



**Wind-Infostrada Gross Operating Margin positive for the first time
ENEL APPROVES 2001 THIRD QUARTER RESULTS**

Significant contribution from new activities

Board renounces acquisition of Acquedotto Pugliese

Rome, November 14, 2001 – Enel's board met today, under the chairmanship of Chicco Testa, to examine and approve consolidated data relating to operations in the third quarter of 2001.

Group revenues totalled 6,985 million euros, an increase of 9.7% compared with the third quarter of 2000 (compared on a pro-forma basis including the consolidation of Wind-Infostrada). This includes, among other things, 779 million euros related to Wind-Infostrada revenue net of intra-group sales, 118 million euros stemming from the Gas sector and 258 million euros related to fuel trading with third parties (EnelFTL).

The gross operating margin (**EBITDA**) came in at 2,022 million euros.

The operating profit (**EBIT**) reached 738 million euros.

Net profit was 2,106 million euros, equal to 35 euro-cents per share.

From January first this year, WIND, the gas distribution companies and CHI Energy (the U.S. renewable energy company controlled through Erga) have been **fully consolidated**. Infostrada has been fully consolidated since the beginning of April.

All third quarter (and 9-month) data are compared with pro-forma numbers for the corresponding year-earlier period.

The demand for electrical energy in Italy in the third quarter of 2001 rose by 2.5% compared with the same period a year earlier.

In the quarter, on the regulated market, Enel had sales of 45.2 TWh, a fall of 4.7 TWh resulting from lower sales of high and medium voltage power which went onto the free market. On this market, total estimated sales in Italy in the quarter were 19.8 TWh with an increase of 9.1 TWh compared with the same period a year earlier.

Enel group sales were 7.2 TWh, with a market share of about 37%.

Energy dispatched onto Enel's distribution network was 64.9 TWh, an increase compared with the year earlier period (60.7 TWh).

The **Gross Operating Margin** (EBITDA) came to 2,022 million euros, an increase of 42 million euros compared with the same period a year earlier, including Wind-Infostrada which, for the first time, contributed a positive margin of 12 million euros, compared with a negative margin of 171 million during the same period last year.

The impact of tariff reductions and further market opening was, however, limited thanks to incisive steps towards greater efficiency and cost cutting, an improved electricity sales mix and the contribution of new activities.

The **Operating Result** (EBIT) was 738 million euros (compared with 795 million euros in the third quarter of 2000 on a pro-forma basis) and takes into account goodwill writedowns of 155 million euros. This result includes a Wind-Infostrada loss of 325 million euros, an improvement compared with that of 449 million registered in the third quarter of 2000.

Group net profit was 2,106 million euros (357 million euros in the third quarter of 2000) and was boosted by extraordinary components worth 1,790 million euros, net of related tax, linked to the sale of Rome's urban network to Acea Spa and the sale of Elettrogen.

Net of telecommunications, the group headcount decreased by 6.3% and stood at 68,058 at the end of September compared with 72,647 at the end of December 2000. The telecommunications sector counted 8,555 employees at the end of September compared with 8,521 at the end of December 2000, using the same perimeter. In total, the group's employees at the end of the third quarter stood at 76,613.

Total consolidated net assets were 20,602 million euros (18,545 million euros at the end of June 2001) and net financial debt stood at 19,787 million euros, compared with 25,129 million euros at the end of June 2001.

The D/E ratio at the end of the period was 0.96 (1.35 at the end of June 2001).

The economic evolution of the **first nine months of 2001** can be summed up thus:

The total volume sold by Enel during the first nine months of 2001 on the regulated market was 135.7 TWh, with a reduction of 17.6 TWh completely due to the increase of free market sales of medium and high voltage power, partially compensated by the increase in sales of low voltage power. The total Italian free market was estimated at 55.5 TWh, an increase of 82% compared with the same period a year earlier.

Enel group sales on the free market totalled 20.3 TWh, equal to a share of about 37%.

Energy dispatched onto Enel's distribution network came to a 191.1 TWh, an increase of 4% from the 183.7 TWh registered in the same period a year earlier.

Revenues, 21,276 million euros, show an increase of 16,2% compared with the first nine months of 2000, on a pro-forma basis, as a result of an increase in the revenue component which covers the cost of fuel, greater Wind-Infostrada sales and the significant contribution of 933 million euros from new activities.



The **gross operating margin** (EBITDA) came to 6,638 million euros (up 12% compared with the first nine months of 2000 on a pro-forma basis), including a marked improvement by Wind-Infostrada which brought a negative operating margin of 124 million euros, compared with a negative 469 million euros in the same period a year earlier.

Excluding telecommunications, EBITDA is 6,762 million euros, an increase of 5.8% compared with the first nine months of 2000, with decisive cost containment and increased efficiency more than compensating for tariff cuts and the impact of the market's further opening.

The **Operating Result** (EBIT) came to 3,088 million euros (an increase of around 19% compared with the first nine months of 2000 on a pro-forma basis) and includes writedowns on goodwill of 317 million euros. Wind-Infostrada's operating loss was 920 million euros, down from 1,051 million euros in the first nine months of 2000.

Net profit was 3,635 million euros, (1,218 million euros in the first nine months of 2000) and benefitted from extraordinary components linked not only to the sale of Rome's urban networks to Acea SpA and the sale of Elettrogen, but also to the disposal of generation and distribution assets in Valle D'Aosta (362 million euros net of taxation). Even without taking these extraordinary gains into account, net profit was 1,488 million euros, an increase of about 22% compared with the same period in 2000.

The board also decided to renounce the acquisition of Acquedotto Pugliese.

At 15:00 today, there will be a conference call with the participation of institutional investors and financial analysts. Journalists will be able to listen in but will not be able to intervene. As an adjunct to the conference call, background slides will be posted on the Enel website (www.enel.it).