



ENEL SELLS MILAN AND ROZZANO ELECTRICITY DISTRIBUTION NETWORK TO AEM

Rome/Milan, October 29, 2002 - Enel Distribuzione S.p.A. and AEM Distribuzione Energia Elettrica S.p.A. today signed the contract transferring, to the latter, ownership of the division responsible for the distribution and sale of electricity in the municipalities of Milan and Rozzano (385,000 customers and 4,500 kilometres of MV and HV lines). The transfer will take effect as of November 1, 2002.

The sale of the division has taken place according to the conditions established on March 31, 2001 by the Arbitration Panel appointed pursuant to the Bersani Decree. The price has been set at 423,494,658 euros, subject to the outcome of Enel's appeal, brought before the court of Milan at the time, against the Arbitration Panel's decision regarding the value of the division concerned.

Enel and AEM have in any event expressed their mutual willingness to make every effort to reach an out-of-court settlement that will bring the dispute to an end.

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