

PRESS RELEASE

ENELPOWER (ENEL GROUP): ENTERS BRAZILIAN MARKET WITH THE ACQUISITION OF 30% OF INEPAR ENERGIA

Rome, July 25, 2000 – Enel’s Board of Directors has given the go-ahead to Enelpower (Enel Group) to acquire a shareholding in Inepar Energia, a group operating in the electricity sector in Brazil and Argentina. Inepar Energia is listed on the Sao Paolo Stock Exchange.

Enelpower’s acquisition of a stake in the Brazilian group will take place, once the necessary authorization required by local legislation has been received, via the subscription of a 30% of the share capital.

The cost of the investment will be about ITL 170 billion. The capital raised is to be used to finance new investments including a coal-fired power plant generating 1,320 MW at Sepetiba.

ENELPOWER will partner the current shareholders, the Inepar Industrias e Construções industrial group, the BNDESPAR (the holding company of the Brazilian Development Bank BNDES) and a number of Brazil’s leading pension funds, in the management of Inepar Energia.

Inepar Energia, which operates in the distribution, transmission and generation of electricity in Brazil and as a generator alone in Argentina, plays an active part in the development of new power plants, with a portfolio of projects equivalent to nearly 3,200 MW, some of which nearing completion.

The investment in Inepar Energia forms part of Enelpower’s international strategy, which seeks to play a leading role in the development of new generating plants and transmission lines in international markets open to foreign investment and with significant growth potential. The Brazilian and Argentine markets are highly deregulated and open to foreign investors. Projected growth in demand will require the installation of between 4,000 and 5,000 MW of generating capacity per year over the next decade.