

2005 Interim Results

Rome, 8 September 2005

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Agenda

- 1. Strategic framework**
2. 2005 interim results
3. Strategic update
4. Dividends
5. Questions & Answers

Strategic framework to date

Focus on core activities achieved

- Wind: sale of c.63% stake to Weather Investments closed on August 11, 2005
- Terna: Antitrust decision on August 5, 2005 for the sale of c.30% stake to CDP⁽¹⁾

Efficiency actions strengthened

- Outperformed all efficiency targets
- Re-powering program on schedule
- Re-organized all corporate staff activities

Pursuing growth

- Developing Italian gas business (more than 2mn customers, #2 in Italy)
- Investment plan for renewables on schedule
- Selective international expansion

Cash generation and growth continue to be our priorities

(1) Subject to CDP's disposal of its stake in Enel within 24 months starting from July 1, 2007

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2005 interim results - Highlights

Results

- Revenues at 17 €bn⁽¹⁾
- EBITDA at 4.2 €bn⁽²⁾
- Net ordinary income at c.1.6 €bn⁽²⁾
- Net debt at 16.2 €bn ⁽³⁾

1H05/1H04

- +12.6%
- +3.1%
- +6.3%
- -8.4 €bn

Excellent performance on key indicators

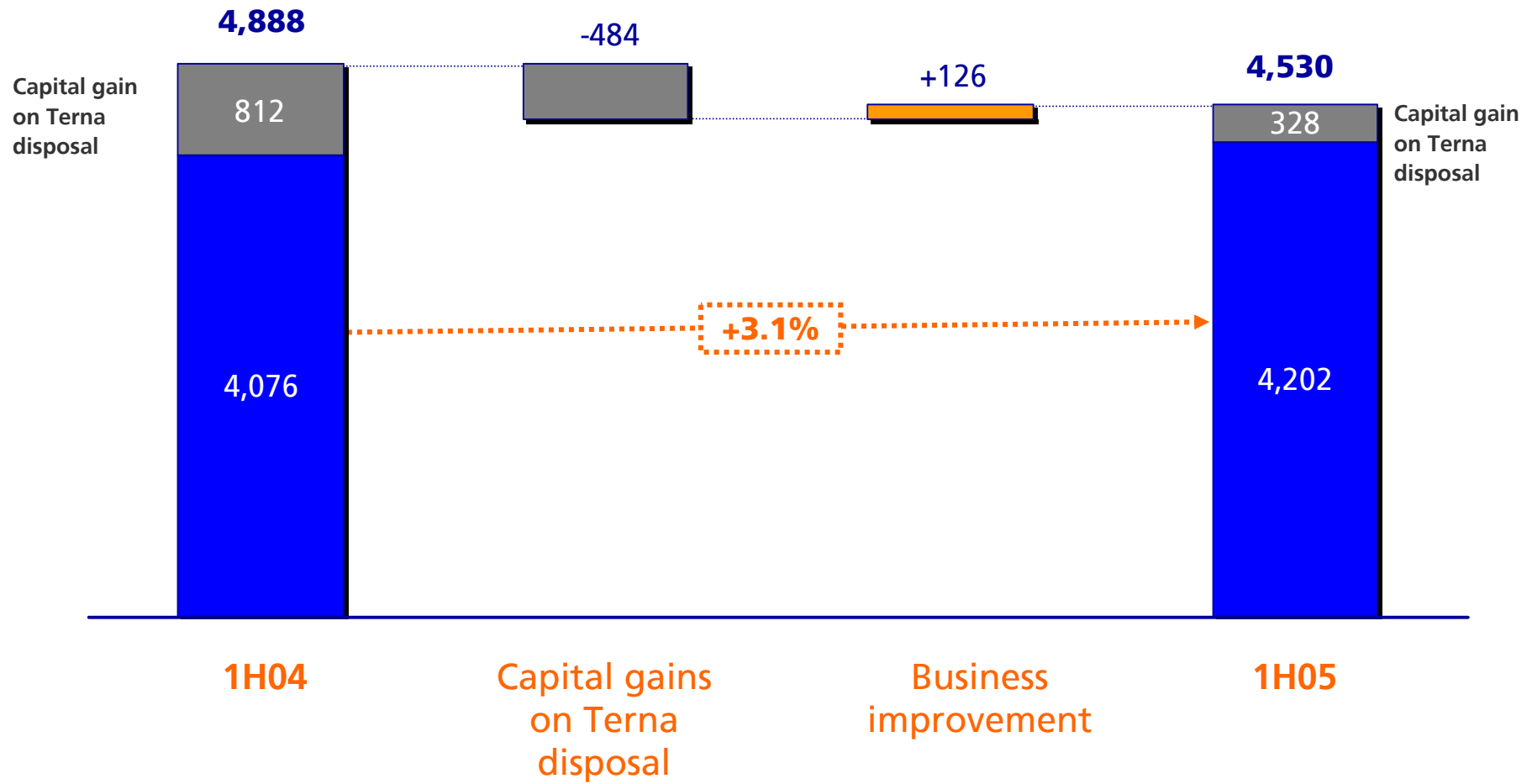
(1) Including effect of the Single Buyer's activities following the launch of the Pool on April 1, 2004

(2) Net of capital gain on Terna disposal

(3) **Cash-in from Wind disposal not yet accounted for**

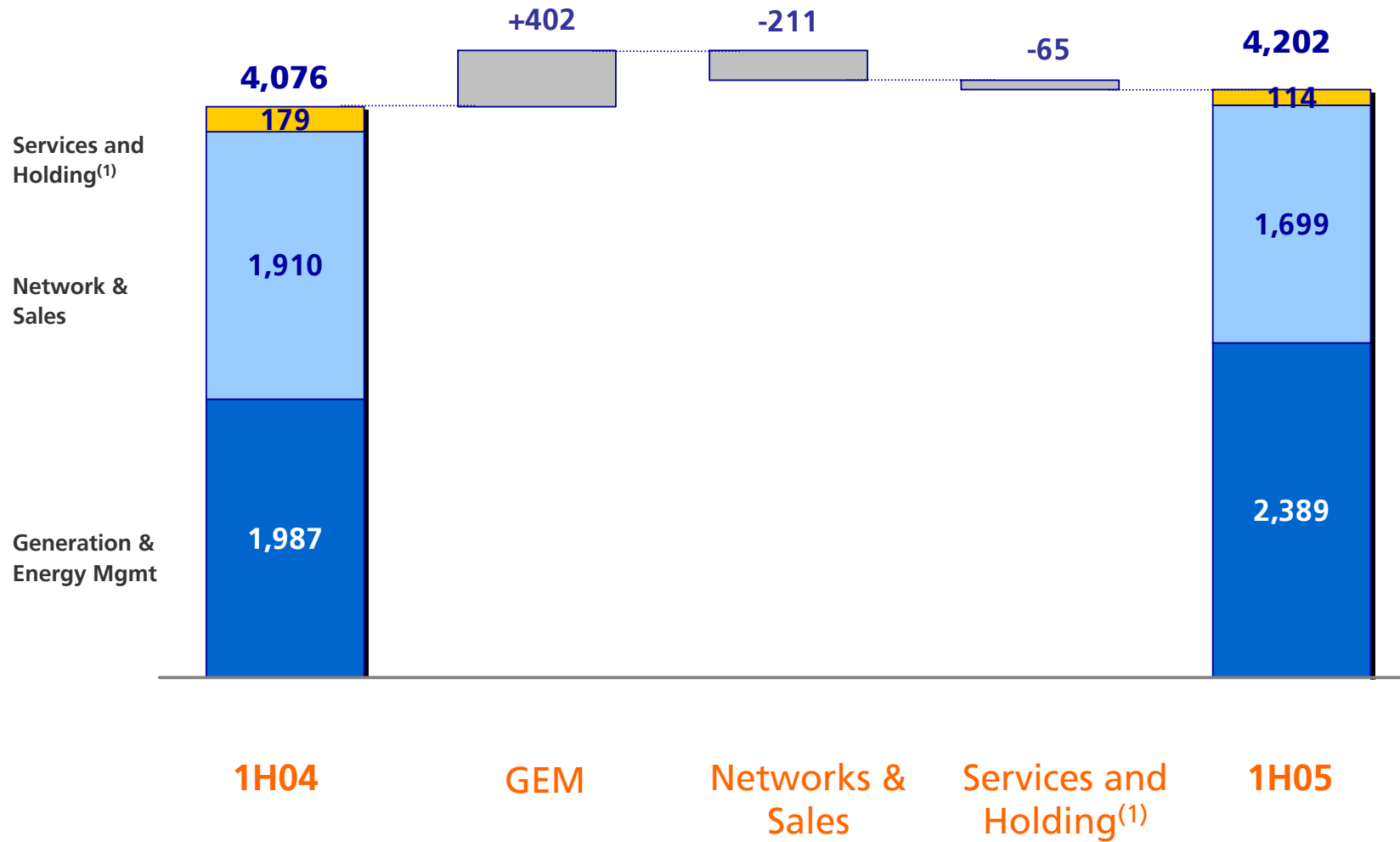
EBITDA

(€ mn)



EBITDA by division

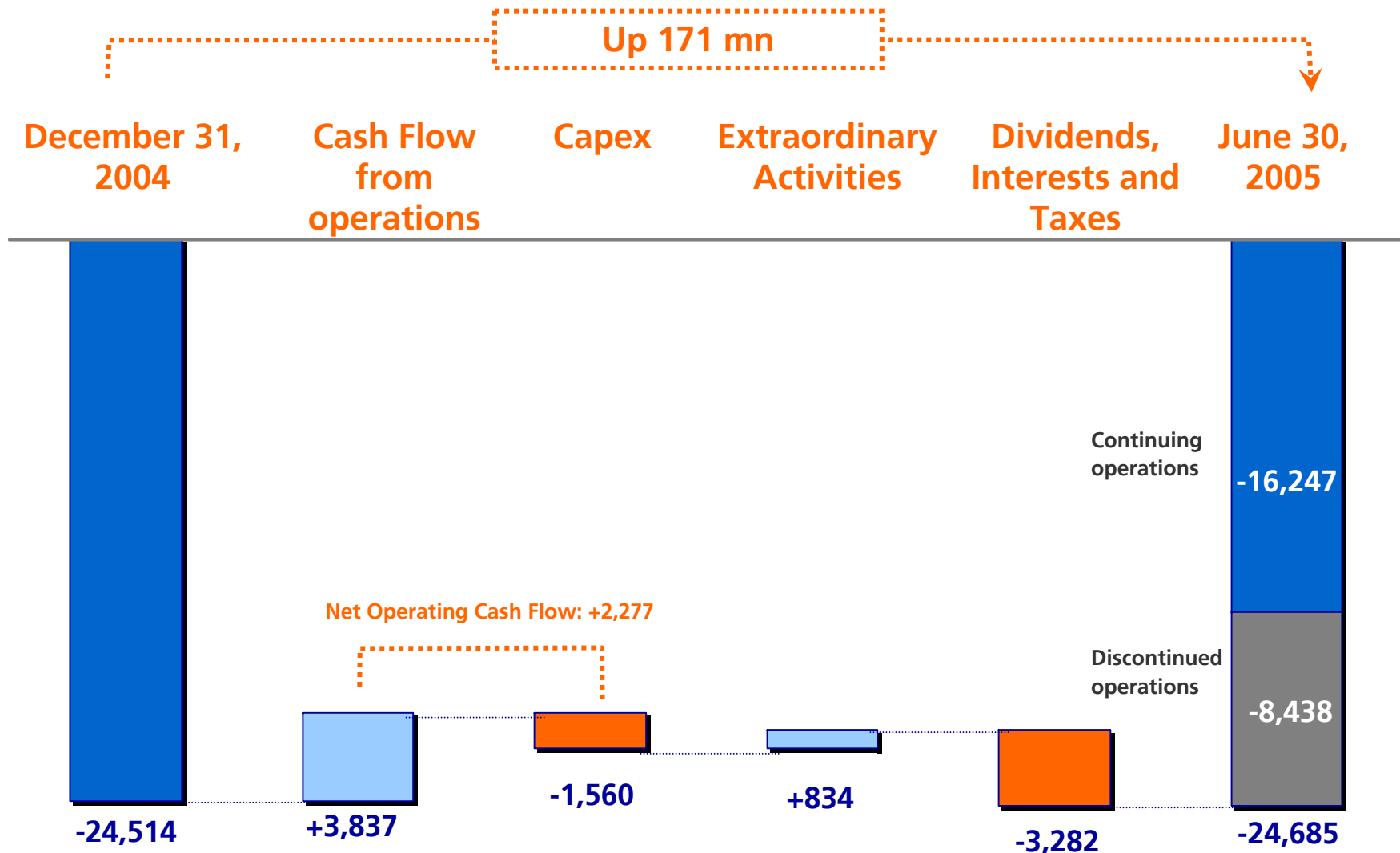
(€ mn)



(1) Net of intercompany

Net debt evolution

(€ mn)



Pro-forma¹ Balance Sheet

Highlights	1H05 actual	1H05 pro-forma
• Net Debt (€ bn)	• 24.7	• 12.1
• Net Equity (€ bn)	• 19.4	• 19.1
• Debt to Equity Ratio	• 1.27	• 0.63
• WACC	• 5.1%	• 5.7%
• "Shadow Rating"	• A+	• AA

Opportunity to optimize financial structure

(1) The pro-forma balance sheet assumes 2005 disposal and deconsolidation of both Terna and Wind

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Full year 2005 overview

Financials

- Expected EBITDA: slight increase on 2004⁽¹⁾
- Estimated Debt to equity Ratio around 0.7
- Growing net income

Operations

- GEM – Market share and volumes better than expected
- N&S – Efficiency Programs ahead of targets (2005 cash cost per customer lower than €122⁽²⁾)

Financial and operational performance ahead of 2004

(1) Net of Terna, Wind and non-recurring items

(2) Target stated on March 31, 2005

Efficiency: GEM – Conversion to clean coal

Status

Schedule

Torre-valdaliga nord

- Authorization already obtained
- Construction started on 1st unit
- 750 workers employed at present
- 50% of investments already assigned

- All three units operational by 2008:
 - ✓ one unit by 2H07
 - ✓ two units by 2008

Porto Tolle

- Authorisation by spring 2006
- Expected construction on first unit to start by 2006

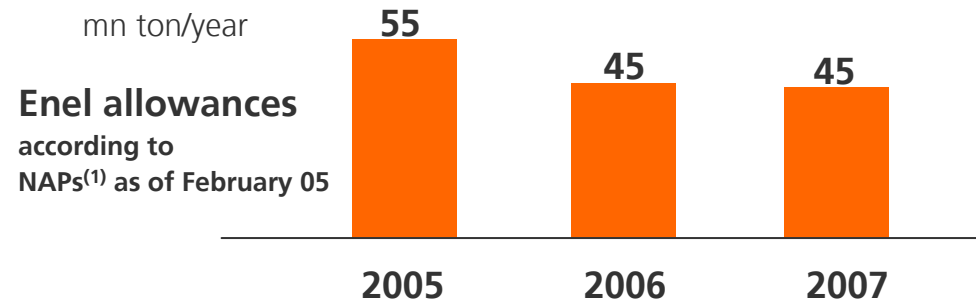
- Plant operational by 2010

Target 2009 fuel mix on track: 50% Coal, 30% Renewables, 20% Gas CCGT, Oil reduced to almost zero

Efficiency: GEM – Conversion to clean coal

Enel and the Kyoto Protocol Requirements

NAP



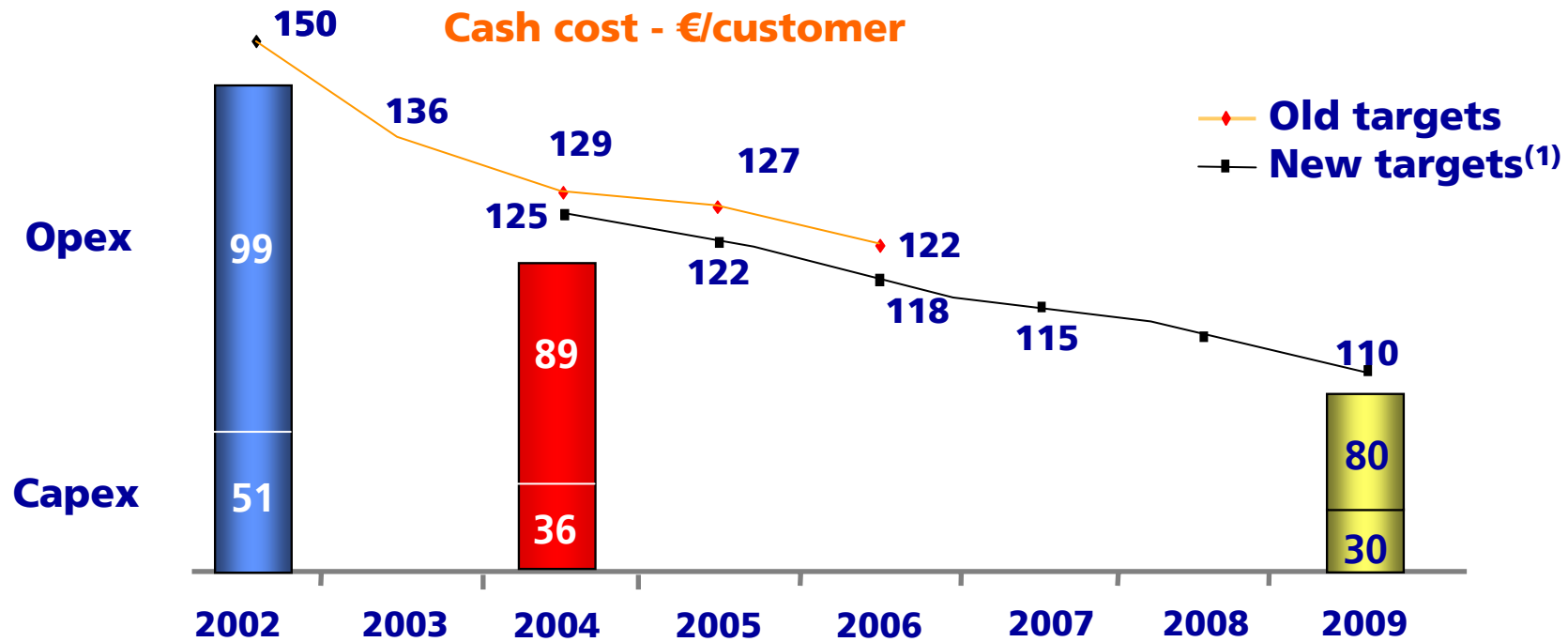
Enel's position (2005-2012)

- Italian NAP (2005-2007) to be defined soon
- Implementing balancing actions for the outer years (2008-12)
 - Participating in Carbon Funds
 - JI/CDM Projects both as project developers and buyers
 - Renewables

Balanced exposure to Kyoto through identified actions

(1) Italian NAP. Considering also Spanish and Slovakian NAPs the figures would be 64, 54 and 53 mn ton/year in 05, 06 and 07

Efficiency: N&S – Electricity cash cost per customer



Full year 2005 cash cost per customer ahead of our target

(1) Targets stated on March 31, 2005

Growth: Italian market

Renewables

- Confirmed €1.1 bn to be invested in 5 years
- IRR of Italian projects >20%
- Net seller of green certificates starting from 2006

Gas

- Target: 20% market share and 4 million customers by 2009
- 5,000 new clients per week through marketing efforts
- Acquisitions proceeding well (eg, Metadonotti Padani, Easygas)
- New concessions for networks

Gas and renewables to support future EBITDA growth

Growth: international market

Renewables

- 0.6 € bn investment plan - >10% IRR
- Consolidate our position in Europe and Americas
- Expand our worldwide leadership in geothermal

Consolidation of existing assets

- Integrate and extract synergies from Slovenske Elektrarne
- Strengthen our presence in Spain through Viesgo
- Extract value from Bulgarian and Romanian assets
- Develop our market opportunities in France

Future steps

- Selected and disciplined growth in Central and Eastern Europe
- Be ready to catch opportunities and future market liberalisation processes

Growing with tight financial discipline

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Dividends: Enel 4 roadshow proposition

2005

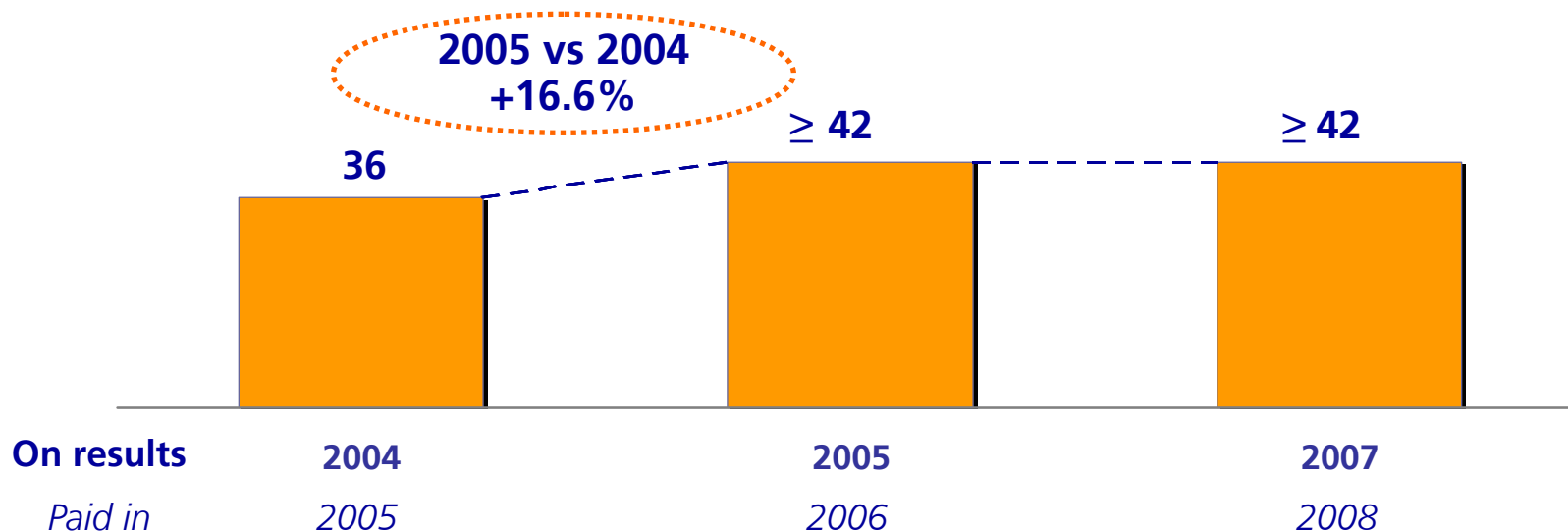
- Dividend of 36€c per share on 2004 results
- Additional dividend of 17-20€c per share from capital gains on Terna disposal to be paid in late 2005

**On-going
dividend
policy**

- Sustain dividends in excess of 36€c through:
 - strong ordinary income performance and
 - financial capacity available for dividend top-ups and disciplined growth
- Enhanced dividend policy will be declared in September

Dividends: future policy

(DPS - €c)



Stable 100% payout of growing ordinary income
Dividend paid in two instalments per year

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Annexes

Income statement

(€mn)

	1H2005	1H2004	% change
Operating Revenues	16,805	14,918	12.6%
Operating Costs	12,275	10,030	22.4%
EBITDA	4,530	4,888	-7.3%
% of Revenues	27%	33%	-
EBIT	3,414	3,813	-10.5%
% of Revenues	20%	26%	-

From EBIT to EPS

(€mn)

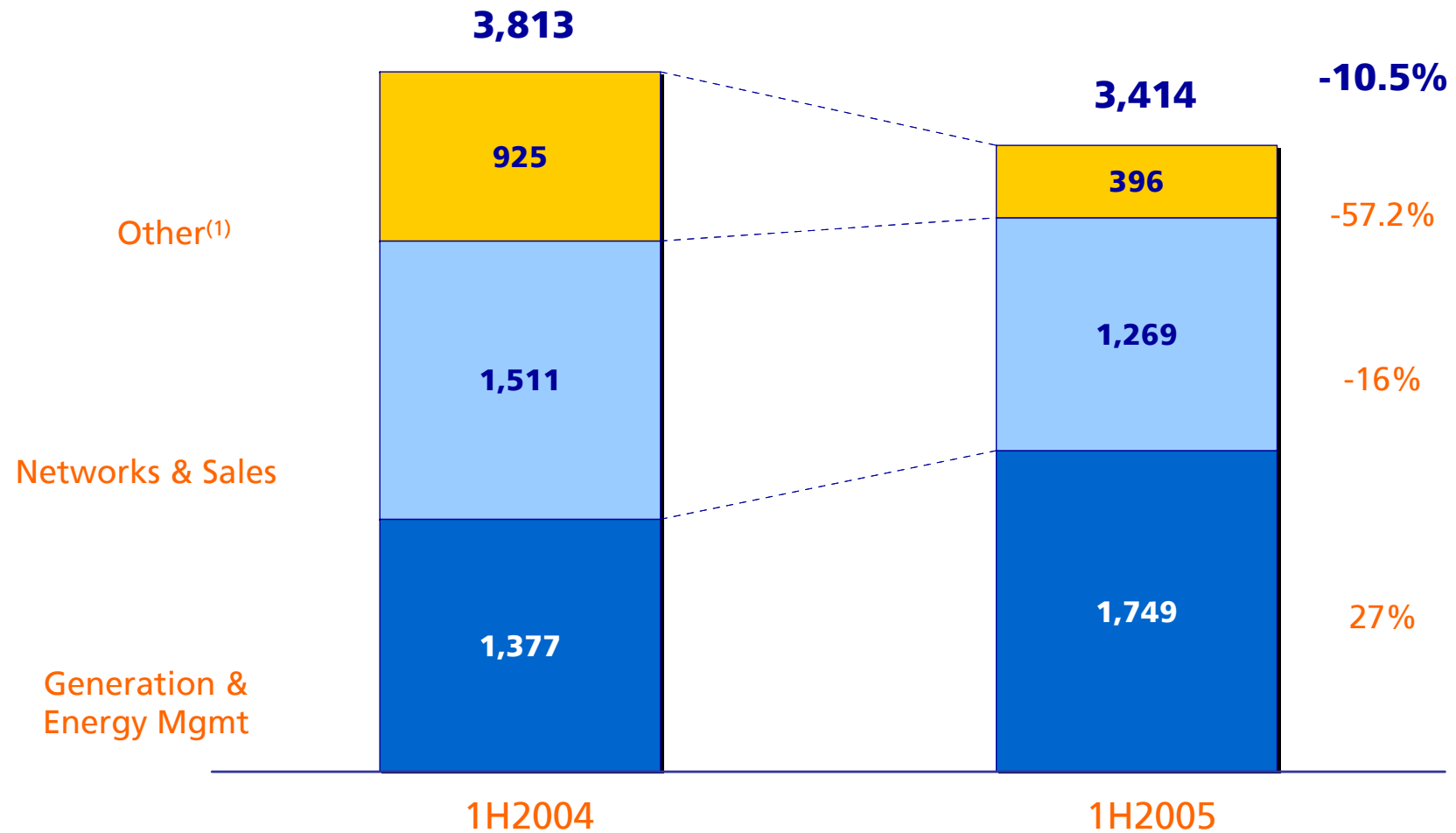
	1H2005	1H2004	% change
EBIT	3,414	3,813	-10.5%
Net Financial Charges	(349)	(390)	-10.5%
EBT	3,065	3,423	-10.5%
Income Taxes	1,114	1,084	2.8%
Net Income Continued	1,951	2,339	-
Net Income Discontinued	55	84	-34.5%
Net Income	2,006	2,423	-17.2%
EPS (Euro)	0.33	0.40	-17.5%

Balance sheet

(€mn)

	June 30, 2005	December 31, 2004	% Change
Net Financial Debt	24,685	24,514	0.7%
of which continued	16,247		
of which discontinued	8,438		
Shareholders' Equity	19,417	19,066	1.8%
of which minorities	1,448	1,113	30.1%
Leverage	1.27	1.29	-
Net Capital Employed	42,182	43,580	-3.2%
of which continued	35,664		
of which discontinued	6,518		

EBIT by business area (€mn)



(1) Net of intercompany

Generation & Energy Management

(€mn)

	1H2005	1H2004 ⁽²⁾	% change
Revenues ⁽¹⁾	7,334	6,061	21.0%
EBITDA	2,389	1,987	20.2%
EBIT	1,749	1,377	27.0%
Capex	414	376	10.1%
Net Capital Employed	15,414	14,931	3.2%
Headcount	10,435	10,828	-3.6%
Net Power Generation (domestic) (GWh)	55,520	61,744	-10.1%

(1) Net of Euro 47mn and Euro 14mn intercompany eliminations in 1H05 and 1H04, respectively

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

Networks & Sales

(€mn)

	1H2005	1H2004 ⁽²⁾	% change
Revenues ⁽¹⁾	9,636	9,860	-2.3%
Power	8,732	9,065	-3.7%
Gas	906	798	13.5%
EBITDA	1,699	1,910	-11.0%
Power	1,532	1,751	-12.5%
Gas	167	159	5.0%
EBIT	1,269	1,511	-16.0%
Capex	752	758	-0.8%
Net Capital Employed	12,561	12,334	1.8%
Headcount	37,577	35,537	5.7%
Power Dispatched (GWh)	125,689	125,264	0.3%
Power Sold to End Users (GWh) ⁽³⁾	73,891	79,785	-7.4%

(1) Net of Euro 2mn and of Euro 3mn intercompany eliminations in 1H05 and 1H04, respectively

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

(3) Including sales on the free market

Operational data

Power

	1H05	1H04	% change
Net Power Generation (GWh)	55,520	61,744	-10.1%
Purchase of Power (GWh)	86,885	62,317	39.4%
Sales to End Users (GWh)	73,891	79,785	-7.4%
<i>of which: Regulated Market</i>	64,842	69,230	-6.3%
<i>Free Market</i>	9,049	10,555	-14.3%
Total Power Dispatched (GWh)	125,689	125,264	0.3%

Gas

Volumes Sold to End Users (mcm)	2,998	3,003	-0.2%
Customers ('000)	2,025	1,856	9.1%

Services & Holding

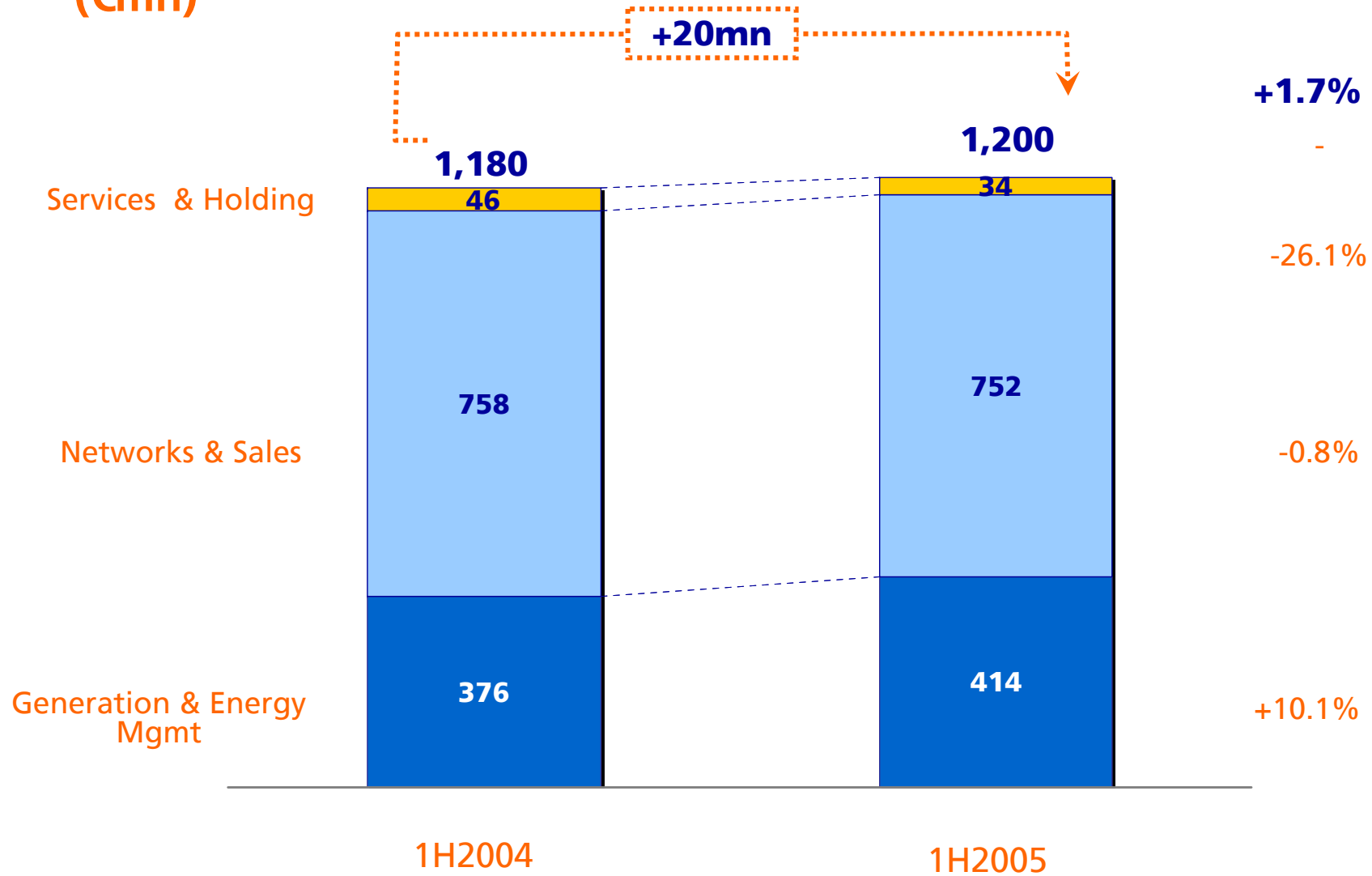
(€mn)

	1H2005	1H2004 ⁽¹⁾	% change
SERVICES			
Revenues	702	989	-29.0%
EBITDA	105	173	-39.3%
EBIT	63	108	-41.7%
Capex	33	46	-28.3%
Net Capital Employed	596	885	-32.7%
Headcount	4,856	3,826	26.9%
HOLDING			
Revenues	881	1,322	-33.4%
EBITDA	350	881	-60.3%
EBIT	346	880	-60.7%
Headcount	581	590	-1.5%

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

Capex – Continuing operations

(€mn)



Debt structure – Continuing operations

- Average debt maturity: 6 years and 0 months (the same including discontinued operations)
- Average cost of debt: 4.2% (the same including discontinued operations)
- (Fixed+Hedged)/Total Long Term Debt: 87% (67% including discontinued operations)
- (Fixed+Hedged)/Total Net Debt⁽³⁾ = 67% (53% including discontinued operations)
- S&P's: A+/A-1 stable Moody's: A1/P-1 stable

(€mn)	June, 30 2005	December 31, 2004 ⁽¹⁾	% Change
Long-term	10,318	18,696	-44.81%
Short-term ⁽²⁾	6,678	6,589	1.35%
Cash ⁽³⁾	(749)	(771)	-2.85%
Net Debt	16,247	24,514	-33.72%

(1) Including both continuing and discontinued operations
 (2) Including current maturities of long term debt
 (3) Including factoring receivables

Income statement – Continuing operations

Quarterly Analysis (€mn)

	2Q05	2Q04	% change	1Q05
Revenues	8,429	8,249	2.2%	8,376
EBITDA	2,546	2,765	-7.9%	1,984
% of Revenues	30%	34%		24%
EBIT	1,959	2,220	-11.8%	1,455
% of Revenues	23%	27%		17%
EBT	1,766	2,093	-15.6%	1,299

Terna – Discontinued operation

(€mn)

	1H2005	1H2004 ⁽¹⁾	% change
Revenues	500	509	-1.8%
EBITDA	348	330	5.5%
EBIT	266	253	5.1%
Capex	84	137	-38.7%
Net Capital Employed	3,865	3,602	7.3%
Headcount	2,908	2,929	-0.7%

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

Wind – Discontinued operation

Key Performance Indicators

	1H2005	1H2004		1H2005	1H2004
Customers (mn)			Profit & Loss (€mn)⁽³⁾		
Fixed Active	2.3	2.6	Revenues	2,339	2,425
of which direct ⁽¹⁾	0.5	0.4	EBITDA	757	798
Mobile ⁽²⁾	12.9	10.6	EBIT	122	87
Internet Subscribers	19.5	16.4			
	1H2005	1H2004		June 30, 2005	December 31, 2004
ARPU (€/average month)			Balance Sheet (€mn)		
Fixed Active	37.7	36.3	Net Debt ⁽³⁾	6,511	7,021
Mobile	18.8	21.5	Net Capital Employed ⁽⁴⁾	6,546	6,856
of which Data	2.3	2.8			

(1) Excluding Machine-to-Machine SIMs (approx. 600K)

(2) Including Tellas

(3) Excluding debt to Italian Railways

(4) Excluding goodwill

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