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AGREEMENT SIGNED FOR THE SALE OF ENEL DISTRIBUZIONE'S HIGH-VOLTAGE NETWORK TO TERNA

- *The agreement provides for the sale of the entire share capital of Enel Linee Alta Tensione Srl, a wholly-owned subsidiary of Enel Distribuzione SpA, to Terna SpA for a consideration of 1,152 million euros, along with the transfer of its high-voltage assets and related legal relationships.*
- *Execution of the agreement is subject to approval by the Antitrust Authority, authorisation by the relevant authorities to integrate the transferred high-voltage lines into the National Transmission Grid and to the issuance of regulatory measures by the Regulatory Authority for Electricity and Gas entitling Terna to the remuneration on such assets through the relevant tariff component.*

Rome, 19 December 2008 – Enel SpA (Enel), Enel Distribuzione SpA (Enel Distribuzione) and Terna SpA (Terna) signed today an agreement for the sale of the entire share capital of Enel Linee Alta Tensione Srl ("ELAT"), a wholly-owned subsidiary of Enel Distribuzione, to Terna. Prior to the closing of the transaction, Enel Distribuzione will contribute to ELAT a corporate division, consisting of the high-voltage grid and related legal relationships, that will be entitled to receive a tariff remuneration of approximately 133 million euros at regime, calculated on tariffs for 2008.

The division being contributed consists of 18,583 kilometres of high-voltage grid ("HV lines"), mainly 132 and 150 KV, as well as related contracts (mostly for telecommunication services). The transaction was made possible also thanks to the stability of the reference regulatory and tariff framework.

The parties agreed on a consideration for the transaction of 1,152 million euros. This consideration will be paid in full at the time of closing and may be adjusted, with the appropriate payment, based on ELAT's shareholders' equity on the date of sale.

Terna will fully finance the transaction through debt, employing credit lines already in place.

This transaction is part of the programme to enhance the Enel Group's holdings portfolio, announced to the market in connection with the guidelines for the 2008-2012 business plan. It will increase Terna's grid by 45% in terms of total kilometres and 18% in terms of its Regulated Asset Base (RAB) as well as positively impact the company's financial statements starting from the first year of consolidation.

Today's agreement, once finalized, will allow Terna to rank seventh worldwide among transmission grid operators in terms of kilometres, to consolidate its position as the

leading independent grid operator in Europe and to grow further its core business operations. Finally, this transaction is aimed at increasing the development, streamlining and safety potential of the domestic transmission grid as well as accelerating some previously planned investments for the grid's development.

Completion of the operation, expected by spring 2009, is subject to the approval of the Antitrust Authority, to authorisation by the relevant authorities to integrate the high-voltage lines into the National Transmission Grid and to the issuance of a measure by the Regulatory Authority for Electricity and Gas entitling Terna to the remuneration on such assets through the relevant tariff component.

Leonardo & Co., Mediobanca and Banca IMI served as independent advisors to Enel Distribuzione to evaluate the fairness of the price agreed for the sale of the entire stake in ELAT, whereas Terna availed itself of the services of Goldman Sachs and JP Morgan Chase and they also supported Terna's Board of Directors in evaluating the fairness of the price agreed for the acquisition.

Following the conclusion of the transaction, Terna will publicly disclose the relevant information as foreseen by Articles 71 and 71-bis of Consob Regulation on Issuers.

Fulvio Conti, Enel Chief Executive Officer and General Manager, said: *"With this transaction we are taking an important step forward in the disclosed programme of portfolio optimization, which is set to continue through the procedure of sale of the gas grid and of a minority stake in Enel Green Power. Furthermore, the process of liberalization of the electricity market is being completed. This process was launched with the unbundling from Enel of the energy transport and transmission activities and the subsequent listing of Terna on the stock market. This disposal for Enel totals approximately 1.5 billion euros taking into account that Enel Distribuzione will be still entitled to be remunerated through the tariff mechanism for past efficiency gains (the so-called profit sharing). The good relations between the two companies and the shared strategic view entailed to achieve an excellent result for both parties"*.

Flavio Cattaneo, Terna CEO, commented as follows: *"Thanks to this agreement Terna will rank first in Europe as well as among the most important grid operators in the world. With the end of the year we are meeting an important economic and industrial target, taking a strategic opportunity creating value for the country and for our shareholders, without modifying our risk profile. The price paid by Terna has an implied value lower than the RAB and the transaction has been finalized compatible with current market conditions and it entails interesting strategic, industrial and financial implications. The transaction is accretive for the company. The high voltage grid in Italy is improving its quality and safety with a key role for the country's industrial development. This transaction is allowing Terna to look positively at the future, in line with the Grid's development plan of the next five years. We are satisfied and we congratulate with the CEO of Enel"*.

On Monday 22 December, 2008 at 4.00 pm CET Terna will hold a conference call in order to explain the transaction to financial analysts and institutional investors. Journalist may also participate in listen-only mode. The conference call's background material will be available at www.terna.it, in the Investor Relations section, from the beginning of the conference call. It will also be possible to follow the presentation in audio webcasting in the same section of the website.