

ENEL ACQUIRES 37,000 GAS CLIENTS IN SICILY

Enel acquires Sicilmetano and Sicilmetano Energy for 41 million euro. At the end of 2003, Enel's total number of customers in the gas sector will be 1,850,000

Rome, December 17, 2003 – With its agreement to acquire the Sicilmetano group, Enel continues to grow in the distribution and sale of gas. Sicilmetano serves around 37,000 clients in the provinces of Palermo, Catania, Ragusa, Agrigento and Siracuse.

The Sicilmetano group consists of two companies, Sicilmetano Spa (distribution) and Sicilmetano Energy Srl (sales), the latter born as a result of Decree 164/00 which calls for all operators to separate the activities of gas distribution and sale from January 1, 2003.

The total consideration for 100% of the share capital of both companies is 41 million euro. The finalization of the contract depends on the approval of the Antitrust Authority. The multiple paid, in terms of Enterprise Value, for the acquisition is equal to 8.2 times the Sicilmetano group's 2002 Ebitda

Sicilmetano Spa is proprietor of 15 concessions with an average residual duration of 18 years. The Sicily Region's law 26/02, for both distribution and sale, sets out norms which are more favourable than the national ones. (Decree 164/00)

The Sicilmetano group has 43 employees, had 2002 revenues of 14.5 million euro and Ebitda of 5.3 million euro. The group, constituted in 1980, was controlled by the Virlinzi family.

This acquisition gives Enel Gas around 1,850,000 customers and sales of 4.4 billion cubic metres. Enel Gas has ambitious growth plans, aiming to reach 3.3 million customers in 2008, through acquisitions and targeted marketing campaigns, and bringing its market share from its present 11% to 20%.

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