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THE BOARD OF ENEL DEFINES THE INDICATIVE VALUATION RANGE FOR TERNA'S CAPITAL

Rome, 3 June 2004 – The Board of Enel met today under the chairmanship of Piero Gnudi and determined the indicative valuation range for Terna's share capital for the sole purpose of facilitating the gathering of expressions of interest from institutional investors. This is part of the Global Offering of Terna shares and their stock market listing.

Taking into consideration the analysis conducted by the Global Coordinators, the indicative valuation range has been set between a minimum of Euro 3.24 billion and a maximum of Euro 3.7 billion (equal to a valuation per share of between a minimum of Euro 1.62 and a maximum of Euro 1.85).

However, this valuation range is not binding in relation to the determination of the maximum offer price or the definitive price of Terna's shares. These will be determined in accordance with the methods indicated in the Prospectus and made public in separate announcements by June 13 and June 20, respectively.

Meetings between Terna's management and institutional investors (roadshow) will begin in Milan on 7 June 2004 and end on 18 June 2004.

The offer reserved for the public in Italy (IPO), for which Mediobanca will act as Placement Manager and Sponsor, will begin on 14 June 2004 and conclude on 18 June 2004, while payment for the shares is scheduled for 23 June 2004.

This offer will be structured as follows:

- an offer reserved for Enel group employees (as defined in the Prospectus);
- an offer for an amount not greater than 50% of the IPO reserved for subjects who on 27 May 2004 (publication date of the Prospectus) were Enel shareholders and also resident in Italy;
- an offer reserved for the general public.

The IPO will include an incentive consisting of the allocation of Terna shares without charge (bonus share) for subscribers who retain ownership of the shares acquired during the IPO without interruption for 18 months. The bonus share will consist of 1 share for every 20 held for the general public and Enel shareholders, and 1 share for every 10 held by employees.

The general public and Enel shareholders will be able to subscribe to the IPO at banks and post offices.

This announcement includes forward-looking statements, including statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate. By their nature, forward-looking statements involve risks and uncertainties, because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance, and that our actual results of operations, financial condition and liquidity and the development of the industry in which we operate may differ materially from those made in or suggested by the forward-looking statements contained in this announcement. In addition, even if our results of operations, financial condition and liquidity and the development of the industry in which we operate are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in future periods.