ENEL: ENELPOWER TO BUILD BRAZIL'S NORTH-SOUTH POWER TRANSMISSION BACKBONE

Rome, March 7, 2002 - Enelpower, the engineering and construction company of Italy's Enel SpA, signed an agreement with Brazil's energy authority (ANEEL or Agencia Nacional de Energia Electrica) for the construction of a 500 kV, 1,278 Km electrical energy transmission line.

Enelpower will hold a 30-year Build-Operate-Transfer (BOT) concession for the transmission line which will allow it to build, manage and eventually transfer the line to a third party. Running north-south through Maranhao, Tocantins and Goias, will form a part of Brazil's national grid, Rede Basica. Enelpower will also expand six existing primary sub-stations.

The project, which will have a total value of around Euro 400 million and will take 24 months to build. It will be 70% funded through project financing arranged by the Banco Nacional de Desenvolvimento in the local currency. As a part of the operation, Enelpower will hold 90% of a special purpose company, Novatrans, and will become lead developer for the entire project. The remaining 10% of Novatrans will be held by Civilia Engenharia Ltda.

This agreement makes Enelpower one of the key builders of Brazil's high voltage transmission backbone. In December, 2000, it signed a similar agreement for the construction of a northeast-southeast transmission line of 1,095 km in length.

EnelPower Chief Executive Luigi Giuffrida said: "This new success in Brazil validates our strategy which is aimed exporting our expertise and our skills abroad for the development of important initiatives in the energy sector in markets with great growth potential."

Enelpower was born in early 1999 when Enel, recently transformed into a joint stock company, hived off its engineering and construction business to capitalize on the group's vast experience and knowhow.

Since then, Enelpower has become an engineering- procurement-construction leader with 2001 revenues estimated of over Euro 1 billion and an order backlog of almost triple that value.