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Press
Release

ENEL: BOARD OF DIRECTORS APPROVES RESULTS AS OF 31 MARCH 2007

- Revenues: 9,728 million euros (10,251 million in the first quarter of 2006), -5.1%.
- EBITDA: 2,332 million euros (2,107 million in the first quarter of 2006), +10.7%.
- EBIT: 1,709 million euros (1,583 million in the first quarter of 2006), +8.0%.
- Group net income: 943 million euros (842 million in the first quarter of 2006), +12.0%.
- Net financial debt: 14,994 million euros (11,690 million at 31 December, 2006) +28.3%.

This press release uses a number of "alternative performance indicators" not envisaged in the IFRS-EU accounting principles (EBITDA, net financial debt and net capital employed). In accordance with recommendation CESR/05-178b published on November 3, 2005, the criteria used to calculate these indicators are described below.

Rome, 9 May 2007 – The Board of Directors of Enel SpA, chaired by Piero Gnudi, today approved the results for the first quarter of 2007.

Consolidated financial highlights (millions of euros):

	Q1 2007	Q1 2006	Change
Revenues	9,728	10,251	-5.1%
EBITDA	2,332	2,107	+10.7%
EBIT	1,709	1,583	+8.0%
Group net income	943	842	+12.0%
Net financial debt	14,994	11,690*	+28.3%

* at 31 December 2006

Fulvio Conti, Enel CEO, commented: **"2007 has started very well, with results improving thanks in part to the contribution of the International Division. Our steady expansion abroad, efficiency programmes and the investments planned in all Divisions will have a positive impact on operating performance for 2007 as a whole, which is expected to be ahead of that recorded in 2006."**

OPERATIONAL HIGHLIGHTS

Electricity and gas sales

The Enel Group's electricity sales to end customers in the first quarter of 2007 amounted to 43.1 TWh, of which 35.4 TWh was in Italy and 7.7 TWh abroad.

In Italy, total sales of electricity to end customers declined by 5.6%. In particular, sales on the regulated market dipped from 32.6 TWh in the first three months of 2006 to 27.1 TWh in the first quarter this year, a decline of 16.9%, as a result of increased market liberalisation. In contrast, electricity sales on the free market rose from 4.9 TWh to 8.3 TWh, an increase of 69.4%. Enel's electricity sales abroad rose from 2.5 TWh to 7.7 TWh, an increase of 208%, mainly attributable to the acquisition of RusEnergosbyt.

In the gas market, Enel continued its strategic focus on small and medium-sized enterprises (defined as consumption of less than 200,000 cubic meters per year). This strategy helped increase the customer base by 6.4% (2,346,990 at the end of the first quarter of 2007) despite a decline in volumes sold from 2.1 billion cubic metres in the first three months of 2006 to 1.8 billion cubic metres in the first quarter of 2007, a decline of 14.3% compared with a decrease in residential and commercial gas demand of more than 20%.

Power generation

The Enel Group's net generation amounted to 31.6 TWh in the first three months of 2007, of which 22.3 TWh in Italy and 9.3 TWh abroad.

In Italy, Enel's power plants generated 22.3 TWh in the first quarter of 2007, compared with 28.6 TWh in the same period of 2006, a decline of 22.0%. The decline was mainly due to lower electricity demand (-1.6%) and higher net imports (+76.7%). In particular, thermal generation decreased by 5.5 TWh and hydroelectric generation by 0.8 TWh.

Net generation by Enel abroad rose from 3.4 TWh in the first three months of 2006 to 9.3 TWh in the first quarter this year. The increase was mainly attributable to the consolidation of Slovenské Elektrárne and Enel Panama.

Of total net generation by Enel power plants in Italy and abroad, 13.0% came from nuclear plants, 28.4% from renewables (hydro, wind, geothermal and biomass) and 58.6% from thermal generation.

Distribution of electricity and gas

The electricity distributed by the Enel Group amounted to 66.1 TWh, of which 62.9 TWh in Italy and 3.2 TWh abroad. The volume of electricity distributed by Enel in Italy diminished by 2.6%, broadly reflecting trends in domestic electricity demand. Electricity distributed abroad totalled 3.2 TWh, in line with the first quarter of the previous year.

Gas transported totalled 1.4 billion cubic metres, down 0.4 billion cubic metres compared with the first three months of 2006, mainly due to the warm weather registered in the first quarter of 2007.

FINANCIAL HIGHLIGHTS

Consolidated results for the first three months of 2007

Revenues in the first quarter of 2007 amounted to 9,728 million euros, down 5.1% on the corresponding period of 2006 (10,251 million euros). In particular, the revenues of the **International** Division rose from 607 million euros in the first quarter of 2006 to 1,059 million in the first three months of 2007 (up 74.5%), while revenues at the **Domestic Generation and Energy Management** Division and the **Domestic Sales** Division contracted by 513 million euros (-11.3%) and 274 million euros (-4.7%), respectively.

EBITDA increased considerably (+10.7%), rising from 2,107 million euros in the first quarter of 2006 to 2,332 million euros in the first quarter of this year. In particular, EBITDA at the **International** Division rose 80.1% to 317 million euros, while the **Domestic Generation and Energy Management** Division posted EBITDA amounting to 985 million euros (+6.1%), the **Domestic Infrastructure and Networks** Division recorded 905 million euros (+7.0%) and the **Domestic Sales** Division posted 68 million euros (+58.1%).

EBIT in the first quarter of 2007 amounted to 1,709 million euros, up 126 million euros (+8.0%) on the 1,583 million euros in the same period of 2006. In particular, the **Domestic Generation and Energy Management** Division saw EBIT rise by 8.5% to 754 million euros, while that at the **Domestic Infrastructure and Networks** Division grew by 6.9% to 697 million euros, that at the **Domestic Sales** Division increased by 83.3% to 33 million euros and that at the **International** Division rose by 52.0% to 193 million euros.

Group net income for the period totalled 943 million euros, compared with 842 million euros in the first three months of 2006, up by 101 million euros or 12.0%.

The **consolidated balance sheet** at 31 March 2007 showed net capital employed of 35,515 million euros (30,715 million euros at 31 December 2006), financed by shareholders' equity of 20,521 million euros (19,025 million euros at 31 December 2006) and net financial debt of 14,994 million euros (11,690 million euros at 31 December 2006), which increased by 3,304 million euros (+28.3%) from its level at 31 December 2006, primarily as a result of the acquisition of 9.99% of Endesa, partially offset by cash flow generated by operations in the first quarter of 2007. The debt to equity ratio at 31 March 2007 was 0.73, compared with 0.61 at year end-2006.

Capital expenditure in the first quarter of 2007 amounted to 698 million euros, an increase of 198 million euros compared with the first three months of 2006 (+39.6%). The rise is mainly attributable to increased investment in the generation plants of the **Domestic Generation and Energy Management** Division and the **International** Division.

Employees at the end of March 2007 numbered 58,098, down 450 on 31 December 2006. The balance of new hires and exits was negative for 586 units.

SIGNIFICANT EVENTS FOLLOWING THE CLOSING OF THE FIRST QUARTER OF 2007

On 11 April 2007, following the announcement of the failure of the E.On public tender offer for Endesa, Enel (acting through its subsidiary Enel Energy Europe) and Acciona presented Spain's Comision Nacional del Mercado de Valores (CNMV) a joint tender offer for 100% of Endesa's shares.

Also in April, Enel, acting through the Enineftgaz Consortium (40% Enel, 60% Eni), won the tender procedure for the acquisition from Yukos (in liquidation) of important gas assets. The acquisition marks Enel's entry into the upstream segment of the natural gas market.

OUTLOOK

The recent developments in the transaction to acquire Endesa, notably the announcement of the launching of the joint tender offer with Acciona for 100% of the shares of Spain's leading electricity company, strengthen the Group's international growth strategy. Actions to integrate and develop assets already acquired also continue.

In the domestic market, Enel is continuing to consolidate its position, offering targeted service plans to retail customers in anticipation of the complete liberalization of the electricity market in Italy.

The expansion of international operations and the new efficiency programmes undertaken (the Zenith Project), together with planned investment in the various sectors, will have a positive impact on operating results for 2007 as a whole, that are expected to improve further on those recorded in the previous year.

At 6:00 p.m. CET a conference call will be held to present the results for the first quarter of 2007 for financial analysts and institutional investors. Journalists are also invited to listen in on the call. Documentation relating to the conference call will be available on Enel's website (www.enel.it) in the Investor Relations section from the beginning of the event.

Tables summarising performance of the Divisions, as well as the consolidated condensed income statement, the consolidated condensed balance sheet and the consolidated condensed cash flow statement are attached below.

Domestic Sales

Results (millions of euros):

	Q1 2007	Q1 2006	Change
Revenues	5,615	5,889	-4.7%
EBITDA	68	43	+58.1%
EBIT	33	18	+83.3%
Capex	4	9	-55.6%

Domestic Generation and Energy Management

Results (millions of euros):

	Q1 2007	Q1 2006	Change
Revenues	4,023	4,536	-11.3%
EBITDA	985	928	+6.1%
EBIT	754	695	+8.5%
Capex	223	151	+47.7%

Domestic Infrastructure and Networks

Results (millions of euros):

	Q1 2007	Q1 2006	Change
Revenues	1,383	1,375	+0.6%
EBITDA	905	846	+7.0%
EBIT	697	652	+6.9%
Capex	315	288	+9.4%

International

Results (millions of euros):

	Q1 2007	Q1 2006	Change
Revenues	1,059	607	+74.5%
EBITDA	317	176	+80.1%
EBIT	193	127	+52.0%
Capex	144	37	+289.2%

ALTERNATIVE PERFORMANCE INDICATORS

The following section describes a number of alternative performance indicators, not envisaged under the IFRS-EU accounting principles, which are used in this press release in order to facilitate the assessment of the Group's performance and financial position.

- **EBITDA:** an indicator of Enel's operating performance, calculated by adding to the "Operating income" before the "Depreciation, amortization and impairment losses";
- **Net financial debt:** an indicator of Enel's financial structure, calculated as the sum of "Long-term loans", the current portion of such loans and "Short-term loans" less "Cash and cash equivalents" and the current and non-current financial assets (financial receivables and securities other than equity investments) included in "Other current assets" and "Other non-current assets".
- **Net capital employed** is calculated as the sum of "Current assets" and "Non-current assets" net of "Current liabilities" and "Non-current liabilities" with the exception of items not previously considered in the definition of "Net financial debt".

Condensed Consolidated Income Statement

Millions of euros	1st Quarter			Change
	2007	2006		
Total revenues	9,728	10,251	(523)	-5.1%
Total costs	7,396	7,967	(571)	-7.2%
Net income/(charges) from commodity risk management	-	(177)	177	-
GROSS OPERATING MARGIN	2,332	2,107	225	10.7%
Depreciation, amortization and impairment losses	623	524	99	18.9%
OPERATING INCOME	1,709	1,583	126	8.0%
Financial income	188	81	107	132.1%
Financial expense	315	213	102	47.9%
Net financial income/(expense)	(127)	(132)	5	-3.8%
Share of income/(expense) from equity investments accounted for using the equity method	2	1	1	100.0%
INCOME BEFORE TAXES	1,584	1,452	132	9.1%
Income taxes	597	577	20	3.5%
NET INCOME FOR THE PERIOD (Shareholders of the Parent Company and minority interests)	987	875	112	12.8%
Attributable to minority interests	44	33	11	33.3%
Attributable to shareholders of the Parent Company	943	842	101	12.0%
<i>Earnings per share (euro) ⁽¹⁾</i>	<i>0.16</i>	<i>0.14</i>	<i>0.02</i>	<i>14.3%</i>

⁽¹⁾ Diluted earnings per share are equal to earnings per share.

Condensed Consolidated Balance Sheet

Millions of euros

	at March 31, 2007	at Dec. 31, 2006	Change
ASSETS			
Non-current assets			
- Property, plant and equipment and intangible assets	35,892	35,557	335
- Goodwill	2,391	2,271	120
- Equity investments accounted for using the equity method	120	56	64
- Other non-current assets ⁽¹⁾	8,045	3,616	4,429
Total	46,448	41,500	4,948
Current assets			
- Trade receivables	8,121	7,958	163
- Inventories	1,112	1,209	(97)
- Cash and cash equivalents	631	547	84
- Other current assets ⁽²⁾	5,260	3,286	1,974
Total	15,124	13,000	2,124
TOTAL ASSETS	61,572	54,500	7,072
LIABILITIES AND SHAREHOLDERS' EQUITY			
- Equity attributable to the shareholders of the Parent Company	19,832	18,460	1,372
- Equity attributable to minority interests	689	565	124
Total	20,521	19,025	1,496
Non-current liabilities			
- Long-term loans	12,614	12,194	420
- Other provisions and deferred tax liabilities	9,504	9,288	216
- Other non-current liabilities	1,179	1,160	19
Total	23,297	22,642	655
Current liabilities			
- Short-term loans and current portion of long-term loans	6,001	1,409	4,592
- Trade payables	5,726	6,188	(462)
- Other current liabilities and tax provision for the period	6,027	5,236	791
Total	17,754	12,833	4,921
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	61,572	54,500	7,072

(1) Of which long-term financial receivables: €1,096 million at March 31, 2007 and €1,090 million at December 31, 2006.

(2) Of which short-term financial receivables €1,869 million at March 31, 2007 (€251 million at December 31, 2006) and other securities €25 million at March 31, 2007 and December 31, 2006.

Condensed Consolidated Statement of Cash Flow

Millions of euros	1st Quarter		
	2007	2006	Change
Cash flows from operating activities (A)	1,871	1,888	(17)
Investments on tangible and intangible assets	(698)	(500)	(198)
Investments in entities (or business units) less cash and cash equivalents acquired	(4,544)	(55)	(4,489)
Disposals of entities (or business units) less cash and cash equivalents sold	-	372	(372)
(Increase)/Decrease in other investing activities	108	2	106
Cash flows from investing/disinvesting activities (B)	(5,134)	(181)	(4,953)
Change in net financial debt	3,317	(874)	4,191
Increase in share capital and reserves due to the exercise of stock options	30	54	(24)
Cash flows from financing activities (C)	3,347	(820)	4,167
Increase/(Decrease) in cash and cash equivalents (A+B+C)	84	887	(803)
Cash and cash equivalents at beginning of the period	572	508	64
Cash and cash equivalents at the end of the period	656 ⁽¹⁾	1,395	(739)

(1) Of which €25 million in other securities at March 31, 2007.