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## €1 BILLION ENEL BOND ISSUE FOR ITALIAN RETAIL INVESTORS

- *Enel returns to the Italian retail investors Bond market with a new issue after 12 years from the latest one. This issue features a minimum lot of €5,000 and a 7-year maturity.*
- *Investors can choose between fixed and floating rates, with the coupons easy to calculate because each one is linked to a single reference rate.*
- *Bonds are issued free of subscription fees and commissions and will benefit from Enel's excellent rating. This issue will be highly liquid, which will facilitate trading on the secondary market.*

**Rome, 10 February 2005** – Consob approved the release of the prospectus for the issue of a maximum total of €1 billion in Enel bonds reserved for Italian investors. After an absence of 12 years, the issue marks the return to the market of Enel bonds, whose performances have long made them a traditional component of the securities portfolios of Italian households. The company has a strong credit rating with the leading international agencies (A+ with a stable outlook from Standard & Poor's; A1 with a stable outlook from Moody's). The issue was approved by the Enel Board of Directors on 28 July 2004. The Company will use the funds to meet the Group's general operating needs and to refinance its own debt.

### Offer period and minimum lot size

The bonds will be offered from 28 February to 18 March 2005, unless the offer is closed earlier, which will in any case not occur before the fifth day from the beginning of the offer. Investors can subscribe for the fixed or floating-rate bonds with a minimum investment of €5,000 for each tranche, equal to 5 bonds with a par value of €1,000 each.

### Maturity, transparency and flexibility

Both the fixed and floating-rate securities have a 7-year maturity (due on March 2012). The principal will be repaid in full at maturity. Investors will be able to trade their bonds (in any nominal multiple of €1,000) at any time at market prices, since the issue will be listed on the Mercato Obbligazionario Telematico (the electronic bond market run by Borsa Italiana S.p.A.), where performance can be tracked daily in specialized newspapers and on the Internet. The two securities have obtained the A+ rating by Standard & Poor's and A1 by Moody's, in line with the rating of Enel

### Coupons and tax treatment

Both tranches coupons are linked to a single reference rate, making them easy to calculate. Subscribers will not be charged any subscription fees or commissions. The final coupon on

the bonds is quoted gross of any applicable tax at the time of payment. The current tax rate is 12.5%.

### **Fixed-rate bonds**

The coupon on the fixed-rate bonds will be calculated as the sum of the 7-year swap rate current at the end of the offer period and an additional spread to be defined at the end of such period. The spread will fall within a range of 10 basis points that will be announced no later than the day before the start of the offer period. The total coupon will be announced within 5 days from the closure of the offer period in a notice published in the *// Sole 24 ore* and/or *MF* newspapers.

In the period from 1 January 2004 to date, the 7-year swap rate ranged from a low of 3.2593% to high of 4.213%; yesterday the 7-year swap rate was 3.2593%.

Coupons will be paid to investors annually.

### **Floating-rate bonds**

For the entire life of the floating-rate bonds, the coupon paid will be calculated as 6-month Euribor plus an additional spread to be determined at the end of the offer period. The spread will fall within a range of 10 basis points that will be announced no later than the day before the start of the offer period. Coupons will be calculated on the basis of the actual number of days in the interest period. The overall coupon for the first period will be announced within 5 days from the closure of the offer period in a notice published in the *// Sole 24 ore* and/or *MF* newspapers.

In the period from 1 January 2004 to date, 6-month Euribor ranged from a low of 1.923% to a high of 2.239%; yesterday 6-month Euribor stood at 2.181%.

Coupons will be paid to investors on a six-monthly basis.

### **Allotment and size of tranches**

The size of the individual tranches will each amount to no less than €250 million, will be set at the end of the subscription period and will take into account the distribution of investors' demand by tranches. In order to ensure the liquidity of the bonds, the banks handling the placement, in agreement with Enel, reserve the right not to issue one of the two tranches, if investors' demand does not reach the aforesaid threshold of €250 million. If the bonds are oversubscribed, investors' applications will be scaled back.

### **Underwriting and placement syndicate**

Enel has engaged Banca Caboto (Banca Intesa Group) and Banca IMI (IMI S. Paolo Group) as lead underwriters. A Management Board composed by Banca Akros (Banca Popolare di Milano Group), Banca Nazionale del Lavoro, Centrobanca (Banche Popolari Unite Group) and Crediop Dexia has also been set up. All major Italian banks and financial services networks will be invited to participate in the placement syndicate.