

1Q2005 Consolidated Results

Fulvio Conti – Chief Financial Officer

Rome, 12 May 2005

Agenda

1. **IFRS Application**
2. 1Q05 Results
3. Financial Annexes

IFRS Application

Disclaimer

- Pursuant to Consob Regulation n.11971/1999 (art.82 – Annex 3D), as modified by resolution n.14990 of April 14, 2005, Enel released 1Q05 accounts on the basis of the new International Financial Reporting Standards (IFRS) accounting principles
- All the information contained in this document has been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB), expected to be in force at the end of 2005
- It should be noted that:
 - 2004 financial statements have been restated for comparison with 2005 statements – first year of presentation of accounts under IFRS;
 - the auditing process of Enel Group's restated figures as of January 1, 2004 and December 31, 2004 is not completed, yet;
 - any change arising from the evolution of industry practice might impact certain decisions and interpretations currently adopted by Enel Group for the preparation of the information contained in this document;
 - individual accounts of Enel SpA shall continue to be prepared in line with Italian GAAP
- As a result of all of the above, it is possible that further changes might be required to this information before it is published as comparative financial information in the 2005 Annual Report

IFRS Application

Exceptions allowed under FTA

Business Combination (IFRS 3)

No retrospective application of IFRS 3, i.e. no changes to the value of business combinations prior to January 1, 2004

Revaluation of Assets (IAS 16)

The Group has elected to use Italian GAAP revaluation of property, plant and equipment

Financial Instruments (IAS 32 - 39)

The Group fully applied the accounting standards on financial instruments

IFRS Application

2004 ending balance sheet: main changes (Euro mn)

12.31.2004	ITA GAAP	IFRS	Comments
Equity	20,978	19,066	<ul style="list-style-type: none"> ● Total impact of -1,912mn mainly due to: <ul style="list-style-type: none"> – First time adoption at 12.31.2003 (-1,694mn) – derivatives (-60mn) – translation differences (-9mn) – tax liabilities (-54mn) – other (-10mn)
	Charged to net worth		
		Expensed to P&L	
Net Debt	24,296	24,514	<ul style="list-style-type: none"> ● Total impact of + 218mn mainly due to: <ul style="list-style-type: none"> – restatement of financial instruments and bond fair value (-213 mn) – securitization of accounts receivable (+ 214 mn) – UMTS debt (+ 217 mn)

IFRS Application

2004 ending balance sheet (Euro mn)

12.31.2004	Consolidated		
	ITA GAAP	Restatements	IFRS
Assets			
Property, plant & equipment	36,459	243	36,702
Intangible assets (including goodwill), net	11,534	(1,463)	10,071
Financial investments and other	447	(201)	246
Total	48,440	(1,421)	47,019
Net working capital	522	(88)	434
Funds	(3,688)	(185)	(3,873)
Net Invested Capital	45,274	(1,694)	43,580
Financed by:			
Net Debt	24,296	218	24,514
Shareholders' Equity	20,978	(1,912)	19,066
D/E	1.16		1.29

IFRS Application

2004 profit and loss: main changes (Euro mn)

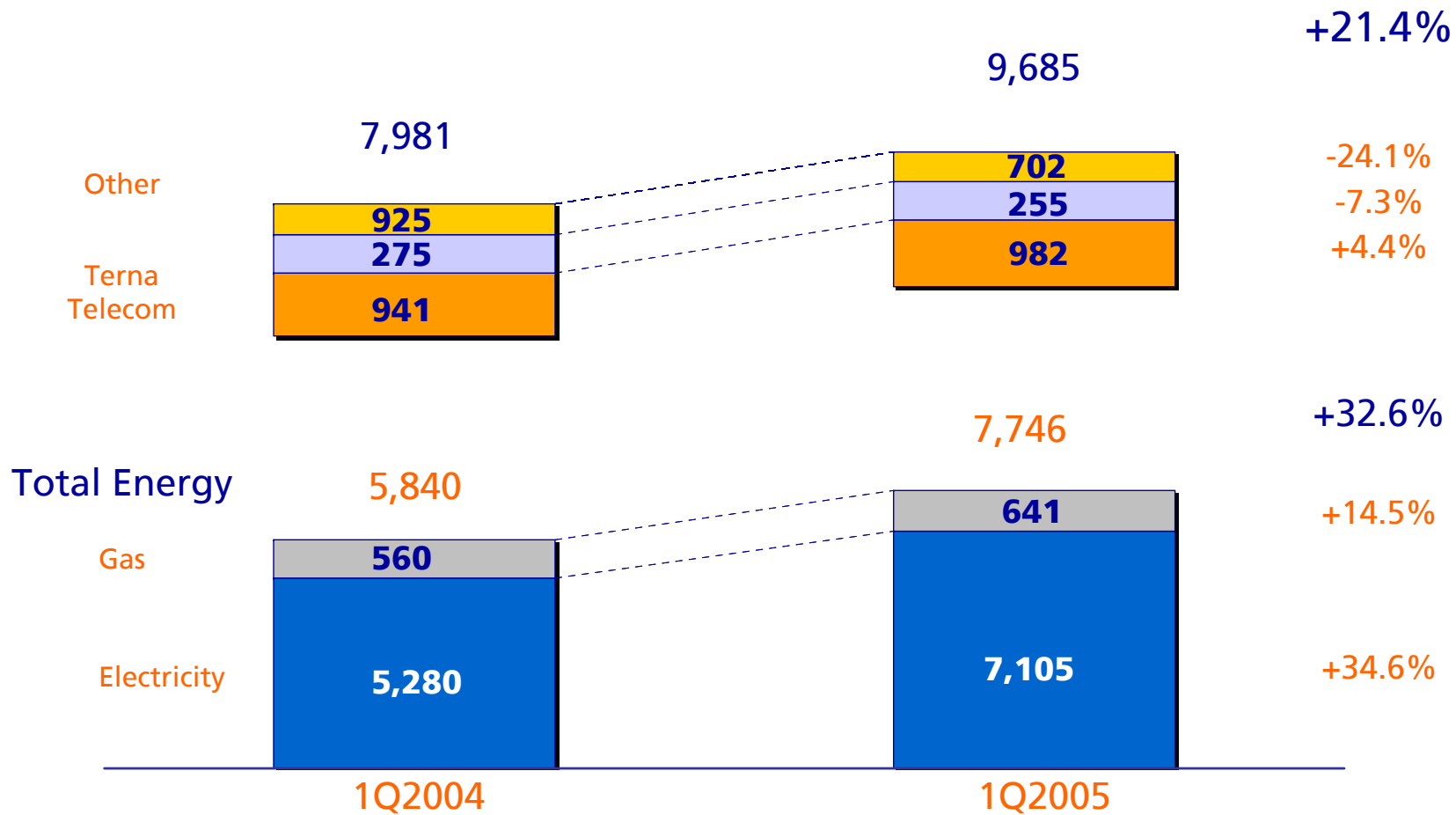
2004	Consolidated		
	ITA GAAP	Restatements	IAS/IFRS
Revenues	36,489	925	37,414
Operating costs	(25,479)	(967)	(26,446)
EBITDA	11,010	(42)	10,968
Depreciation, amortization and write-downs	(4,685)	(718)	(5,403)
EBIT	6,325	(760)	5,565
Net interest expenses	(1,142)	(178)	(1,320)
Net extraordinary items	(818)	(818)	-
Taxes	1,533	(35)	1,498
Net income	2,832	(85)	2,747
Attributable to the holders of the parent company	2,706	(93)	2,613
Minority interest	126	8	134

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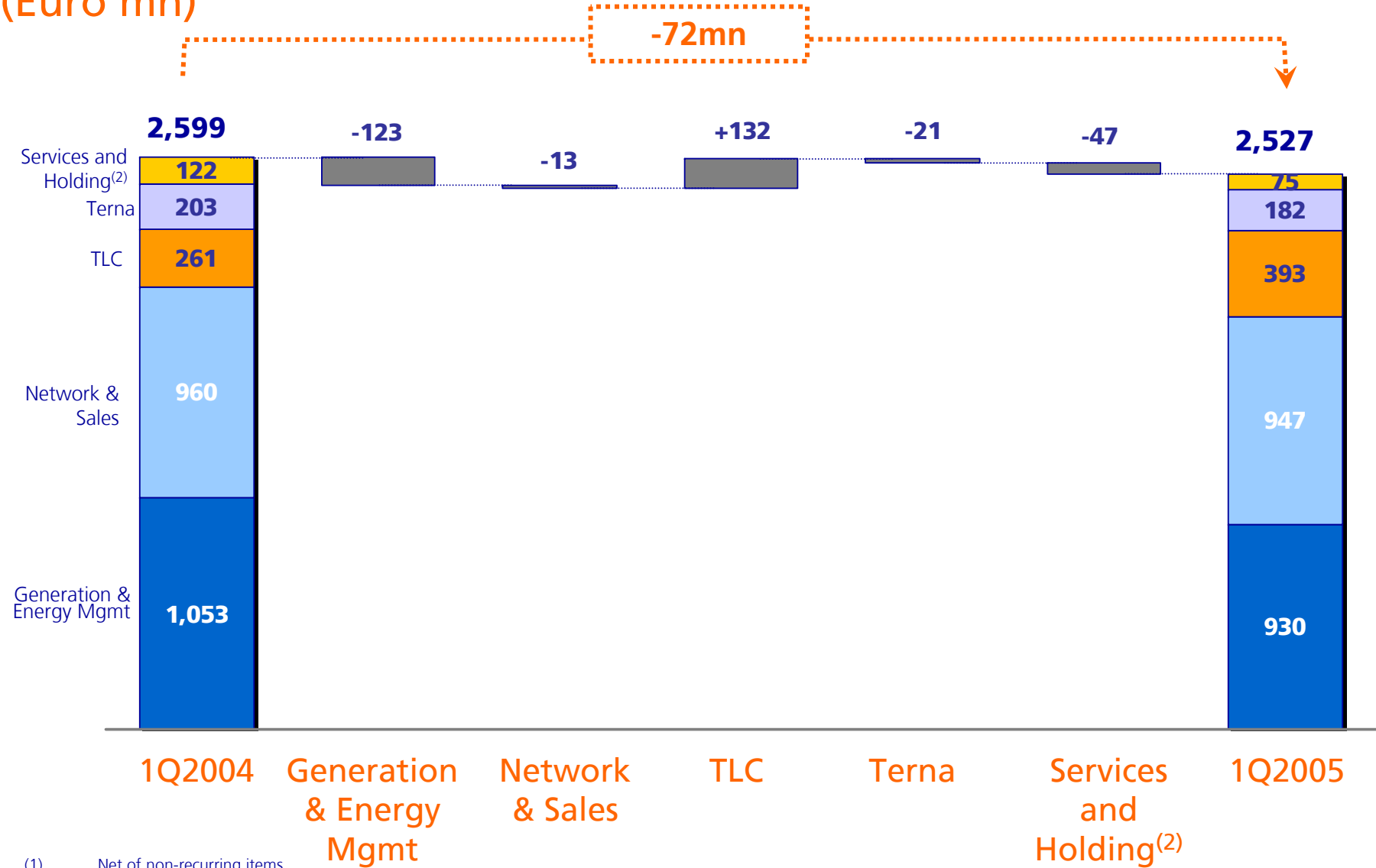
Revenues

(Euro mn)



EBITDA by division⁽¹⁾

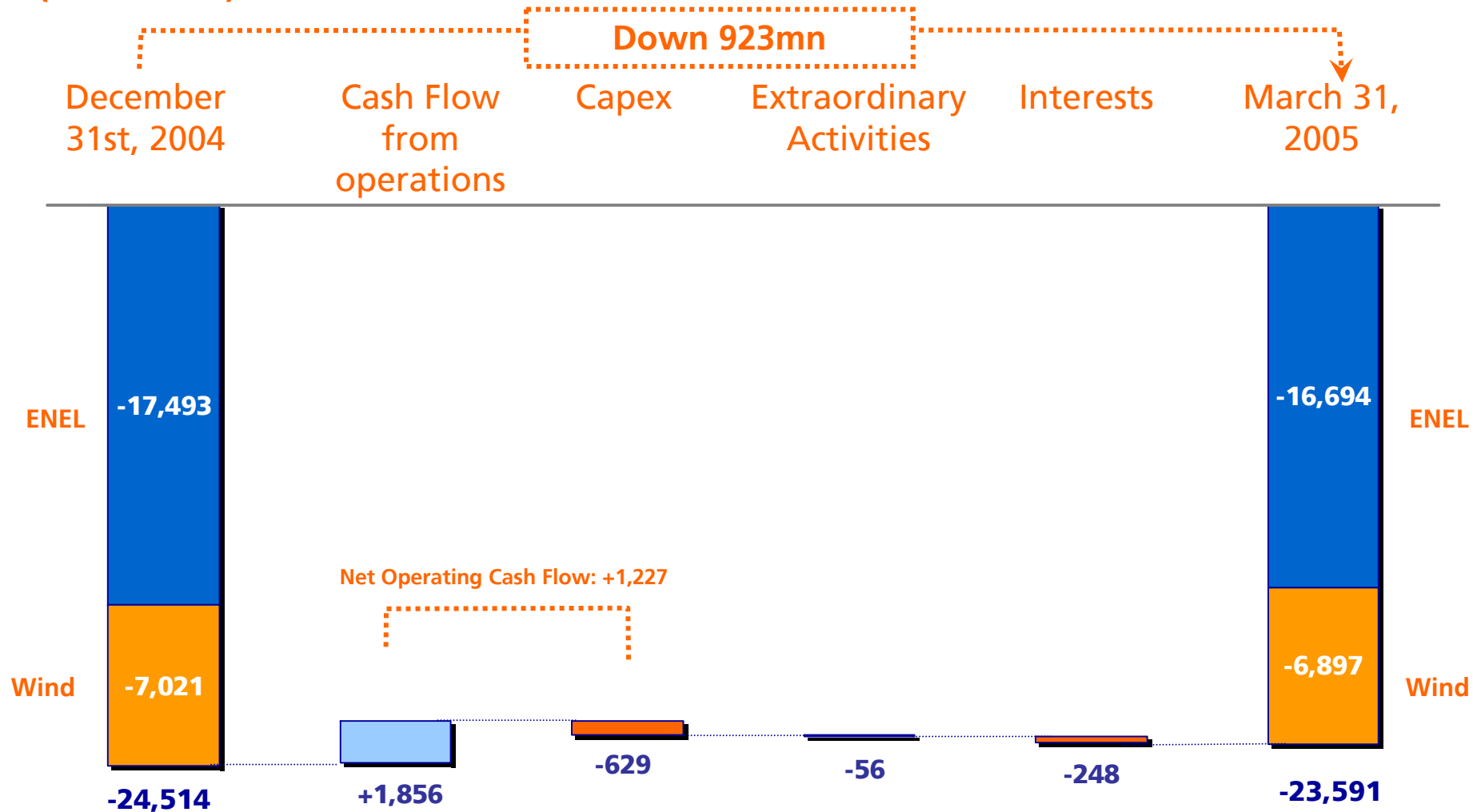
(Euro mn)



(1) Net of non-recurring items
 (2) Net of intercompany

Net Debt Evolution

(Euro mn)



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Income statement

(Euro mn)

	1Q2005	1Q2004	% change
Revenues	9,685	7,981	21.4%
Operating Costs	7,158	5,382	33.0%
EBITDA	2,527	2,599	-2.8%
% of Revenues	26%	33%	
EBIT	1,638	1,723	-4.9%
% of Revenues	17%	22%	

From EBIT to EPS

(Euro mn)

	1Q2005	1Q2004	% change
EBIT	1,638	1,723	-4.9%
Net Financial Charges	(231)	(408)	-43.4%
EBT	1,407	1,315	7.0%
Income Taxes	(608)	(584)	4.1%
Minority Interest	(31)	(2)	
Group Net Income	768	729	5.3%
EPS (Euro)	0.13	0.12	8.3%

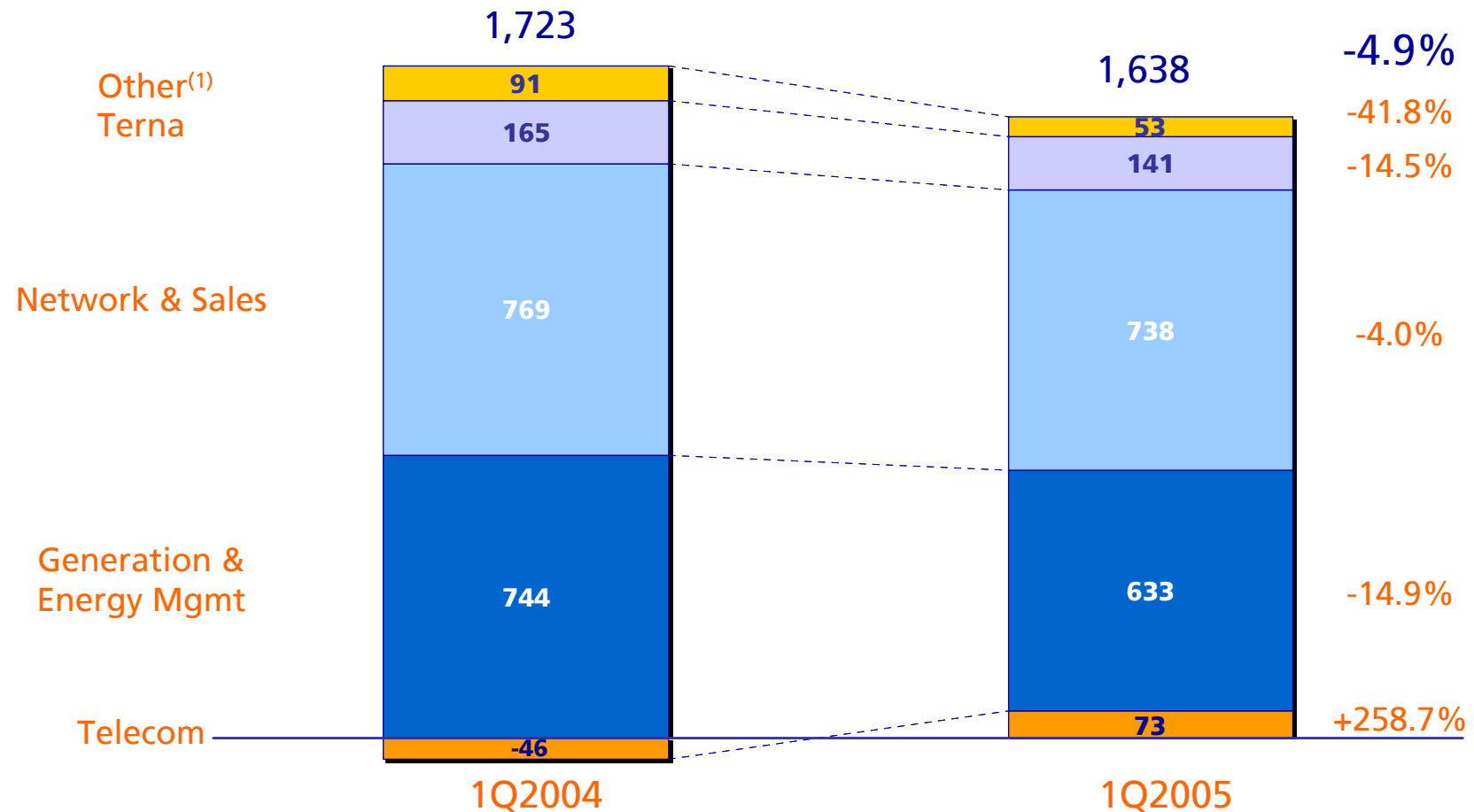
Balance sheet

(Euro mn)

	March 31, 2005	December 31, 2004	% Change
Net Financial Debt	23,591	24,514	-3.8%
of which Wind	6,897	7,021	-1.8%
Shareholders' Equity	20,032	19,066	5.1%
of which minorities	1,146	1,113	3.0%
Leverage	1.18	1.29	
Net Capital Employed	43,623	43,580	0.1%

EBIT by business area

(Euro mn)



(1) Net of intercompany

Generation & Energy Management

(Euro mn)

	1Q2005	1Q2004 ⁽²⁾	% change
Revenues ⁽¹⁾	3,568	3,101	15.1%
EBITDA	930	1,053	-11.7%
EBIT	633	744	-14.9%
Capex	162	141	14.9%
Net Capital Employed	15,147	14,931	1.4%
Headcount	10,686	10,828	-1.3%
Net Power Generation (domestic) (GWh)	28,177	32,015	-12.0%

(1) Net of Euro 21mn intercompany eliminations

(2) Net capital employed and headcount figures as of December 31, 2004

Network & Sales

(Euro mn)

	1Q2005	1Q2004 ⁽¹⁾	% change
Revenues	5,086	5,475	-7.1%
Power	4,430	4,908	-9.7%
Gas	656	567	15.7%
EBITDA	947	960	-1.4%
Power	797	818	-2.6%
Gas	150	142	5.6%
EBIT	738	769	-4.0%
Capex	322	334	-3.6%
Net Capital Employed	12,304	12,334	-0.2%
Headcount	35,262	35,537	-0.8%
Power Dispatched (GWh)	63,017	63,099	-0.1%
Power Sold to End Users (GWh) ⁽²⁾	38,547	40,768	-5.4%

(1) Net capital employed and headcount figures as of December 31, 2004

(2) Including sales on the free market

Operational data

Power

	1Q05	1Q04	% change
Net Power Generation (GWh)	28,177	32,015	-12.0%
Purchase of Power (GWh)	45,810	20,553	122.9%
Sales to End Users (GWh)	38,547	40,768	-5.4%
<i>of which: Regulated Market</i>	34,045	35,758	-4.8%
<i>Free Market</i>	4,502	5,010	-10.1%
Total Power Dispatched (GWh)	63,017	63,099	-0.1%

Gas

Volumes Sold to End Users (mcm)	2,179	2,099	3.8%
Customers ('000)	1,997	1,844	8.3%

Terna

(Euro mn)

	1Q2005	1Q2004 ⁽¹⁾	% change
Revenues	255	275	-7.3%
EBITDA	182	203	-10.3%
EBIT	141	165	-14.5%
Capex	30	59	-49.2%
Net Capital Employed	3,638	3,602	1.0%
Headcount	2,942	2,929	0.4%

(1) Net capital employed and headcount figures as of December 31, 2004

Wind

Key Performance Indicators

	1Q2005	1Q2004		1Q2005	1Q2004
Customers (mn)			Profit & Loss (€mn) ⁽³⁾		
Fixed Active	2.3	2.8	Revenues	1,162	1,068
of which direct ⁽¹⁾	0.5	0.4	EBITDA	393	261
Mobile ⁽²⁾	12.1	9.9	EBIT	73	(46)
Internet Subscribers	18.4	15.2			
	1Q2005	1Q2004		March 31, 2005	December 31, 2004
ARPU (€/average month)			Balance Sheet (€mn)		
Fixed Active	38.6	34.7	Net Debt	6,897	7,021
Mobile	18.6	21.5	Net Capital Employed ⁽⁴⁾	6,724	6,856
of which Data	2.4	2.8			

- (1) Of which 475,000 physically connected
 (2) Excluding Machine-to-Machine SIMs (approx. 500K)
 (3) Including Tellas
 (4) Excluding goodwill

Debt structure

- Average debt maturity: 6 years 6 months
- Average cost of debt: 4.3%
- (Fixed+Hedged)/Total Long Term Debt = 70%
- (Fixed+Hedged)/Total Net Debt = 59%
- S&P's: A+/A-1 stable Moody's: A1/P-1 stable

(Euro Mn)	March, 31 2005	December 31, 2004	% Change
Long-term	18,473	18,696	-1.19%
Short-term ⁽¹⁾	5,842	6,601	-11.50%
Cash ⁽²⁾	(724)	(783)	-7.54%
Net Debt	23,591	24,514	-3.77%

(1) Including current maturities of long term debt

(2) Including factoring receivables

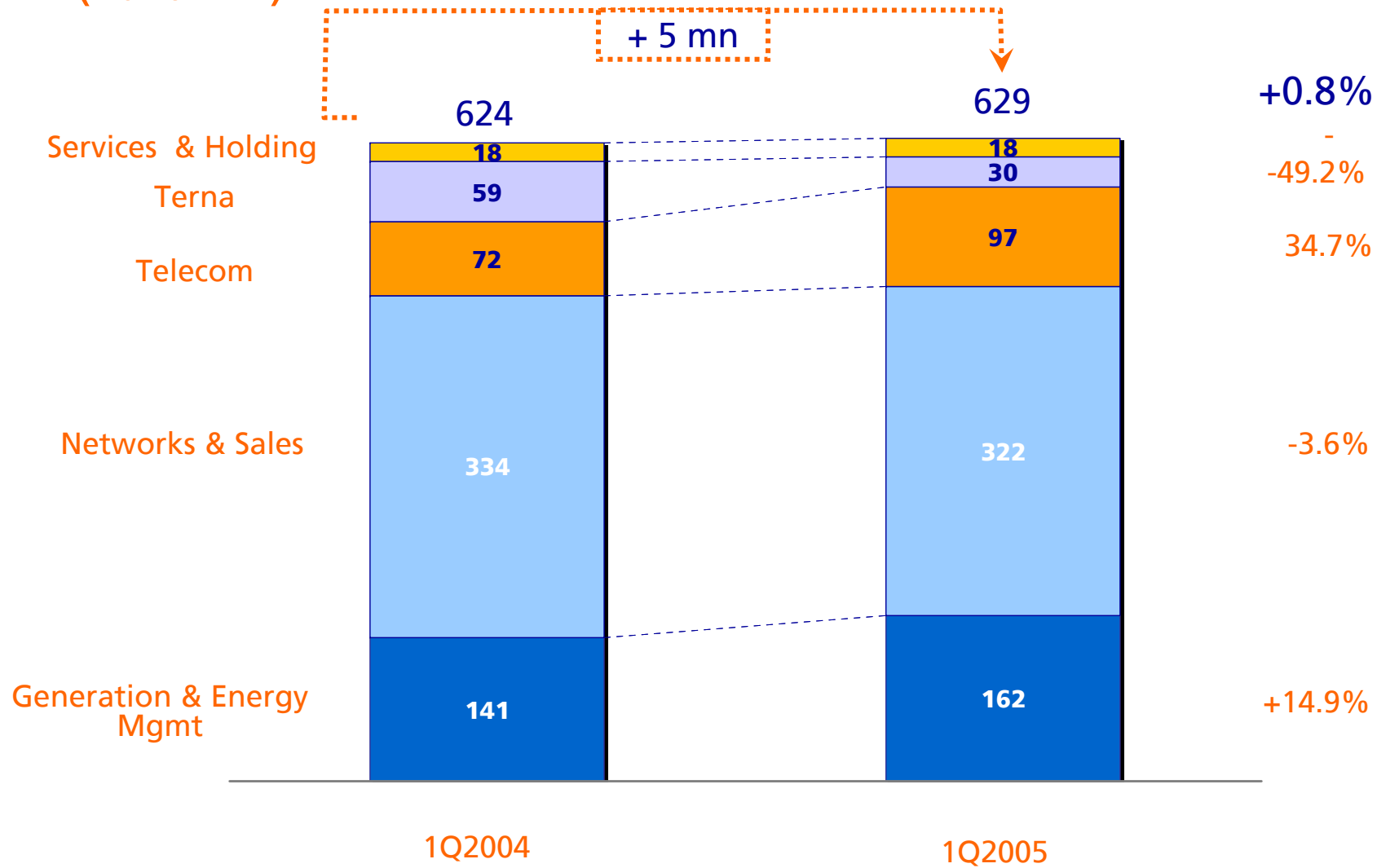
Services & Holding

(Euro mn)

	1Q2005	1Q2004 ⁽¹⁾	% change
SERVICES			
Revenues	289	466	-38.0%
EBITDA	49	68	-27.9%
EBIT	29	38	-23.7%
Capex	18	18	-
Net Capital Employed	677	885	-23.5%
Headcount	3,999	3,826	4.5%
HOLDING			
Revenues	251	241	4.1%
EBITDA	45	61	-26.2%
EBIT	43	60	-28.3%
Headcount	617	590	4.6%

(1) Net capital employed and headcount figures as of December 31, 2004

Capex (Euro mn)



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