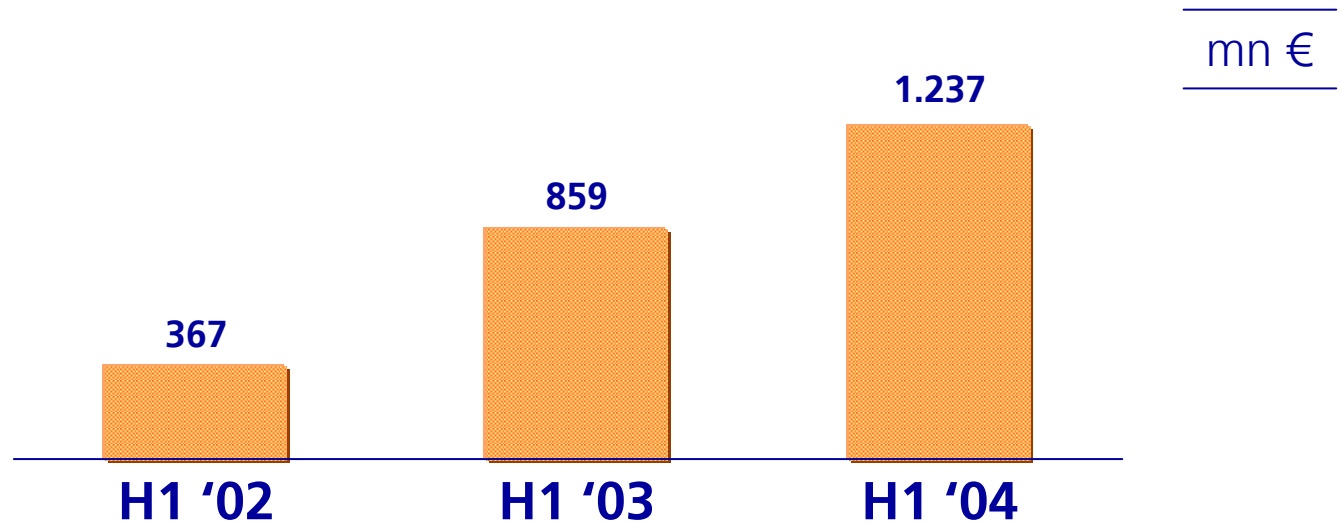


2004 Interim Results

Rome, 10 September 2004

1st Half Ordinary Net Income*



Turnaround in underlying profitability

including extraordinary and non recurring regulatory items

2004 – 2006 Agenda

Operations

- Continue to focus on core business
- Additional savings through three major efficiency programs

Portfolio

- Reduce stake in Terna
- Divest from Wind

Focus on cash generation for shareholder value

Agenda

1. Financial Highlights
2. Businesses and Targets
3. Conclusions
4. Questions & Answers

Income statement (Euro Mn)

	1H2004	1H2003	% change
Revenues	16.948	15.421	9,9%
Operating Costs	11.599	10.736	8,0%
EBITDA	5.349	4.685	14,2%
% of Revenues	35% ⁽¹⁾	30%	
EBIT	3.047	2.231	36,6%
% of Revenues	18%	14%	

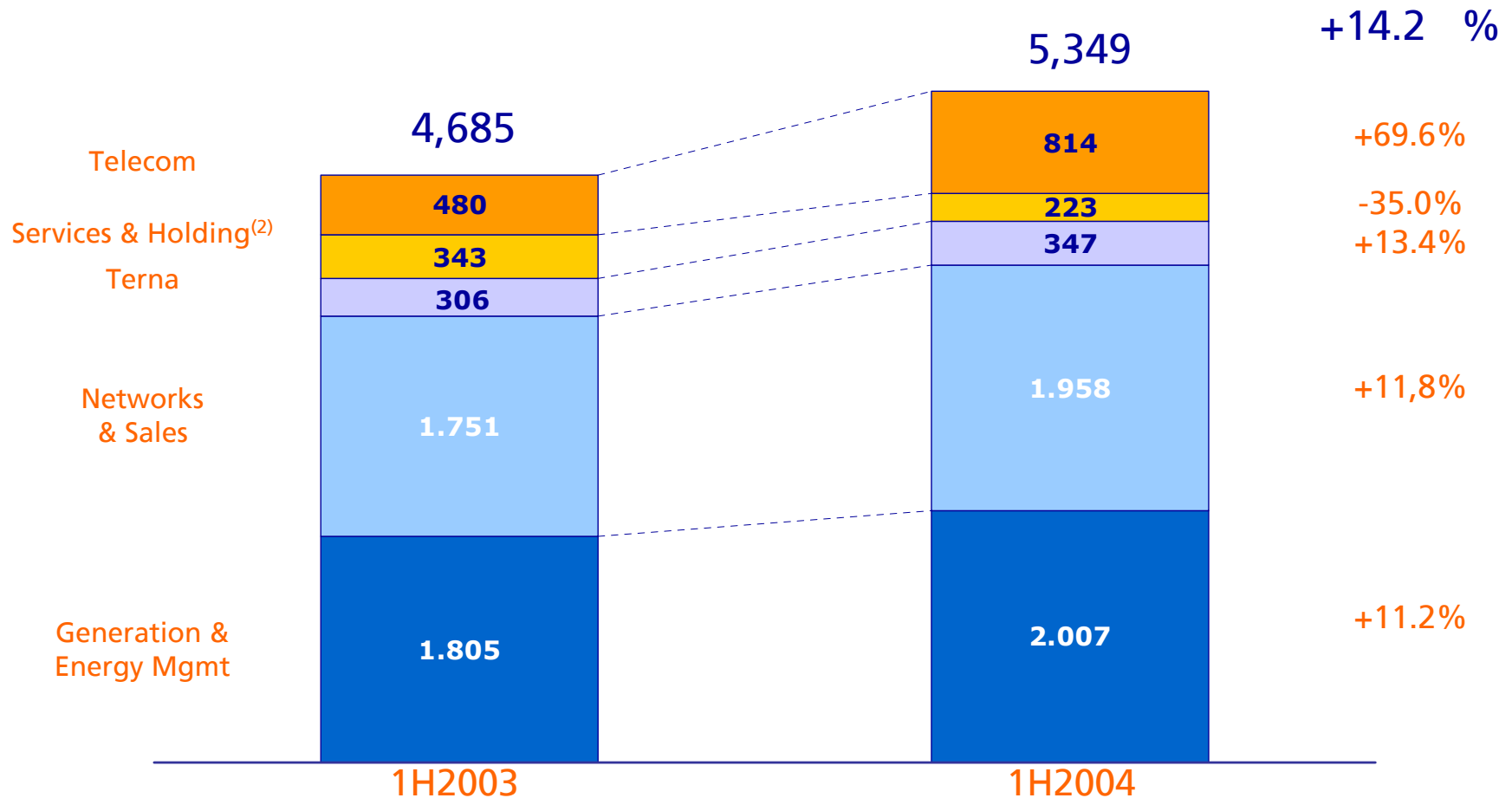
(1) Calculated on revenues net of the Single Buyer effect

From EBIT to EPS (Euro Mn)

	1H2004	1H2003	% change
EBIT	3,047	2,231	36.6%
Net Financial Charges	(566)	(568)	-0.4%
Net Extraordinary Items	732	254	188.2%
EBT	3,197	1,913	67.1%
Income Taxes	1,098	794	38.3%
Minority Interest	(52)	81	-164.2%
Group Net Income	2,047	1,200	70.6%
EPS (Euro)	0.34	0.20	70.0%
Net Ordinary Income ⁽¹⁾	1,237	859	44.0%

(1) Net Income less non recurring items

EBITDA¹ by business area (Euro Mn)



(1) International generation and distribution activities have been reclassified under GEM and N&S respectively

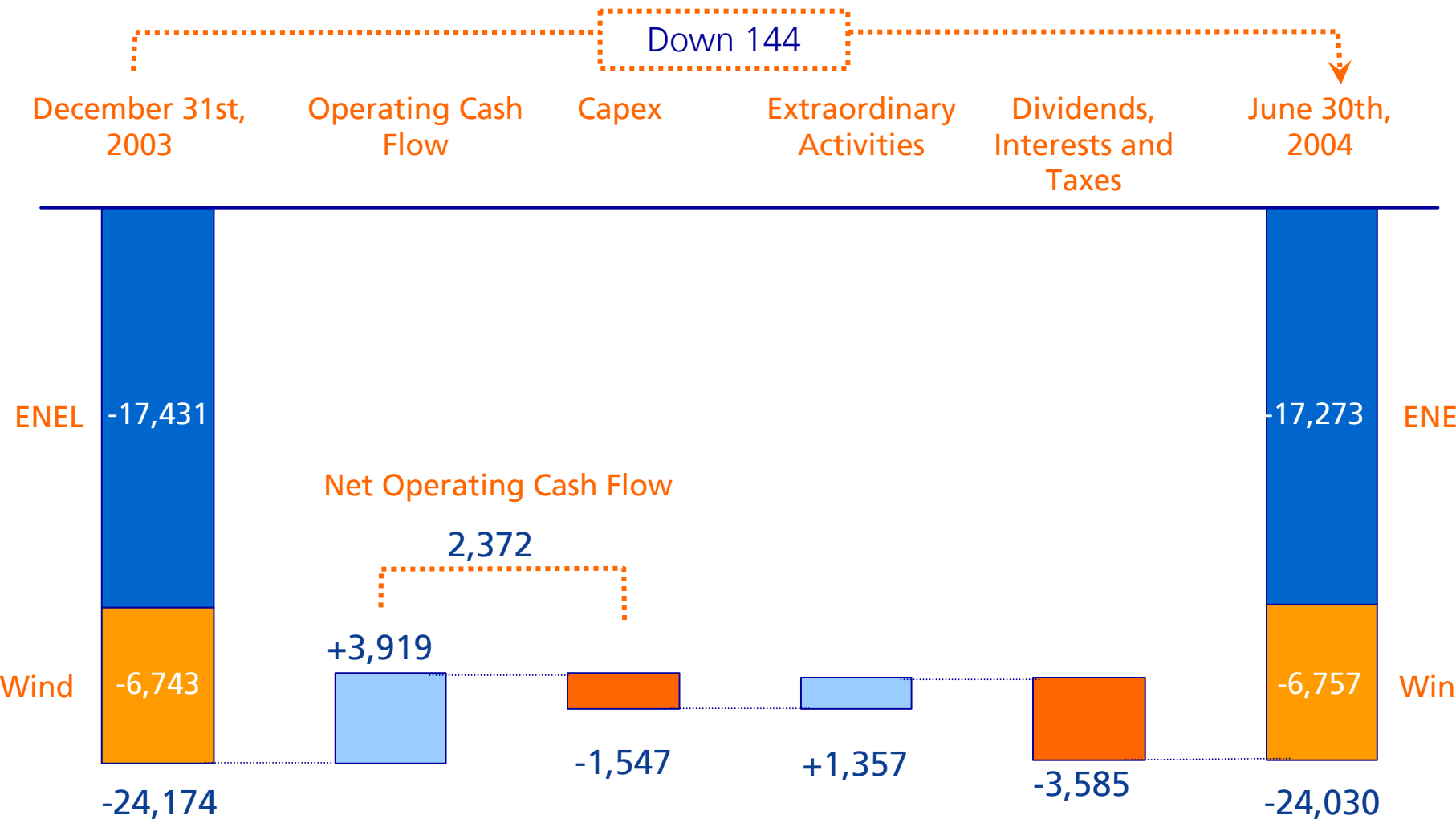
(2) Net of intercompany

Balance Sheet (Euro Mn)

	June 30, 2004	December 31, 2003	% Change
Net Financial Debt	24,030	24,174	-0.6%
of which Wind ⁽¹⁾	6,757	6,743	0.2%
Shareholders' Equity	22,260	21,315	4.4%
of which minorities	1,095	191	
Leverage	1.08	1.13	
EBITDA/ Interest Coverage	9.6	8.7	
Net Capital Employed	46,290	45,489	1.8%

(1) Excluding debt to Treasury for UMTS license

Net Debt Evolution (Euro Mn)



Agenda

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Generation and Energy Management

Business Highlights

The Market

- Demand flat
- New electricity pool and single buyer in full operation
- Imports decreased (- 14%vs. '03*)
- Prices declining slower than anticipated

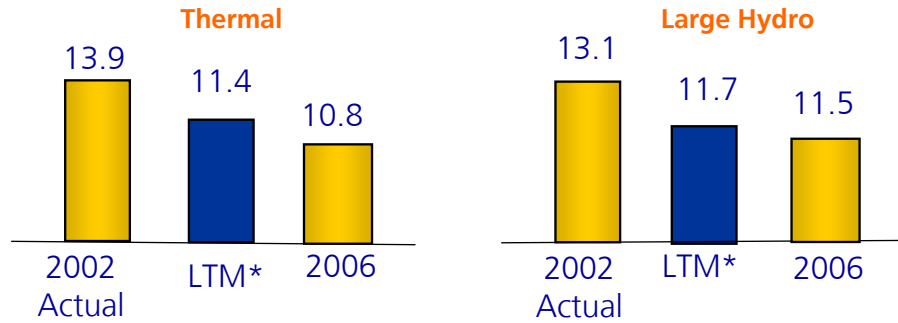
Enel

- Regained number one position in free market
- Reservoir level (+17% vs. '03*)
- Hedged 2004 fuel exposure
- Conversion program progressing well
- Finalised stranded costs definition

Generation and Energy Management

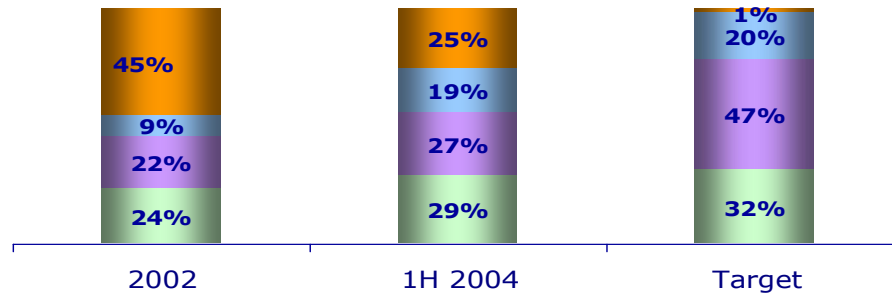
Targets

O&M/MW



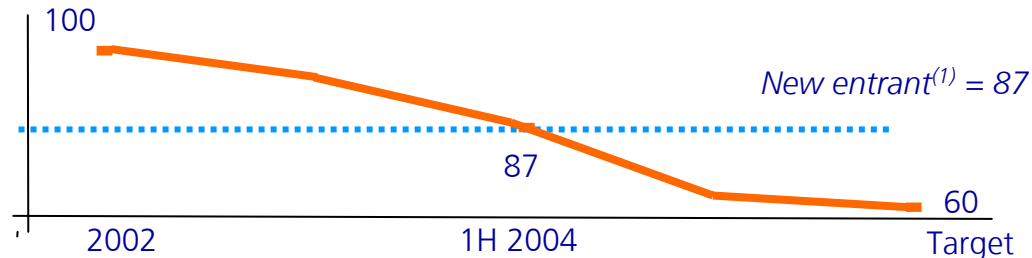
kEuro

Production Mix



- Oil and Gas ST/OC
- Gas CCGT
- Coal and Oromulsio
- Renewables

Fuel Cost Index Reduction



(1) Based on \$23/bbl Brent

On track to reduce cost of MWh by 30%

Distribution and Sales

Business Highlights

The Market

- Liberalized all non residential customers
- Gas Volumes increased (+ 3,9 % vs. '03*)

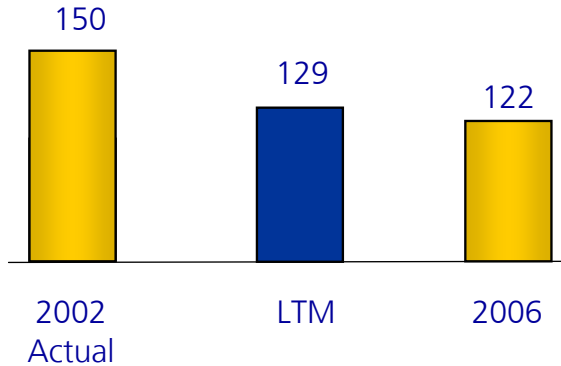
Enel

- Fastest growing player in the liberalized gas market
- 20% of electricity distribution in Romania
- Digital meter deployment program on track and benefits confirmed
- Alliance with IBM to market digital meter globally

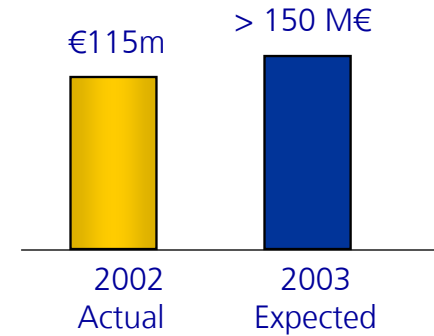
Distribution and Sales

Targets

Cash Cost € / Customer¹

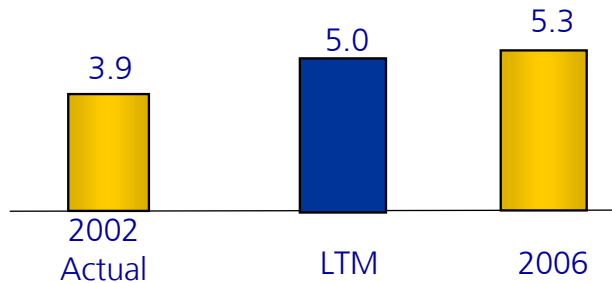


Quality bonus

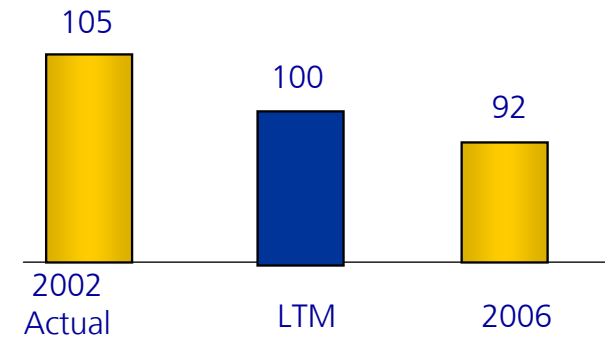


Electricity

Sales Volumes (BCM)



Distribution Cash Cost € / Customer²

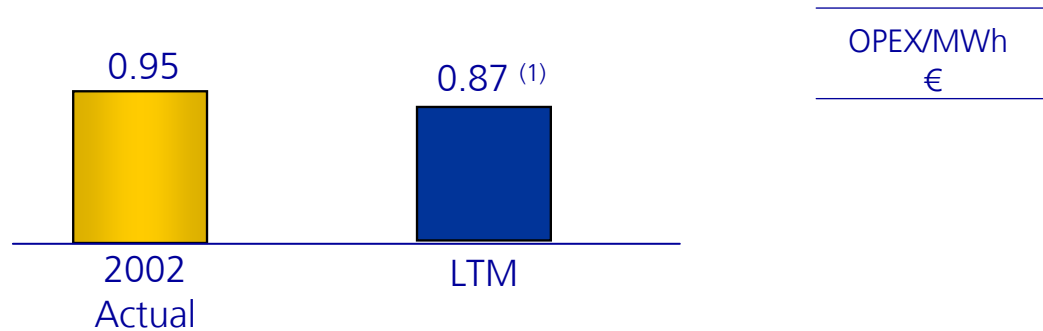


Gas

1) Excluding Digital Meter, including Sales
2) Excluding Sales, distribution only

Terna

Target



- Terna stake reduction to 5% in 2005
- GRTN integration underway
- Structure of sale to maximise shareholder value

Net gains from up to 45% sale of Terna distributed to shareholders

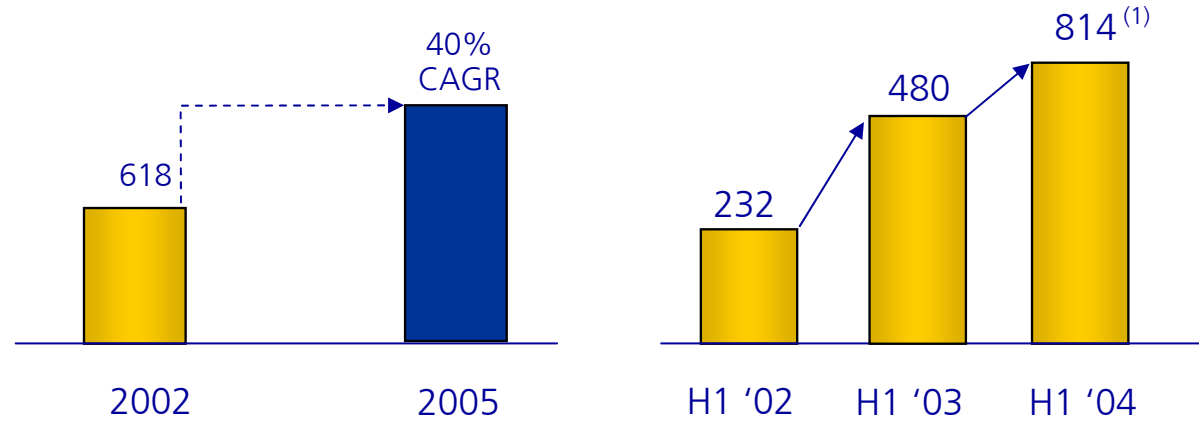
¹⁾ Excluding € 9m for IPO

Wind

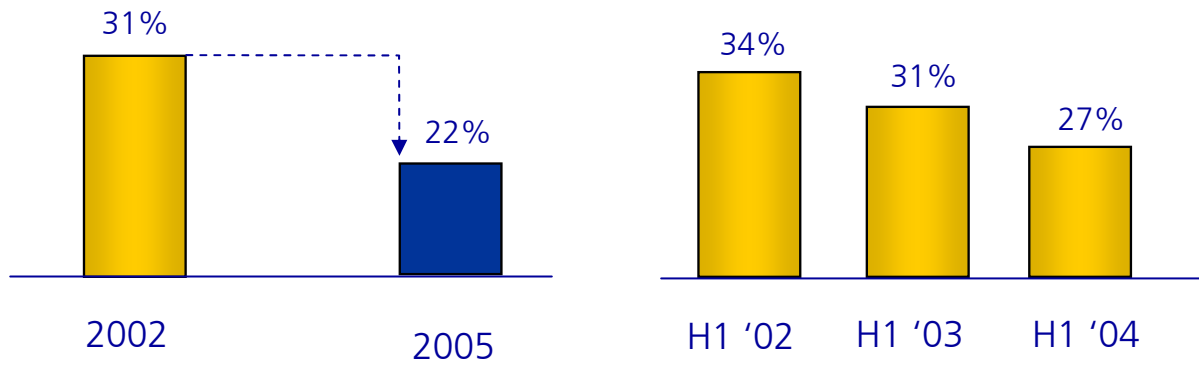
EBITDA

Target

Actual €m



Opex/
Revenues



2004 cash positive

(1) Including 194 mn Turnover Contribution

Exit from Wind

- Equity story driven by broadband opportunity and convergence
- CAPEX financed by operating cashflow
- IPO preferred exit
- Primary/secondary offering

Divest from Wind at the right price

Agenda

1. Financial Highlights
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Conclusion

- Strong financial performance
- On track or ahead on all targets
- Significant non-recurring regulatory reimbursements
- Net gains from Terna IPO and Real Estate

Delivering value to shareholders

Agenda

1. Financial Highlights
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Disclaimer

CAUTIONARY STATEMENT

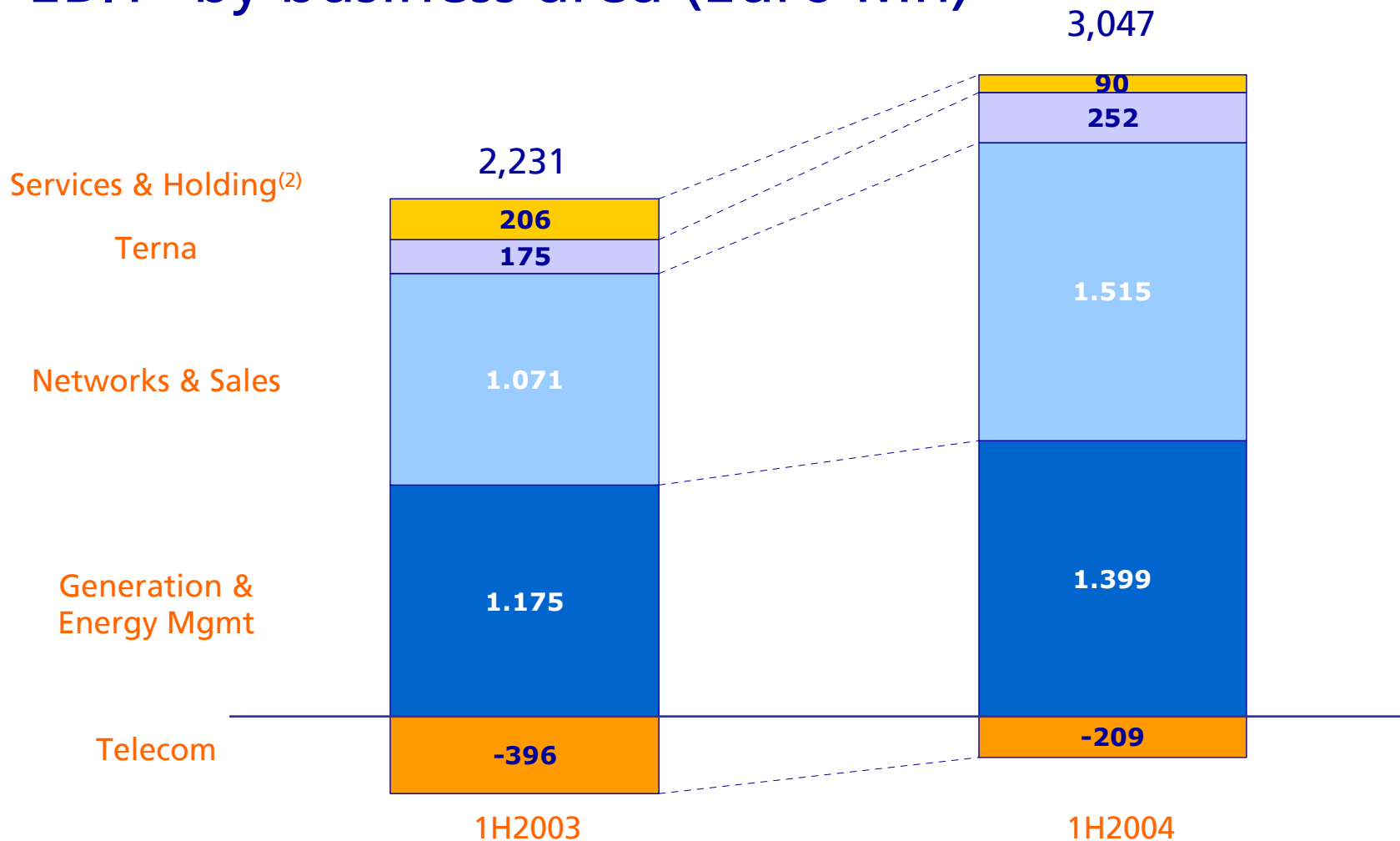
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Appendix

EBIT¹ by business area (Euro Mn)



(1) International generation and distribution activities have been reclassified under GEM and N&S respectively

(2) Net of intercompany

Generation & Energy Management (Euro Mn)

	1H04	1H03	% change
Revenues	6,029	6,193	-2.6%
EBITDA	2,007	1,805	11.2%
EBIT	1,399	1,175	19.1%
Capex	376	286	31.5%
Net Capital Employed	15,129	14,458 ⁽¹⁾	4.6%
Headcount	11,012	11,196 ⁽¹⁾	-1.6%
Net Power Generation (domestic) (GWh)	61,744	66,097	-6.6%

(1) As of December 31, 2003

Networks & Sales (Euro Mn)

	1H04	1H03	% change
Revenues ¹	9,986	10,244	-2.5%
Power	9,185	9,500	-3.3%
Gas	803	744	7.9%
EBITDA	1,958	1,751	11.8%
Power	1,791	1,608	11.4%
Gas	167	143	16.8%
EBIT	1,515	1,071	41.5%
Capex	758	821	-7.7%
Net Capital Employed	12,778	11,981 ⁽²⁾	6.7%
Headcount	35,660	36,826 ⁽²⁾	-3.2%
Power Dispatched (GWh)	125,264	121,815	2.8%
Power Sold to End Users (GWh)	79,785	75,883	5.1%

(1) Including Euro 2mn intercompany elisions

(2) As of December 31, 2003

Operational Data

	1H04	1H03	% change
Power			
Net Power Generation (GWh)	61,744	66,097	-6.6%
Purchase of Power (GWh)	62,317	39,440	58.0%
Sales to End Users (GWh)	79,785	75,883	5.1%
<i>of which: Regulated Market</i>	69,230	70,575	-1.9%
<i>Free Market</i>	10,555	5,308	98.9%
Total Power Dispatched (GWh)	125,264	121,815	2.8%
Gas			
Volumes Sold to Third Parties (mcm)	3,003	2,454	22.4%
Customers ('000)	1,856	1,738	6.8%

Terna (Euro Mn)

	1H04	1H03	% change
Revenues	519	450	15.3%
EBITDA	347	306	13.4%
EBIT	252	175	44.0%
Capex	137	173	-20.8%
Net Capital Employed	3,630	3,580 ⁽¹⁾	1.4%
Headcount	2,950	2,837 ⁽¹⁾	4.0%

(1) As of December 31, 2003

Wind

Key Performance Indicators

	1H04	1H03		1H04	1H03
Customers (mn)	29,6	26,2	Profit & Loss (€mn)		
Fixed Active	2,6	3,3	Revenues	2.408	2.123
of which LLU	0,4	0,2	EBITDA	814	480
Mobile	10.6 ⁽¹⁾	9	EBIT ⁽²⁾	69	(173)
Internet Subscribers	16,4	13,9			

	1H04	1H03		30-giu-04	31-dic-03
ARPU (€/average month)			Balance Sheet (€mn)		
Fixed Active Customer base	36,3	31,7	Net Debt ⁽³⁾	6.757	6.743
Mobile	21,5	21,4	Net Capital Employed ⁽⁴⁾	7.029	6.804
of which Mobile Data	2,8	2,6			

- (1) Excluding Machine-to-Machine (approximately 0.3mn)
- (2) Excluding goodwill amortization
- (3) Excluding debt to Treasury for UMTS license
- (4) Excluding goodwill

Services & Holding (Euro Mn)

	1H04	1H03	% change
SERVICES			
Revenues	1,004	1,259	-20.3%
EBITDA	182	256	-28.9%
EBIT	60	134	-55.2%
Capex	46	56	-17.9%
Net Capital Employed	1,985	2,220 ⁽¹⁾	-10.6%
Headcount	4,380	4,620 ⁽¹⁾	-5.2%
HOLDING			
Revenues	504	540	-6.7%
EBITDA	97	120	-19.2%
EBIT	86	105	-18.1%
Headcount	558	522	6.9%

(1) As of December 31, 2003

Debt Structure

- Average debt maturity: 5 years and 10 months
- Average cost of debt: 4.5%
- (Fixed+Hedged)/Total Net Debt = 58%
- S&P's: A+/A-1 stable Moody's: A1/P-1 negative (outlook under review)

(Euro Mn)	<u>30-Jun-04</u>	<u>31-Dec-03</u>	<u>% change</u>
Net Long Term	17,539	16,472	6.5%
Short Term ⁽¹⁾	7,177	8,648	(17.0%)
Cash ⁽²⁾	-686	-946	(27.5%)
Net Debt	24,030	24,174	(0.6%)

(1) Including current maturities of long term debt

(2) Including factoring receivables

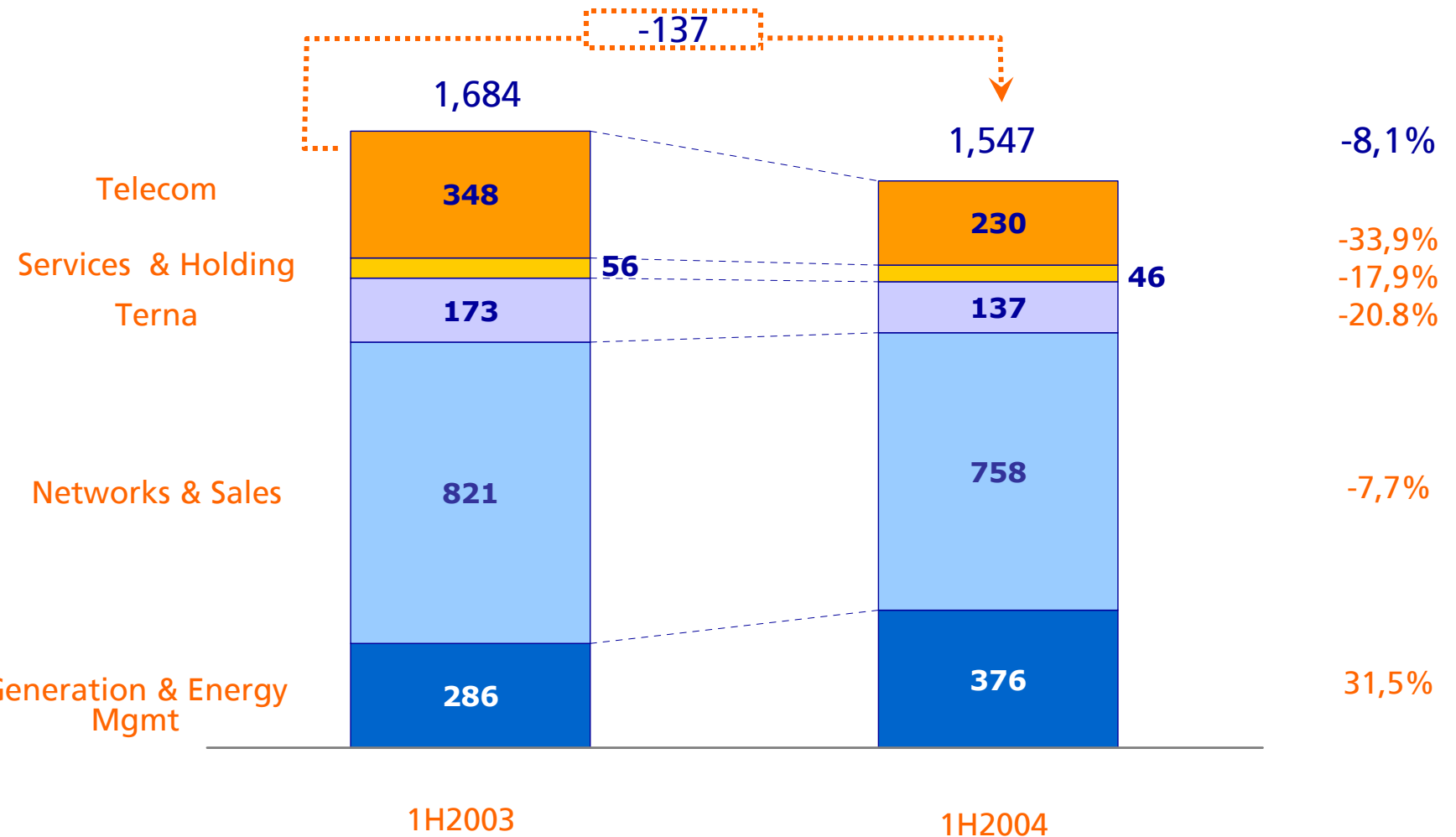
Consolidated Financial Highlights

Quarterly Analysis - Income Statement (Euro Mn)

	2Q04	2Q03	% change	1Q04
Revenues	8.919	7.352	21,3%	8.029
EBITDA	2.707	2.309	17,2%	2.642
% of Revenues	37% ⁽¹⁾	31%		33%
EBIT	1.487	1.027	44,8%	1.560
% of Revenues	17%	14%		19%
EBT	1.941	647	200,0%	1.256

(1) Calculated on revenues net of the Single Buyer effect

Capex (Euro Mn)



Wind's strategy in mobile, fixed and internet



- Expand On-Net free traffic offers
- Further enhance brand equity
- Use i-mode platform for 2 G and 3G technology



- Reposition Infostrada brand with competitive offer
- Invest in customer care and new sales channels
- Develop convergent handset and triple play offer



- Use new portal services to attract DSL users / traffic
- Enhance content conversion with Mobile
- Migrate current narrowband users to broadband

Summary Operational Targets

		<u>2002</u> Actual	<u>LTM</u>	<u>2006</u> Target
Generation and Energy Management	Fuel Cost Index %	100	87 ⁽¹⁾	86 ⁽³⁾
	O&M / MW Thermal k€	13.9	11.4	10.8
	O&M / MW Large Hydro k€	13.1	11.7	11.5
Network and Sales	Cash Cost / Cust - electricity €	150	129	122
	Cash Cost / Cust - gas €	105	100	92
Other	Opex / MWh - Terna €	0,95	0.87 ⁽²⁾	** ⁽⁴⁾
	Opex/ Revenues - Wind %	31	30	21
Total Opex Reduction			€~540 m	€ 1.1⁽⁵⁾ bn

LH '04, based on \$23/bbl Brent. LTM =92 (3) Target stated for 2004
including € 9 m for IPO

(4) Left blank in March '04 due to compliance with Terna IPO procedure

(5) Includes € 30 mn for new projects