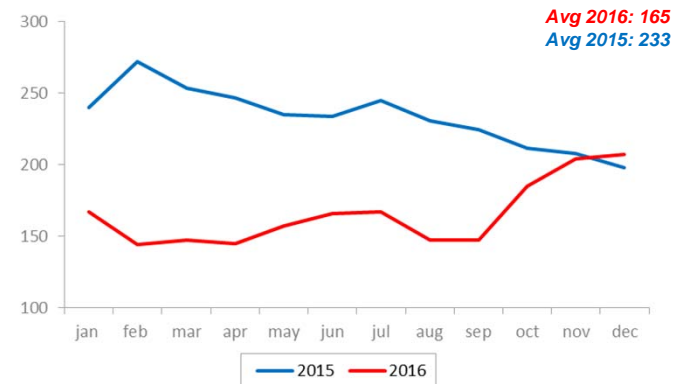
MARKET REFERENCE SCENARIO

BRENT



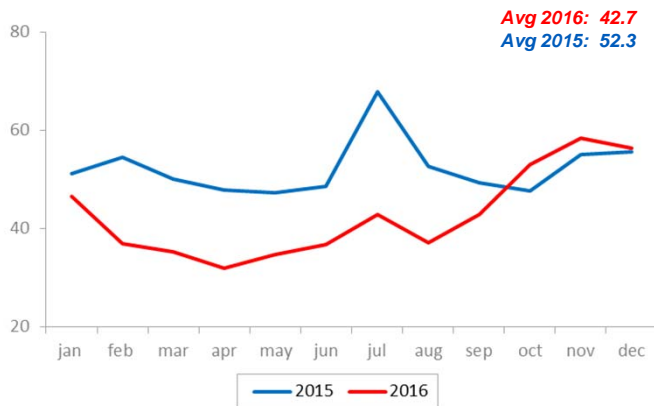
PSV

(€/000scm)



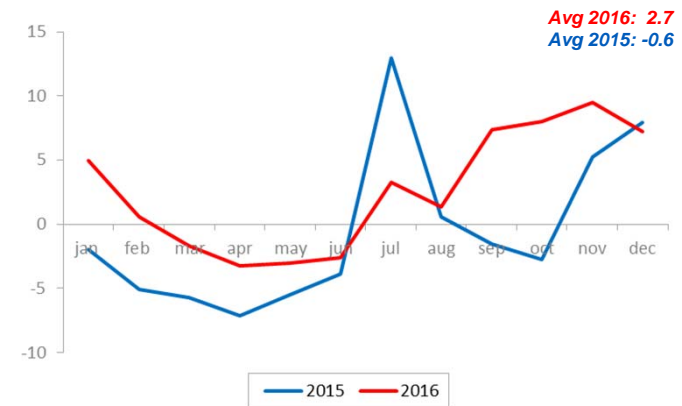
PUN TWA

(€/MWh)



CSS1

(€/MWh)



1. Clean Spark Spread
 Source: Edison

FULL YEAR 2016 RESULTS

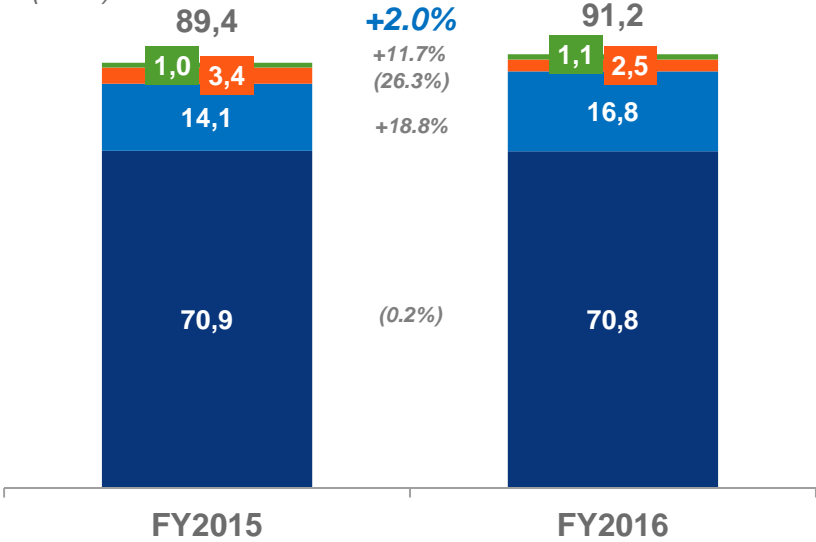
- Electric power and hydrocarbons sources and uses
- Consolidated financial highlights and capital expenditures
- Operating performance
- Net financial debt and cash flow



ELECTRIC POWER VOLUMES IN ITALY

SOURCES

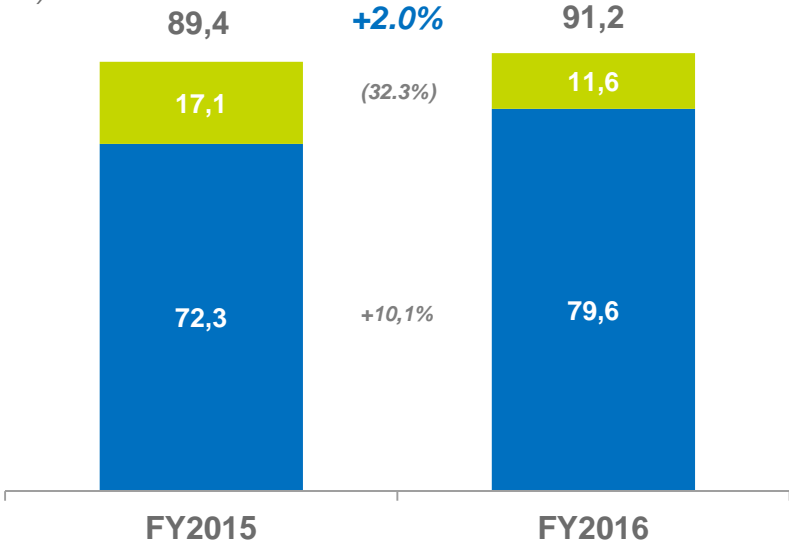
(TWh)



- Wind & other renewable production
- Hydroelectric production
- Thermoelectric production
- Other purchases (a)(wholesalers, IPEX, etc.)

USES

(TWh)



- Other sales (b) (wholesalers, IPEX, etc.)
- End customers (c)



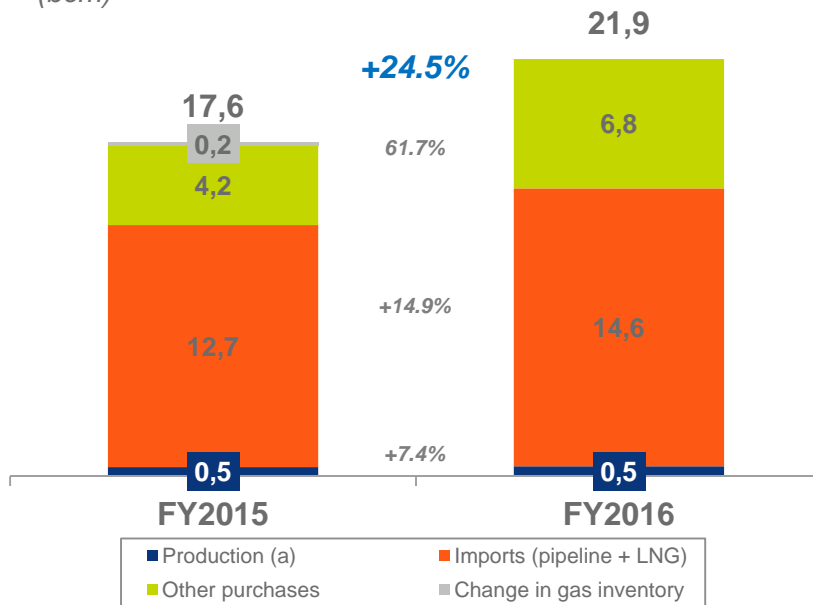
a) Gross of losses, excluding trading portfolio
 b) Excluding trading portfolio
 c) Gross of losses

HYDROCARBONS VOLUMES

GAS PORTFOLIO IN ITALY

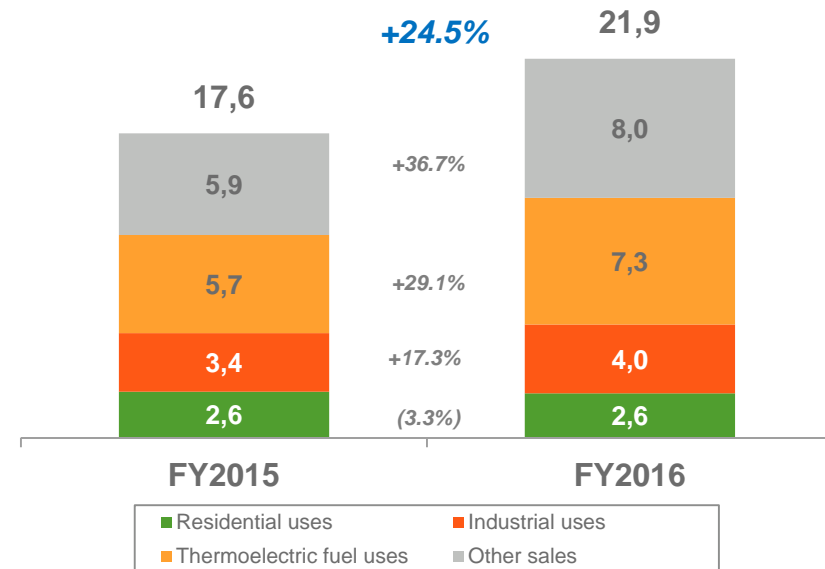
SOURCES

(bcm)



USES

(bcm)



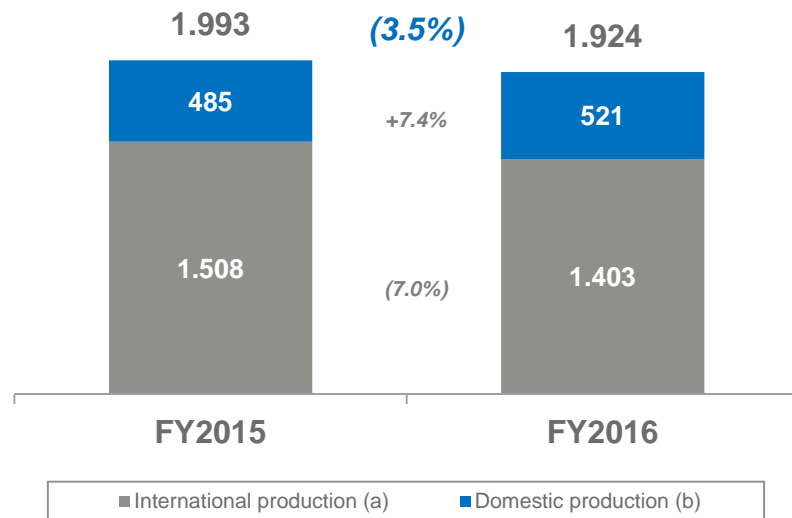
a) Including production from Izabela concession in Croatia imported in Italy

HYDROCARBONS VOLUMES

E&P OPERATIONS

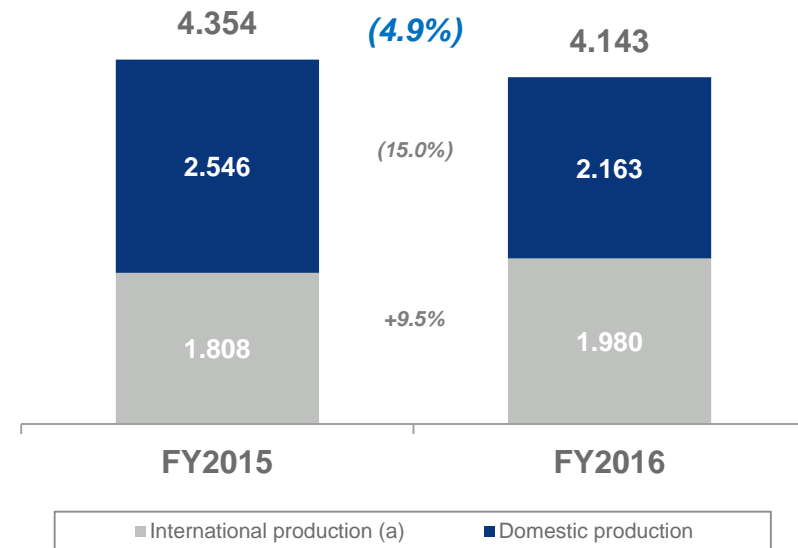
GAS PRODUCTION

(mcm)



OIL PRODUCTION

(kbbbl)



a) International production includes volumes withheld as production tax
 b) Including production from Izabela concession in Croatia imported in Italy

GROUP CONSOLIDATED HIGHLIGHTS

(€ mln)

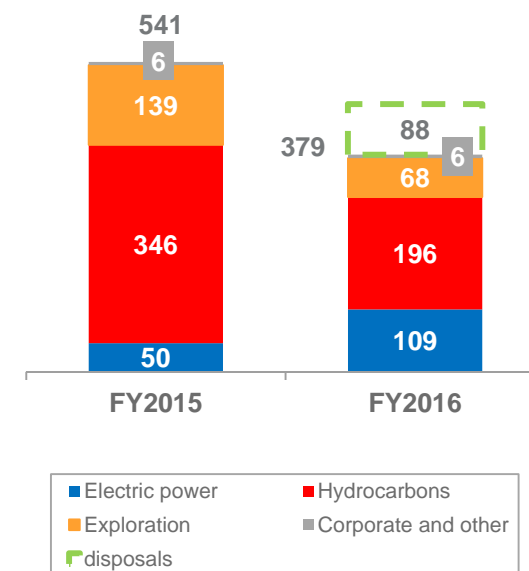
	FY2015	FY2016 ^a	Δ
Sales revenues	11.313	11.034	(2,5%)
EBITDA	1.261	653	(48,2%)
EBIT	(795)	(260)	67,3%
Profit (loss) before taxes	(862)	(347)	59,7%
Group net income (loss)	(980)	(389)	60,3%

Net capex & net financial investments ^b	541	379
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	Dec 31, 2015	Dec 31, 2016 ^a	Δ
Net invested capital	7.023	7.327	4,3%
Net financial debt	1.147	1.062	(7,4%)
Total shareholders' equity	5.876	6.265	6,6%
<i>of which Group's net interest</i>	5.439	5.955	9,5%
Debt/Equity ratio	0,20	0,17	

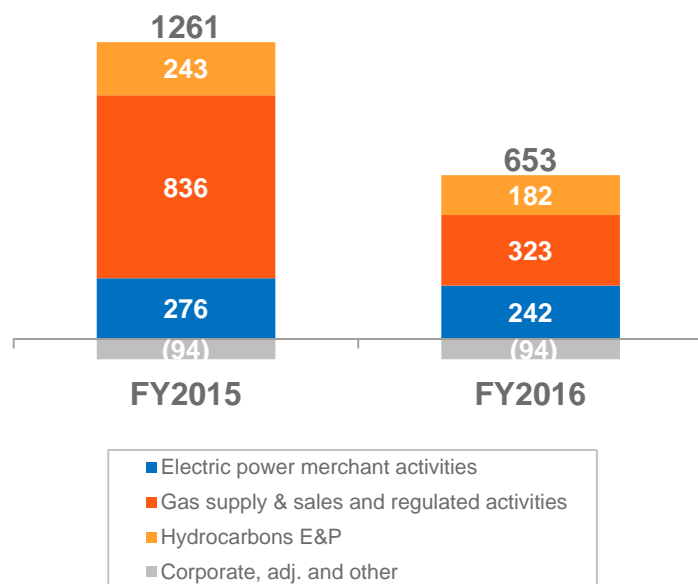
Net capex & net financial investments^{b)}



- a) FY2016 figures include the full consolidation of Fenice from April 1, the swap of Edison participations in Hydros and Sel Edison with 100% of Cellina Energy, fully consolidated from June 1, the acquisition of Idreg Piemonte assets on May 25, the sale of Termica Milazzo on Aug. 1 and the sale of Fenice Russia in September
- b) Including additions to non-current financial assets, net price paid on business combinations and net of proceeds from the sale of intangibles and property, plant and equipment

OPERATING PERFORMANCE BREAKDOWN

(<i>€ mln</i>)	Electric Power			Hydrocarbons			Corporate and other			Total Edison Group		
	FY2015	FY2016	Δ	FY2015	FY2016	Δ	FY2015	FY2016	Δ	FY2015	FY2016	Δ
Sales revenues	6.529	5.682	(13,0%)	5.512	6.031	9,4%	(728)	(679)	6,7%	11.313	11.034	(2,5%)
Adjusted EBITDA (*)	276	242	(12,3%)	1.079	505	(53,2%)	(94)	(94)	0,0%	1.261	653	(48,2%)



EBITDA decreased as a result of:

- Significant one off impact of the award on the Libyan gas arbitration with ENI recorded in 2015
- E&P business hit by decrease in Brent and gas prices
- Decrease in power sales prices and less favorable hydro conditions than in 2015
- Consolidation of Fenice EBITDA for €60mln

Further 5% reduction in OPEX**, after a 12% decrease in 2015

FROM CONSOLIDATED EBITDA TO NET RESULT

(€ mln)	FY2015	FY2016	Δ
EBITDA	1.261	653	(608)
Depreciation, amortization and writedowns	(2.194)	(734)	1.460
<i>of which: Writedowns</i>	<i>(1.534)</i>	<i>(256)</i>	<i>1.278</i>
<i>Exploration costs</i>	<i>(139)</i>	<i>(68)</i>	<i>71</i>
Net change in fair value of commodity derivatives	161	(166)	(327)
Other income (expense), net	(23)	(13)	10
EBIT	(795)	(260)	535
Net financial income (expense)	(29)	(94)	(65)
Income from (Expense on) equity investments	(38)	7	45
Profit (loss) before taxes	(862)	(347)	515
Income taxes	(97)	(25)	72
Profit (loss)	(959)	(372)	587
<i>of which:</i>			
Minority interest in profit (loss)	21	17	(4)
Group interest in profit (loss)	(980)	(389)	591

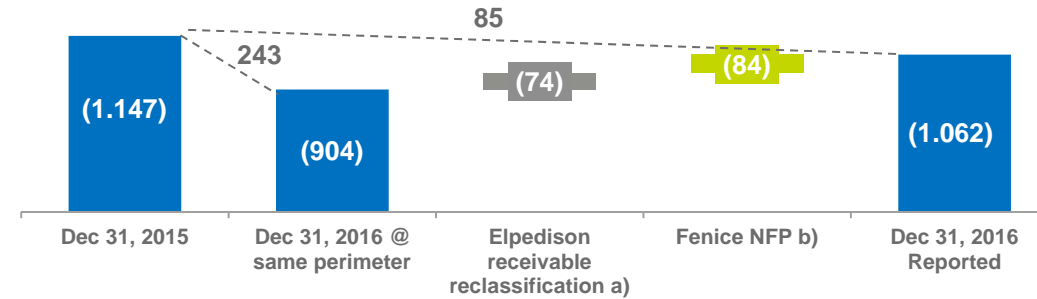
Group loss to €389mln from €980mln as a result of:

- Lower writedowns and exploration costs
- Lower D&A resulting from writedowns recorded in 2015
- Exceptionally positive foreign exchange effects in 2015
- Negative effects of the unconstitutionality of the Robin Hood tax and the reduction of the corporate income tax (IRES) from 2017 for €85mln recorded in 2015

NET FINANCIAL DEBT AND CASH FLOW

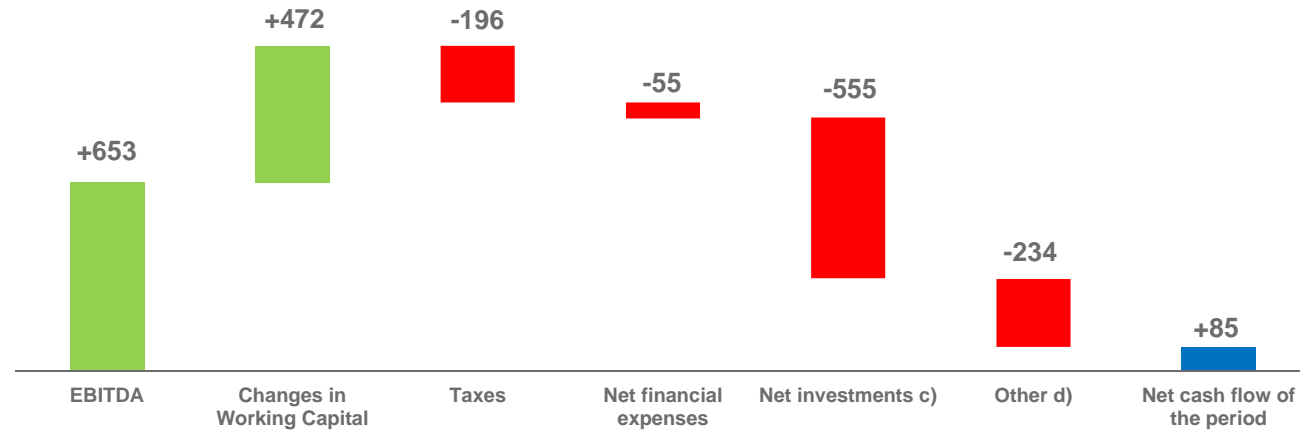
(€ mln)

**FURTHER
REDUCTION OF
NET FINANCIAL
DEBT**



**NFP/EBITDA
1.6X
IN 2016**

**POSITIVE CASH
FLOWS
GENERATION
THANKS TO
EFFECTIVE
OPERATING
WORKING CAPITAL
MANAGEMENT**



- a) Reclassification of the non current portion of loans receivable from Elpedison Sa among Other Financial Assets, following the renewal in Sept. 2016
- b) Consolidated since April 1, 2016
- c) Including capex , disposals, net financial investments and changes in perimeter.
- d) Of which dividends paid to third parties €77mln and non cash items included in EBITDA €76mln

ANNEXES



MARKET REFERENCE SCENARIO

	9M2015	9M2016	Δ	4Q2015	4Q2016	Δ	FY2015	FY2016	Δ
ICE Brent swap (\$/bbl)	56,7	43,0	(24%)	44,7	51,2	14%	53,7	45,1	(16%)
Exchange rate (€/€)	1,11	1,12	0%	1,09	1,08	(1%)	1,11	1,11	(0,3%)
ICE Brent swap (€/bbl)	50,9	38,5	(24%)	40,8	47,5	16%	48,4	40,8	(16%)
Gas Release 2 (€/000 scm) a)	340,5	205,6	(40%)	264,8	212,5	(20%)	321,6	207,3	(36%)
PSV (€/000 scm)	242,0	154,1	(36%)	205,6	198,6	(3%)	232,9	165,3	(29%)
TTF (€/000 scm)	219,3	136,6	(38%)	179,9	181,1	1%	209,5	147,7	(29%)
PUN TWA (€/MWh)	52,1	38,3	(26%)	52,8	55,9	6%	52,3	42,7	(18%)
PUN Peak (€/MWh)	57,1	42,3	(26%)	63,5	65,7	4%	58,7	48,2	(18%)
PUN Off Peak (€/MWh)	49,3	36,2	(27%)	46,9	50,6	8%	48,7	39,8	(18%)
Spark Spread TWA (€/MWh)	2,5	4,4	75%	8,2	11,9	44%	3,9	6,2	59%
Spark Spread Peak (€/MWh)	7,5	8,3	12%	18,9	21,7	15%	10,3	11,7	13%
Spark Spread Off Peak (€/MWh)	-0,3	2,2	n.m	2,3	6,6	n.m	0,4	3,3	n.m
CO2 (€/ton)	7,4	5,3	(29%)	8,4	5,5	(34%)	7,7	5,4	(30%)

Source: Edison

a) At PSV of Snam Rete Gas

ELECTRIC POWER AVAILABILITY MIX IN ITALY

	9M15	9M16	Δ	4Q15	4Q16	Δ	FY15	FY16	Δ
Thermoelectric production	134,6	132,1	(1,9%)	48,2	55,5	15,0%	182,9	187,5	2,5%
Hydroelectric production	37,3	33,8	(9,5%)	9,2	8,5	(6,5%)	46,4	42,3	(8,9%)
Other renewable production	35,2	36,6	4,0%	7,9	9,1	15,2%	43,1	45,9	6,3%
Net production	207,1	202,5	(2,2%)	65,3	73,1	12,0%	272,4	275,7	1,2%
Net import	32,9	31,5	(4,2%)	13,4	5,6	(58,6%)	46,4	37,0	(20,2%)
Pumping	(1,3)	(1,6)	(21,3%)	(0,5)	(0,8)	(41,4%)	(1,9)	(2,4)	27,0%
Total sources	238,7	232,4	(2,6%)	78,2	77,9	(0,4%)	316,9	310,3	(2,1%)

Gross of losses

Source: Terna data and Edison estimates

GAS DEMAND IN ITALY

	9M15	9M16	Δ	4Q15	4Q16	Δ	FY15	FY16	Δ
Services & residential users	18,8	18,1	(3,7%)	9,5	10,2	7,1%	28,3	28,3	(0,1%)
Industrial users	11,9	12,3	2,7%	4,0	4,5	11,3%	15,9	16,7	4,9%
Thermoelectric users	15,2	16,2	6,8%	5,6	7,1	27,6%	20,8	23,3	12,4%
System uses and losses	1,4	1,4	2,5%	0,6	0,7	14,4%	2,0	2,1	6,2%
Total demand	47,3	48,0	1,5%	19,7	22,4	14,0%	66,9	70,4	5,2%

Source: Ministry of Economic Development, SRG and Edison estimates

STATEMENT

As required by Article 154-bis, Section 2, of the Uniform Finance Law (Legislative Decree No 58/1998), Didier Calvez and Roberto Buccelli, in their capacity as “Dirigenti preposti alla redazione dei documenti contabili societari” of Edison S.p.A., attest that the accounting information contained in this presentation is consistent with the data in the Company’s documents, books of accounts and other accounting records.