

PRESS RELEASE

EDISON, EDF ENERGIES NOUVELLES AND F2I ENTER INTO AN AGREEMENT TO CREATE A NEW RENEWABLE ENERGY HUB

The agreement creates Italy's third largest operator in the renewable energy sector with around 600 MW of installed capacity: Edison and EDF Energies Nouvelles will contribute their expertise in the management and optimization of electric power production. Industrial presence in the sector, financial strength and skills enhanced by F2i.

Milan, 31 July 2014. F2i, Edison and EDF Energies Nouvelles entered into an agreement that will lead to the founding of Italy's third largest operator in the renewable energy sector and will control around 600 MW of capacity (mainly wind power), following the combination of the facilities operated by Edison Energie Speciali (EDENS) and of some of the facilities operated by EDF EN Italia.

The new renewable energy hub will contribute to the growth and consolidation of this sector's best operators, leveraging Edison's industrial expertise in managing and optimizing electric power production of different technologies, together with those of EDF Energies Nouvelles in the Operation and Maintenance area (O&M). Financial strength and skills will be enhanced by the presence of a strategic partner such as F2i, a long-term institutional investor with consolidated experience in the renewable energy sector.

The Italian electric power market, while still going through a challenging period, thus confirms its attractiveness for operators capable of optimizing the complementarity of thermoelectric, hydroelectric and other renewable-source power generating assets. By maximizing the value of such expertise, the new company could become an aggregation hub for the operators of medium and smaller-size in the renewable energy sector.

The transaction calls for establishing a new energy player whose shareholders will be F2i, with a 70% interest, and a holding company owned by Edison and EDF Energies Nouvelles, with the remaining 30% (Edison will hold an 83% interest in the holding company and EDF Energies Nouvelles 17%). At the same time, a newly established company of the EDF Group (management company) will supply Operation & Maintenance services to the new energy hub.

The innovative business model will consist of Edison taking delivery at a fixed price of all of the energy produced by the facilities optimizing it with its production portfolio, while the management company will be handling operation and maintenance, guaranteeing technical performance as well as availability of the facilities. This approach will derive full benefit from the existing industrial and operational expertise and will minimize market and operational risks for the new company.

In accordance with the international accounting principles in effect as of January 1, 2014 and the agreed governance, Edison will consolidate the new company on a line-by-line basis, with a positive impact on the Group's net financial position and leverage ratio.

This transaction will make it possible to maximize the value of the existing professional expertise while maintain current staffing levels, in line with Edison and F2i policies.

This transaction is expected to close by the end of the year.

F2i was assisted by Studio Chiomenti, Fichtner, Banca IMI, KPMG e Marsh

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