



**Proposed dividend of ITL 252 per share, up 8.6% on 1999**

**ENEL: REVENUES UP 20% TO ITL 48,618 BILLION. NET INCOME TOTALS ITL 4,236 BILLION**

*Limited impact of tariff cuts and market liberalization on Group's operating results - EBITDA totals ITL 16,935 billion, down 2.6% versus 1999*

Rome, March 30, 2001 – A meeting of Enel's Board of Directors, chaired by Chicco Testa, today examined and approved the results for the year 2000.

The **consolidated accounts** of the Enel Group report **net income of ITL 4,236 billion** and provide evidence of the Group's exceptional performance over a year marked by a tariff cut of approximately 11% imposed by the Regulatory Authority for Electricity and Gas, the opening up of the market and the definitive start of liberalization of the sector.

**Revenues amounted to ITL 48,618 billion**, up around 20% with respect to 1999.

The volume of electricity sold by the Enel Group during 2000 amounted to 222.9 TWh (230.5 TWh in 1999), of which 201.1 TWh was sold by Enel to tied customers and 21.8 TWh was sold on the free market, where the Group had a market share of approximately 49%.

The reduction in prices applied to the captive market, following the tariff cuts imposed, and the decline in volumes resulting from market liberalization were partially compensated for by an improved mix produced by higher sales to low voltages. Overall, taking into account Enel Trade's sales on the free market, the reduction in revenues from electricity sales was limited to 6.3% (down ITL 1,662 billion compared with 1999).

The rise in fuel prices led to a 60.8% increase in contributions from the Electricity Industry Equalization Fund, which caused the Group's total revenues to register an increase of around 20%, as mentioned above.

The year also witnessed growth in revenues from the following sources: dispatching fees earned by Terna and Enel Distribuzione on the electricity transported over their networks (+ITL 1,732 billion); new activities in the gas sector (+ITL 124 billion); the start-up of fuel trading (+ITL 153 billion).

Significant improvements in efficiency and the profits from diversified businesses allowed the Group to limit the reduction in EBITDA (**amounting to ITL 16,935 billion in 2000**) to just 2.6% compared with 1999, despite the effect of lower electricity sales revenues.

**EBIT totaled ITL 9,204 billion**, down 11.7% with respect to 1999, partly due to increased amortization, depreciation and provisions. This was primarily linked to:

- the charge of ITL 197 billion deriving from the winding up of the annual depreciation of the Electricity Industry Pension Fund,
- provisions of ITL 227 billion to cover stranded costs, which were prudently estimated in the attendance of the ruling from the Regulatory Authority for Electricity and Gas.

After excluding such charges and other non-recurring expense items, EBIT improves by ITL 464 billion to ITL 9,668 billion (down 7% on 1999, fully due to increased depreciation).

Net interest expenses rose from ITL 1,131 billion in 1999 to ITL 1,256 billion in 2000, representing an increase of 11.1%. This reflected an increase in the average level of debt and the rise in interest rates, which was partially compensated for by a restructuring of the Group's debt.

Net extraordinary income amounted to ITL 371 billion, in contrast to net expense of ITL 497 billion in 1999 deriving from the substantial cost of early retirement incentives.

Income tax expense for the period totaled ITL 3,193 billion, based on an effective rate of taxation of 43%, compared with 49% in 1999, due to the impact of future reductions in rates of taxation on deferred taxes.

**Net income attributable to the Enel Group amounted to ITL 4,236 billion**, compared with the ITL 4,541 billion of 1999 after excluding the effect of non-recurring expense items, net profit sets at ITL 4,522 billion.

Cash flow from recurring activities totaled ITL 9,484 billion (ITL 13,512 billion in 1999), reflecting the increase in receivables linked to fuel price trends.

Net invested capital totaled ITL 61,403 billion at the end of 2000 compared with ITL 57,467 billion at the end of the previous year. The increase was due to: ITL 1,327 billion increase in working capital related to higher fuel prices and receivables, growth of ITL 1,396 billion in fixed asset increases, primarily linked to the higher holding in Wind; a ITL 1,041 billion decrease in provisions.

**Net debt amounts to ITL 25,914 billion**, up 10.7% with respect to the end of 1999, giving a debt to equity ratio of 0.73.

The Group's shareholders' equity totals ITL 35,457 billion (ITL 34,034 billion at the end of 1999).

At December 31, 2000, the **Group's headcount stood at 72,647** compared with 78,511 at the end of 1999. This represents a reduction of 7.5%.

**Enel S.p.A.** Enel Spa's results are not comparable with the unbundling operations that took place.

Enel S.p.A operated as a fully integrated company in the generation, transmission, distribution and sale of electricity in the first nine months of 1999.

Revenues in 2000 amounted to ITL 18,990 billion, whilst operating income totaled ITL 938 billion. The Company earned dividends totaling ITL 1,071 billion during the year.

Net income for the period amounted to ITL 437 billion .

The Board of Directors has called an Ordinary General Meeting of Shareholders for May 25, 2001, in first call, and May 26, 2001, in second call. The Directors will propose the payment of a **final dividend of ITL 252** (0.13 euro) per share, up 8.6% versus 1999 (ITL 232-0.12 EURO). Dividend 2000 is composed of: ITL 108 from net income for 2000 and retained earnings from previous years; ITL 144 from the reserve established pursuant to Law 292. The above sum of ITL 108 will be subject to an ordinary tax credit of 58.73%, whilst the remaining ITL 144 will be exempt from any tax credit in that shareholders are not liable to taxation on this portion, as it does not constitute a distribution of net income as defined by art.44, paragraph 1 of Presidential Decree 600/73. Finally the Board of Directors propose that the shares are to be considered ex dividend from June 18, 2001 and that the dividends shall be paid

from June 21, 2001. The Shareholders will also be requested to renew the appointment of the Board of Statutory Auditors and appoint directors. The Board of Directors reserves the right to add further items to the agenda following their discussion in its meetings prior to the OGM.

The reclassified balance sheets and income statements of the Enel Group and Enel S.p.A. are attached. The above accounts, regarding the year 2000, have been submitted to the Board of Statutory Auditors and the external auditors for their examination.

**Enel SpA**  
**Reclassified Income Statement for the year ended December 31, 2000**

Billions of lire

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Revenues:	
- Intercompany tariff charges	11,329
- Contributions from the Electricity Industry Equalization Fund	6,759
- Other intercompany revenues	700
- Other	202
<b>Total revenues</b>	<b>18,990</b>
Operating costs:	
- Personnel	225
- Fuel consumption	8,694
- Electricity purchases	8,342
- Services, leases and rentals	380
- Other	198
<b>Total operating costs</b>	<b>17,839</b>
<b>GROSS OPERATING INCOME</b>	<b>1,151</b>
Amortization, depreciation and provisions	213
<b>OPERATING INCOME</b>	<b>938</b>
- Dividends and tax credits	1,588
- Interest income (expense) , net	(651)
<b>INCOME BEFORE EXTRAORDINARY ITEMS, ITEMS OF A FISCAL NATURE AND INCOME TAXES</b>	<b>1,875</b>
- Extraordinary income (expense), net	541
- Write-downs of equity investments	(1,600)
<b>INCOME BEFORE INCOME TAXES</b>	<b>816</b>
- Income tax expense for the period	379
<b>NET INCOME</b>	<b>437</b>

**Enel SpA**  
**Reclassified Balance Sheet as of December 31, 2000**

Billions of lire

	At 12.31.2000	At 12.31.1999	Change
Net fixed assets:			
- Tangibles and intangibles	109	468	(359)
- Financial	36,746	35,803	943
<b>Total</b>	<b>36,855</b>	<b>36,271</b>	<b>584</b>
Net working capital:			
- Trade receivables	48	87	(39)
- Inventories	11	435	(424)
- Net amounts due from the Electricity Industry Equalization Fund	2,757	1,335	1,422
- Other assets	1,448	1,478	(30)
- Net amounts due from subsidiaries	758	2,530	(1,772)
- Net accrued taxes	1,476	352	1,124
- Trade payables	(4,332)	(3,932)	(400)
- Other liabilities	(1,116)	(1,726)	610
<b>Total</b>	<b>1,050</b>	<b>559</b>	<b>491</b>
<b>Gross invested capital</b>	<b>37,905</b>	<b>36,830</b>	<b>1,075</b>
Sundry provisions	(469)	(1,280)	811
<b>Net invested capital</b>	<b>37,436</b>	<b>35,550</b>	<b>1,886</b>
<b>Shareholders' equity</b>	<b>21,976</b>	<b>24,352</b>	<b>(2,376)</b>
<b>Total debt</b>	<b>15,460</b>	<b>11,198</b>	<b>4,262</b>
<b>Total</b>	<b>37,436</b>	<b>35,550</b>	<b>1,886</b>

## RECLASSIFIED CONSOLIDATED INCOME STATEMENT

2000	2000	%	1999	%	1999-2000	%
Millions of euro	Billions of lire		Billions of lire		Billions of lire	
Revenues:						
12,786 - Energy sales	24,757	51.0	26,419	65.1	(1,662)	(6.3)
9,778 - Electricity Equalization Fund contributions	18,932	38.9	11,772	29.0	7,160	60.8
2,545 - Other	4,929	10.1	2,393	5.9	2,536	106.0
<b>25,109 Total revenues</b>	<b>48,618</b>	<b>100.0</b>	<b>40,584</b>	<b>100.0</b>	<b>8,034</b>	<b>19.8</b>
Operating costs:						
3,531 - Cost of labor	6,837	14.1	7,402	18.2	(565)	(7.6)
5,644 - Fuel consumption	10,929	22.4	6,308	15.5	4,621	73.3
4,373 - Energy purchased	8,467	17.4	6,831	16.8	1,636	23.9
2,453 - Services, leases and rentals	4,749	9.8	2,518	6.2	2,231	88.6
122 - Fuel for trading and gas for distribution	237	0.5		0.0	237	
726 - Materials	1,406	2.9	1,526	3.8	(120)	(7.9)
392 - Other costs	759	1.6	550	1.4	209	38.0
(878) - Capitalized expenses	(1,701)	(3.5)	(1,930)	(4.8)	229	11.9
<b>16,363 Total operating costs</b>	<b>31,683</b>	<b>65.2</b>	<b>23,205</b>	<b>57.2</b>	<b>8,478</b>	<b>36.5</b>
<b>8,746 GROSS OPERATING MARGIN</b>	<b>16,935</b>	<b>34.8</b>	<b>17,379</b>	<b>42.8</b>	<b>(444)</b>	<b>(2.6)</b>
Depreciation and accruals						
3,459 - Depreciation	6,697	13.8	6,201	15.3	496	8.0
534 - Accruals and write-downs	1,034	2.1	752	1.9	282	37.5
<b>3,993 Total depreciation and accruals</b>	<b>7,731</b>	<b>15.9</b>	<b>6,953</b>	<b>17.2</b>	<b>778</b>	<b>11.2</b>
<b>4,753 OPERATING INCOME</b>	<b>9,204</b>	<b>18.9</b>	<b>10,426</b>	<b>25.6</b>	<b>(1,222)</b>	<b>(11.7)</b>
(648) - Net financial income (expense)	(1,256)	(2.6)	(1,131)	(2.8)	(125)	(11.1)
(37) - Write-downs of equity investments	(72)	(0.1)			(72)	
(421) - Income from equity investments	(815)	(1.7)	(439)	(1.1)	(376)	(85.6)
<b>INCOME BEFORE EXTRAORDINARY</b>						
<b>3,647 ITEMS AND TAXES</b>	<b>7,061</b>	<b>14.5</b>	<b>8,856</b>	<b>21.7</b>	<b>(1,795)</b>	<b>(20.3)</b>
192 - Net extraordinary income (expense)	371	0.8	(497)	(1.2)	868	.....
<b>3,839 INCOME BEFORE TAXES</b>	<b>7,432</b>	<b>15.3</b>	<b>8,359</b>	<b>20.5</b>	<b>(927)</b>	<b>(11.1)</b>
1,649 - Income taxes	3,193	6.6	3,820	9.4	(627)	16.4
<b>NET INCOME ATTRIBUTABLE TO THE</b>						
<b>2,190 GROUP AND MINORITY INTERESTS</b>	<b>4,239</b>	<b>8.7</b>	<b>4,539</b>	<b>11.1</b>	<b>(300)</b>	<b>(6.6)</b>
(2) - Minority interests	(3)	0.0	2	0.0	(5)	.....
<b>2,188 NET INCOME</b>	<b>4,236</b>	<b>8.7</b>	<b>4,541</b>	<b>11.1</b>	<b>(305)</b>	<b>(6.7)</b>

## CONSOLIDATED FINANCIAL STATEMENTS

### RECLASSIFIED CONSOLIDATED BALANCE SHEET

at 12.31.2000	at 12.31.2000	at 12.31.1999	2000-1999
Millions of euro	Billions of lire	Billions of lire	Billions of lire
Net fixed assets:			
38,066 - Tangible and intangible assets	73,706	73,534	172
1,466 - Financial assets	2,838	1,442	1,396
<b>39,532 Total</b>	<b>76,544</b>	<b>74,976</b>	<b>1,568</b>
Net working capital:			
3,709 - Customers	7,181	5,687	1,494
1,652 - Inventories	3,198	1,944	1,254
2,723 - Other assets and Equalization Fund, net	5,272	1,773	3,499
(4,538) - Trade payables	(8,786)	(6,258)	(2,528)
(239) - Net taxes payable	(463)	(1,745)	1,282
(4,867) - Other liabilities	(9,422)	(5,748)	(3,674)
<b>(1,560) Total</b>	<b>(3,020)</b>	<b>(4,347)</b>	<b>1,327</b>
<b>37,972 Gross invested capital</b>	<b>73,524</b>	<b>70,629</b>	<b>2,895</b>
Provisions:			
(1,525) - Employee termination indemnity	(2,953)	(2,996)	43
(413) - Retirement benefits	(799)	(2,041)	1,242
(3,152) - Net deferred taxes	(6,103)	(4,974)	(1,129)
(1,170) - Other provisions	(2,266)	(3,151)	885
<b>(6,260) Total</b>	<b>(12,121)</b>	<b>(13,162)</b>	<b>1,041</b>
<b>31,712 Net invested capital</b>	<b>61,403</b>	<b>57,467</b>	<b>3,936</b>
<b>18,312 Group shareholders' equity</b>	<b>35,457</b>	<b>34,034</b>	<b>1,423</b>
<b>17 Minority interests</b>	<b>32</b>	<b>15</b>	<b>17</b>
<b>13,383 Net financial debt</b>	<b>25,914</b>	<b>23,418</b>	<b>2,496</b>
<b>31,712 Total</b>	<b>61,403</b>	<b>57,467</b>	<b>3,936</b>