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AGREEMENT REACHED FOR THE SALE OF ENDESA'S POWER TRANSMISSION NETWORKS TO RED ELECTRICA DE ESPANA

- *The agreement which will be effective subject to obtaining the required administrative authorizations, calls for a total payment of about 1,478 million euros.*

Rome, July 1st 2010 – Enel S.p.A. ("Enel") reports that the Spanish subsidiary Endesa S.A. ("Endesa") has reached an agreement today with Red Eléctrica de España S.A. ("REE") for the sale, to a subsidiary of REE, of the power transmission network owned by Endesa Distribucion Electrica S.L., a wholly owned subsidiary of Endesa. This sale is to take place in accordance with the provisions of Ley 17/2007, which requires power distribution companies to sell their transmission networks to REE, which said law has specified as being the sole company assigned to conduct transmission activities.

The agreement refers to both the assets in service, for which a specific remuneration is envisaged in 2010 for power transmission, and the assets currently under construction expected to go into service in 2010, for which a similar power transmission payment is scheduled to begin in 2011. The transmission networks to be sold are located on both the Iberian peninsula and on the Canary and Balearic Islands.

The overall consideration is 1,478,128,000 euros of which 1,269,856,000 euros for the assets already in service, 142,272,000 euros for the assets under construction and 66 million euros for the maintenance of the network disposed. With regards to the latter figure a contract has also been for signed for a duration of 4 years calling for Endesa Distribucion Electrica S.L. to provide the technical assistance REE will need in order to maintain the networks sold.

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Fulvio Conti, Chief Executive Officer and General Manager of Enel, commented the agreement: *"With today's transaction another step forward is taken in carrying out our planned portfolio optimization and balance sheet strengthening. This sale, together with the others that have already begun and in addition to the actions targeted at improving our operating cash flow, will enable us to confirm the announced target of reducing the Group's net financial debt to 45 billion euros."*