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## ENEL SELLS WIND TO WEATHER

**Wind valued at €12.138 billion.**

**Enel will remain a partner of Sawiris with a stake of 26% in the holding company that will manage Wind's and Orascom's operations**

- *62.75% of Wind will be sold to Weather by this summer, with the remainder being transferred in the first half of 2006.*
- *Enel will receive a total cash consideration of €3 billion with immediate deconsolidation of more than €7 billion of Wind's debt.*
- *Enel will obtain a stake (26%) for an investment of approximately €2 billion in Weather, the company that will control 100% of Wind and 50% plus one share of Orascom.*
- *Enel and Sawiris agree on the goal of taking Weather public*
- *With the transaction, Enel completes the project launched three years ago to focus on its core business in electricity and gas.*

**Rome, 26 May 2005** - Enel S.p.A. (Enel) and Weather Investments S.A.R.L.(Weather), a company controlled by businessman Naguib Sawiris, have signed the agreement to sell Wind Telecomunicazioni S.p.A. (Wind) to Weather. The total value of the transaction is €12.138 billion.

The agreement provides for a transfer of 62.75% of Wind to Weather. At the same time Sawiris will contribute a stake of 50% plus one share in Orascom Telecom Holding (OTH), the telecommunications company listed in London and Cairo, to Weather.

Enel and Weather have also signed a put and call agreement according to which, in the timeframe between 15 January 2006 and June 30 2006, Enel can transfer and Weather can acquire from Enel the remaining stake of Enel in Wind.

Once the transaction is completed, Enel will receive €3,009 million cash and a stake of 26% in Weather (which will control 100% of Wind and 50% plus one share of Orascom), which is valued at €1,960 million. Upon transfer of its 62.75% of Wind to Weather, Enel will be able to deconsolidate approximately, €7 billion in Wind debt.

Paolo Scaroni, CEO of Enel commented: "With the sale of Wind we have completed the disposal of all businesses unrelated to our core activities in electricity and gas, in accordance with the strategy announced three years ago. The exit of the telecommunications business from the Group's activities will enable Enel to focus its growth on energy in Italy and abroad."

The Wind consolidated financial statements for 2004 approved by the Shareholders' Meeting on 24 March 2005 show revenues of €4,714 million, up 7.6% on the €4,383 million posted in 2003, EBITDA of €1,554 million, an increase of 53.8% with respect to the €1,010 million in 2003, and EBIT of €41 million compared with the negative result of €384 million recorded a year earlier.

The agreement will also lay the foundation for closer cooperation between Wind and Orascom, aiming at a substantial increase in revenues and margins. More specifically, the two companies will aim at expanding their market share in telecoms traffic to and from Europe, the Mediterranean basin and all other countries where Orascom has and will have a key role. Moreover, coordination between the two companies will create a critical mass capable of producing considerable savings, especially in purchasing (e.g. handsets) and capital expenditure.

The transaction will take place on the following financial basis.

At first closing, expected by the 2005 summer on the condition that the transaction receives approval from regulatory authorities, Enel will sell to Weather 62.75% of Wind for € 2,986 million. Enel will use part of the proceeds, equal to €305 million, to acquire a 5.3% interest in Weather.

In the first half of 2006, Enel could transfer its remaining stake in Wind (37.25%) for a consideration of €328 million in cash and newly issued Weather shares that will bring its total equity holding in Weather to 26%.

Enel and Sawiris have signed shareholders' agreements that will govern Weather operations. As part of the arrangements, the parties have agreed on the goal of pursuing a listing for Weather as soon as possible, depending on market conditions, and have undertaken reciprocal lock-up until the company goes public.

A conference call will be held at 18:30 Italian time for financial analysts and institutional investors. Journalists are invited to listen in on the call.