

Media Relations
Ph. +39 06 83055699
Fax +39 06 83053771
e-mail: ufficiostampa@enel.it

Investor Relations
Ph. +39 06 83057008
Fax +39 06 83053771
e-mail: investor.relations@enel.it
www.enel.it

ENEL ACQUIRES 98 MW OF HYDRO CAPACITY IN BRAZIL FOR 450 MILLION REALS (ABOUT 155 MILLION EURO)

- *The Rede Group sells Enel Latin America 100% stake of 11 companies operating 22 hydro power plants.*
- *Enel strengthens its position in renewables in the Americas.*

Rome, 9 June 2006 – Enel Latin America and the Brazilian company Rede Empresas de Energia Eléctrica SA and its subsidiaries Rede Power do Brasil SA and Tocantins Energia SA (as vendors) have signed an agreement in São Paulo for the sale of the entire share capital of 11 companies in the Rede Group that hold concessions for 22 mini-hydro plants with a total installed capacity of 97.68 MW. The consideration for the transaction totals 450 million reais, equal to about 155 million euro at the current exchange rate.

The closing of the transaction is subject to a number of suspensory conditions, including the approval of the ANEEL (the Brazilian electricity authority).

With this agreement, Enel, through its Enel Latin America subsidiary, continues to pursue its global strategy of developing renewable energy resources, partly with a view to seizing the new opportunities that the Kyoto protocol offers those who work to contain greenhouse gas emissions, especially in emerging countries. Enel also steps into the promising Brazilian energy market, the largest and fastest growing in South America.

Brazil has a total installed capacity of 92,000 MW, of which 75% from hydro sources, and for some time now has been engaged in the liberalisation and privatisation of the sector. The rapid growth in demand means that generation capacity must expand by about 5,000 MW a year, making it an attractive investment opportunity. Enel's experience in Brazil, thanks to Terna's contribution to the development of the country's transmission grid, played a role in the positive outcome of the negotiations.

The Rede Group is an integrated operator in electricity generation, distribution and trading in Brazil, currently serving about 3 million customers.

The 11 companies involved in the transaction are located in three Brazilian states: six with 11 plants and a total capacity of 42.88 MW in Mato Grosso; three with 8 plants and a total capacity of 50.14 MW in Tocantins, and two with 3 plants and a total capacity of 4.66 MW in the state of São Paulo. Separate financials for such companies are not yet available owing to the unbundling of the Rede Group's generation assets from its distribution operations in November last year. Enel expects the assets to contribute about 30 million euro a year to EBITDA.

Enel Latin America is active in Central and South America in the generation of electricity from renewable resources. It is ready to seize all investment opportunities in the sector further developing its presence in a continent characterized by a high energy consumption demand. Currently the company is already present in Costa Rica, Nicaragua, El Salvador, Guatemala and Chile with projects involving a total generation capacity of about 300 MW.

In **Costa Rica** Enel Latin America has two hydro plants (30 MW) and one wind facility (24 MW).

In **Nicaragua** and **El Salvador** the company is working in partnership with La Geo (which has about 100 MW of installed capacity) to develop geothermal resources, a field in which Enel has unique experience at the world level.

In **Guatemala** Enel Latin America operates two hydro plants (63 MW), with a further two under construction (110 MW).

In **Chile** Enel Latin America operates two hydro plants (87 MW) and is conducting explorations for the development of that country's promising geothermal resources in partnership with Enap (Chile's hydrocarbon agency).