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## THE ENEL-DOLOMITI ENERGIA AGREEMENT FOR THE JOINT DEVELOPMENT OF THE HYDROELECTRIC SECTOR IN THE PROVINCE OF TRENTO FINALIZED

- *Enel Produzione has sold Dolomiti Energia 51% of Hydro Dolomiti Enel Srl for about 333 million euros, to which it had previously contributed the hydroelectric operations in the Province of Trento and to which Enel Rete Gas transferred 100% of Avisio Energia*
- *Thanks to the extension granted by the Province of Trento, Hydro Dolomiti Enel Srl will operate the major hydroelectric concessions until 31 December 2020.*

**Trento/Rome, 25 July 2008** – In implementation of the investment agreement (the “Agreement”) signed on 24 April 2008, Enel Produzione SpA (“Enel Produzione”) today sold Dolomiti Energia SpA (“Dolomiti Energia”) 51% of Hydro Dolomiti Enel Srl (“HDE”) for 333 million euros. The parties will use HDE for the joint development of the hydroelectric power sector in the Autonomous Province of Trento.

HDE was recently established by Enel Produzione, which transferred its hydroelectric operations in the Province of Trento (with the exception of the San Floriano plant) to the new company. The assets include 20 concessions for major hydroelectric derivations and 7 small derivations with a total capacity of about 1.3 GW and a total annual output of 3.1 TWh. HDE also acquired the entire share capital of Avisio Energia SpA, which distributes natural gas in 33 municipalities in the Province of Trento, from Enel Rete Gas SpA.

The transaction was completed after the conditions which the Agreement was subject to in order to be effective were satisfied, namely: receipt of (i) approval of the transaction by the Competition Authority, (ii) approval by the Autonomous Province of Trento of the transfer of the hydroelectric concessions (with the exception of the San Floriano plant) to HDE, and (iii) the extension by the Autonomous Province of Trento of the concessions for major hydroelectric derivations until 31 December 2020, enabling the full implementation of the business plan developed by the parties.

The price of 333 million euros for 51% of HDE was determined on the basis of the value originally agreed by the parties (562.7 million euros), reduced in accordance with the provisions of the Agreement to take account of the net financial position of the assets transferred to HDE, the estimated cash flows of the operations transferred by Enel Produzione to HDE between 1 January 2008 (the reference date for valuing HDE) and 15 July 2008 (the effective date of the transfer), and the exclusion of the San Floriano plant. The price will later be adjusted based on the difference between the estimated value of production and the actual value of production of the unit in the 2008-2010 period.

In view of the governance arrangements set out in the Agreement, Enel Produzione will exercise a dominant influence over HDE and, in compliance with the provisions of law and international accounting standards, will therefore consolidate the results of HDE on a full line-by-line basis until approval of the financial statements as at 31 December 2010.

For more details on the main elements of the Agreement, please see the press release of 24 April 2008 (available at [www.enel.it](http://www.enel.it), in the "press room" section).

Rudi Oss, President of Dolomiti Energia, stated: *"We are deeply satisfied to have concluded today an agreement which is surely important for the whole Trentino system. A strategic sector for economy such as energy is once again closer to the territory. We will work in order to develop the most fruitful cooperation with Enel for the development of the new company."*

Sergio Adami, Responsible for Hydroelectric Production – Alps at Enel, declared: *"This agreement will develop a synergy between a company like Enel, that will contribute with its dowry of plants and technological know-how, and a company like Dolomiti Energia, that is strongly rooted in the territory, with the aim to strengthen further the production of power from renewable sources."*