

PRESS RELEASE

Initiative involves properties worth over ITL 1000 billion

ENEL: INTERNATIONAL JOINT VENTURE IN REAL ESTATE SECTOR

Sei, the Group's property company, to reduce fixed assets by ITL 750 billion. Partners to be ACP, GE Pension Fund, the State of Singapore and KBC Bank.

Rome, March 7, 2000 – A meeting of the Board of Directors of Sei, the Enel Group's property arm with real estate assets worth over ITL 5,800 billion, has today approved the incorporation of a new company to manage and develop a group of 42 properties with a total value of approximately ITL 1,000 billion.

51% of the new company is to be acquired by American Continental Properties Institutional Investors (ACPII), a company in which the US property company ACP, General Electric Pension Fund, the Government Investment Corporation of Singapore and the Belgian bank, KBC are shareholders. Sei will maintain a holding of 49% in the company.

As a result of the operation, Sei will reduce its fixed assets by ITL 750 billion.

The registered office of the new company, which is to be incorporated under Italian law, will be located in Milan. The Board of Directors will have 4 members with ACPII and Sei nominating 2 members each.

The 50-50 composition of the Board of Directors and the specific undertakings given by the parties ensure joint decision-making with regard to investments, acquisitions and disposals.

A further reduction in Sei's fixed assets will take place as a result of the sale of the property in Piazza Verdi. A portion of the property is to be acquired by the CONSOB, with the remaining portion to be purchased by the State on behalf of the Italian Antitrust Authority. The sale is in the process of completion.