press release

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ENEL: NEW TAX LEGISLATION DOES NOT IMPACT THE INCOME STATEMENT

- *The financial effect of bringing forward tax payments is estimated at about €550 million on a consolidated basis for 2005.*
- *Confirmation of announced dividend policy and programme of investments in Italy and expansion abroad.*

Rome, 18 October 2005 – The Board of Directors of Enel SpA, meeting today under the chairmanship of Piero Gnudi, examined the impact on the Group accounts of the tax changes enacted on 14 October. The new rules, set out in Article 2 of the decree law implementing the changes, modify the timing but not the value of the tax deductibility of the depreciation of plant and equipment used in regulated businesses, bringing the tax life of those assets into line with those set for tariff purposes by the Electricity and Gas Authority. This brings forward the payment taxes, with a corresponding deferral of the tax deductibility of depreciation charges.

The change therefore does not have an impact on the income statement, except for the financial effects of the earlier payment of taxes. The impact for the Enel Group in 2005 is estimated at about € 550 million and does not affect the already announced company growth plans .

The modification of the tax regulations will not affect the announced dividend policy, which envisages a pay-out of 100% of ordinary net income - forecast to increase - and the distribution of an annual dividend of at least €0.42 per share, paid on a semi-annual basis, for the 2005, 2006 and 2007 accounting periods.
In 2005 the minimum dividend of €0.42 per share will be supplemented by an interim dividend of €0.19 per share, to be distributed as from 24 November, financed with the capital gains from the disposal of part of Enel's holding in Terna.

The Board also confirmed the plans for investment of about €13 billion in Italy between 2005 and 2009, to be used to reduce generation costs by modernising power stations and to improve service quality.