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ENEL WITHDRAWS FROM IPSE ACQUISITION

Rome, 31 December 2004 – Negotiations for Enel's acquisition of the entire share capital of Ipse were abandoned overnight.

It should be noted that the acquisition, as proposed by Ipse's shareholders, had been approved by the Board of Directors of Enel pending the establishment of certain conditions, before and after the acquisition, safeguarding Enel's position, also at the contractual level, and the interests of its shareholders.

During the final phase of negotiations, divergences emerged regarding some fundamental elements of the acquisition and it was impossible, partly because of the limited time available, to satisfy reciprocal positions regarding guarantees requested for the positive conclusion of the transaction.

Enel has therefore decided to withdraw from the acquisition of Ipse.