

ENEL APPROVES 2001 RESULTS

BOARD APPROVES 1 BILLION EURO BUY-BACK PLAN AND PROPOSES A DIVIDEND OF 36 CENTS (+ 38.5%)

NET PROFIT 4,226 MILLION EURO (+168.7%), REVENUE UP 7.6%, GROSS OPERATING MARGIN UP 3.9%, OPERATING RESULT UP 5.4%

STOCK OPTION PLAN FOR 2002 APPROVED

Roma, March 28, 2002 – The Board of Directors of Enel SpA met today under the chairmanship of Chicco Testa and approved the 2001 results.

Wind and the Gas distribution companies acquired during the year, as well as CHI Energy and EGI (U.S. renewable energy companies) have been **wholly consolidated** from January 1, 2001.

Infostrada has been wholly consolidated from April 1, 2001, and subsequently incorporated with Wind from January 1, 2002. To allow a homogeneous comparison of the results, the 2002 data is presented on a pro-forma basis which assumes the full integration of WIND for the entire year and of Infostrada (including the effects of the acquisition) for nine months.

All the 2001 data are, therefore, compared with pro-forma data for the preceding year.

The Group's **total revenues** were 28,781 million euro, an increase of 7.6%.

The gross operating profit (EBITDA) rose 3.9% to 8,536 million euro (8,215 million euro in 2000).

The operating result (EBIT) rose 5.4% to 3,478 million euro, compared with 3,300 million euro in 2000.

The net profit, of 4,226 million euro, **rose 168.7%** from the 1,573 million euro of the previous year.

Demand for electrical energy in Italy in 2001 is estimated at 305.4 TWh, an increase of 2.3% compared with the previous year.

Energy dispatched onto Enel's distribution grid totaled 244.8 TWh, an increase of about 3% compared with 2000 (237.7 TWh).

Total volume sold by Enel in 2001 was 205.8 TWh:

- 170 TWh on the regulated market, a decrease compared with the prior year (201.1 TWh) because of the opening of the free market which, in Italy, rose to 78.4 TWh (+70.1%), of which Enel garnered 26.9 TWh (+28%)

Revenues, at 28,781 million euro, registered an increase of 7.6% mainly as a result of greater Wind/Infostrada revenues (+58%) and the contribution of new activities, including those of the gas, fuel trading and engineering sectors.

The **gross operating margin** (EBITDA) came to 8,536 million euro, an increase of 3.9%. This was thanks to great improvements in efficiency and cost reductions, the improvement of the mix of electricity sales, as well as the contribution of new activities. For the first time, the telecommunications component brought a positive contribution of 28 million euro, compared with a negative 527 million euro in 2000.

The **operating result** (EBIT) came to 3,478 million euro (an increase of 5.4%) even with higher amortization and provisions of 143 million euro in relation to the substantial investments in the telecommunications sector for the construction and development of the network.

The operating result also incorporates the effect of the amortization (420 million euro) of goodwill deriving from the acquisition of Infostrada and other activities.

The **net profit** was 4,226 million euro, an increase of 168.7% compared with the 1,573 million euro of 2000, benefitting also from the capital gains deriving from the sale of Elettrogen, generating activities in Valle D'Aosta and of the metropolitan grids of Rome and Turin.

Without taking the capital gains from the sales into account, the net profit would have been 1,881 million euro (+12% compared with 2000).

The tax rate fell significantly during the year, from 49.8% to 14.1%, thanks to the lower tax rate applicable to capital gains from asset sales, the reversal of deferred tax provisions on reserves of accelerated depreciation and benefits stemming from the application of the Temonti bis law.

The Group **headcount** at the end of 2001, without considering Wind/Infostrada, stood at 64,233, a fall of 11.6% compared with 72,647 at the end of December, 2000. This difference is the result of 7,917 terminations and 3,266 transfers linked to asset sales, and 873 new hires and 670 hires through acquisitions.

Wind/Infostrada employees numbered 8,428 at the end of 2001 compared with 8,521 at the end of 2000. The total number of Group employees at the end of 2001, therefore, stood at 72,661.

Total **net assets** at the end of 2001 stood at 21,109 million euro (18,499 million euro at the end of 2000) and net financial debt was 21,930 million euro, compared with 24,426 million euro on December 31, 2000.

The ratio between debt and net assets at the end of the period was 1.04 (1.32 a fine 2000).

Enel S.p.A. Revenue for the period, made up mainly of the sales of Group companies, was 3,978 million euro, compared with 9,808 million euro in 2000, due to the gradual reduction of operational activities.

During the period, dividends received and relative tax credits totaled 3,387 million euro. These refer to profits achieved by the controlled companies during 2000 and those advanced from 2001. The net profit was 3,578 million euro.

The parent group's net assets at the end of the period were 13,350 million euro. Net financial debt was 7,820 million euro

The Board of Directors called a Shareholder Meeting for May 24, 2002, with a second call for May 25, 2002, at which it will propose the distribution of a unit dividend of 0.36 euro per share, an increase of 38.5% compared with the 2000 unit dividend (0.26 euro). The Board of Directors has proposed June 24 and June 27 as the dividend payment dates (to which an ordinary tax credit of 56.25% will be attributed).

The Board of Directors will also ask shareholder approval, for a period of 18 months from the date of shareholder deliberation, to buy a maximum of 155 million Enel shares (equal to about 2.55% of company capital) through the use of available reserves for an amount no greater than 1 billion euro. The minimum payment price will be the nominal value of the shares (1 euro) while the maximum cannot be more than 5% higher than the market reference price on stock market trading day preceding each single acquisition.

Finally, the shareholder meeting has been called to deliberate with regard to the renewal of the Board of Directors and the appointment of financial auditors; the appointment of KPMG S.p.A. will be proposed to shareholders.

The reclassified tables of the consolidated Income Statement and Balance Sheet of the Enel Group and parent company Enel S.p.A. are attached and it is noted that these tables (the parts relative to 2001) and the notes referring to Group data have been delivered to the Internal Auditors and auditing company for the relevant evaluations.

A conference call with analysts will be held at 17:30 (Italian time). Support material will be available at www.enel.it/investor relations.

The board also approved the 2002 *stock option* plan and the regulations for its implementation, in accordance with the mandate conferred upon it at the Extraordinary Shareholders meeting of May 25, 2001.

According to the plan, company directors identified by the Board of Directors are assigned personal rights ("options") relative to the subscription of a corresponding number of new issue Enel ordinary shares.

In particular, the Board of Directors has today deliberated the allocation of 39,245,000 options for the benefit of 380 Group directors, among them Enel's Chief Executive, in his role of Director General.

The plan states that the options - once the conditions of their implementation have come to pass - can be exercised in the measure of 30% from 2003, a further 30% from 2004 and for the remaining 40% from 2005. In any case, the options cannot be exercised after December 31, 2007.

The exercising of the options is conditional upon the achievement of performance targets established by the Board of Directors.

In particular, the plan establishes that all options allotted can be exercised whenever, during the course of 2002, the EBITDA rises above the value level indicated in the budget and



Enel's stock market performance is higher - in accordance with the criteria indicated in the regulations - than that of a specific index of reference. In the event that even one of the objectives is not met the allotted options automatically lapse.

The *strike price* has been set as the arithmetical average of the stock market reference price for Enel shares for the period from February 28 to March 28 for 2002.

News Release

ENEL GROUP Balance Sheet 2001

Millions of euro

	al 31.12.2001	al 31.12.2000 pro-forma	Variation	al 31.12.2000
Net fixed assets				
Tangibles and intangibles	48.917	50.971	-2.054	38.067
Financial	1.399	695	704	1.465
Total	50.316	51.666	-1.350	39.532
Net working capital				
Clients	6.863	4.444	2.419	3.709
Inventories	1.932	1.708	224	1.651
Other activities and CCSE	870	2.792	-1.922	2.723
Suppliers	-6.176	-6.107	-69	-4.538
Net tax liability	-995	-196	-799	-239
Other liabilities	-5.619	-5.336	-283	-4.866
Total	-3.125	-2.695	-430	-1.560
Gross invested capital	47.191	48.971	-1.780	37.972
Other funds				
Employee termination fund	-1.418	-1.557	139	-1.525
Supplimentary pension fund	-430	-414	-16	-413
Net deferred taxation fund	-1.219	-2.862	1.643	-3.152
Other funds	-1.085	-1.213	128	-1.170
Total	-4.152	-6.046	1.894	-6.260
Net invested capital	43.039	42.925	114	31.712
Group net assets	20.966	18.312	2.654	18.312
Third party net assets	143	187	-44	17
Total net assets	21.109	18.499	2.610	18.329
Total net debt	21.930	24.426	-2.496	13.383
TOTAL	43.039	42.925	114	31.712

ENEL GROUP - Income Statement 2001

Millions of euro		(%)		(%)		(%)		(%)
	2001		2000 pro-forma		2001-2000		2000	
Revenue								
Electrical energy and CCSE contribution	21.660	75,3	22.556	84,3	(896)	(4,0)	22.564	89,9
Telecommunication services	2.817	9,7	1.778	6,6	1.039	58,4		0,0
Other revenues	4.304	15,0	2.426	9,1	1.878	77,4	2.545	10,1
Total revenues	28.781	100,0	26.760	100,0	2.021	7,6	25.109	100,0
Operating costs								
Cost of labour	3.722	12,9	3.786	14,1	(64)	(1,7)	3.531	14,1
Cost of fuel	5.249	18,2	5.644	21,1	(395)	(7,0)	5.644	22,5
Electrical energy from third parties	3.649	12,7	4.373	16,3	(724)	(16,6)	4.373	17,4
Interconnection and roaming	1.424	4,9	1.027	3,8	397	38,7		0,0
Services and use of third party goods	4.209	14,6	2.949	11,0	1.260	42,7	2.453	9,8
Fuel for trading and gas for distribution	1.005	3,5	122	0,5	883		122	0,5
Materials	1.344	4,7	1.048	3,9	296	28,2	726	2,9
- Altri costi	577	2,0	525	2,0	52	9,9	392	1,6
Other costs	(934)	(3,2)	(929)	(3,5)	(5)	(0,5)	(878)	(3,5)
Total operating costs	20.245	70,3	18.545	69,2	1.700	9,2	16.363	65,2
GROSS OPERATING MARGIN	8.536	29,7	8.215	30,8	321	3,9	8.746	34,8
Amortization and provisions								
Technical-economic amortizations	4.459	15,5	4.298	16,1	161	3,7	3.459	13,8
Provisions and write-downs	599	2,1	617	2,3	(18)	(2,9)	534	2,1
Total amortizations and provisions	5.058	17,6	4.915	18,4	143	2,9	3.993	15,9
OPERATING RESULT	3.478	12,1	3.300	12,4	178	5,4	4.753	18,9
Net financial income (charges)	(1.110)	(3,9)	(985)	(3,7)	(125)	(12,7)	(648)	(2,6)
Real estate write-downs	(85)	(0,3)	(38)	(0,1)	(47)	(123,7)	(458)	(1,8)
RESULT BEFORE EXTRAORDINARIES AND TAXES	2.283	7,9	2.277	8,6	6	0,3	3.647	14,5
Net extraordinary income (charges)	2.318	8,1	178	0,7	2.140		192	0,8
PRETAX RESULT	4.601	16,0	2.455	9,3	2.146	87,4	3.839	15,3
Taxation of the results of the period	649	2,3	1.222	4,6	(573)	(46,9)	1.649	6,6
GROUP PROFIT AND MINORITIES	3.952	13,7	1.233	4,7	2.719	220,5	2.190	8,7
Minority interests	274	1,0	340	1,3	(66)	(19,4)	(2)	0,0
GROUP PROFIT	4.226	14,7	1.573	6,0	2.653	168,7	2.188	8,7

ENEL SPA - 2001

Millions of Euros

INCOME STATEMENT	2001	2000	2001-2000
Revenue:			
- Sales of Group companies	3.542,1	5.850,8	(2.308,8)
- Contributions from CCSE	--	3.490,6	(3.490,6)
- Other revenues from Group companies	303,7	362,0	(58,2)
- Other income	131,8	104,3	27,5
Total revenue	3.977,6	9.807,7	(5.830,1)
Operating costs:			
- Cost of labour	56,6	116,4	(59,8)
- Fuel purchases	2.267,5	4.522,3	(2.254,8)
- Purchases of electrical energy	868,0	4.308,5	(3.440,5)
- Supply of services and use of third party goods	239,0	196,4	42,6
- Other costs	108,7	69,5	39,1
Total operating costs	3.539,8	9.213,2	(5.673,4)
GROSS OPERATING MARGIN	437,8	594,6	(156,8)
Amortizations and provisions	104,2	110,0	(5,8)
OPERATING MARGIN	333,6	484,6	(150,9)
- Income from shareholdings	3.386,9	820,0	2.566,9
- write-down of shareholdings	(1.380,5)	(826,7)	(553,9)
- Net financial income (charges)	(384,6)	(335,4)	(49,2)
- Net extraordinary income (charges)	3.005,6	279,2	2.726,3
PRETAX PROFIT	4.961,0	421,8	4.539,3
Taxation for the period	1.382,6	195,8	1.186,8
NET PROFIT FOR THE PERIOD	3.578,4	225,9	3.352,5

ENEL SPA - 2001

Millions of €uro

BALANCE SHEET	2001	2000	2001-2000
Net fixed assets:			
- Tangible and intangible	25,0	56,3	(31,3)
- Financial	21.183,5	18.977,8	2.205,8
Total	21.208,5	19.034,1	2.174,4
Net working capital:			
- Clients	23,1	25,1	(2,0)
- Inventories	0,6	5,4	(4,8)
- Net credits towards CCSE	0,8	1.424,0	(1.423,2)
- Other activities	630,9	747,7	(116,8)
- Net credits towards units and associates	49,7	391,7	(342,1)
- Net tax credits	302,5	762,4	(459,9)
- Suppliers	(662,6)	(2.237,5)	1.574,9
- Other liabilities	(229,8)	(576,6)	346,8
Total	115,2	542,3	(427,2)
Gross invested capital	21.323,7	19.576,4	1.747,3
Diverse funds	(154,1)	(242,2)	88,1
Net invested capital	21.169,6	19.334,2	1.835,4
Net assets	13.349,9	11.349,6	2.000,3
Total financial debt	7.819,7	7.984,6	(164,9)
Total	21.169,6	19.334,2	1.835,4