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ENEL COMPLETES ACQUISITION OF 92 MW OF HYDRO CAPACITY IN BRAZIL FOR ABOUT 464 MILLION REALS (ABOUT €168 MILLION)

- *The Rede Group has sold Enel Brasil Participações a 100% stake in 10 companies owning 20 hydro power plants.*
- *Enel strengthens its position in renewables in the Americas.*

Rome, 6 October 2006 – In São Paulo, Enel Brasil Participações, a Brazilian subsidiary of Enel Latin America, has completed the acquisition from Empresa de Electricidade Vale Paranapanema S.A., from Rede Empresas de Energia Eléctrica SA, its subsidiaries Rede Power do Brasil SA and Tocantins Energia SA, and other minority shareholders, of the entire share capital of 10 companies in the Rede Group that own 20 mini-hydro plants with a total installed capacity of 92 MW.

The consideration paid for the acquisition of the 10 companies amounts to about 464 million reais, equal to about €168 million at the current exchange rate.

Enel expects the assets to contribute about €27 million a year to EBITDA in 2007. The closing of the transaction came after its approval by ANEEL (the Brazilian electricity authority).

The acquisition of another company owning two mini-hydro plants with an installed capacity of about 6 MW, which was envisaged in the preliminary agreement signed last June, should take place by March 2007, as soon as the revamping work currently under way is completed.

With this agreement, Enel continues to pursue its global strategy of developing renewable energy resources, partly with a view to seizing the new opportunities that the Kyoto protocol offers those who work to contain greenhouse gas emissions, especially in emerging countries, and enters the promising Brazilian electricity market, the largest and fastest growing in South America.

Brazil has a total installed capacity of 92,000 MW, of which 75% from hydro sources, and for some time now has been engaged in the liberalisation and privatisation of the electricity sector. The rapid growth in demand means that generation capacity must expand by about 5,000 MW a year, making it an attractive investment opportunity.

The Rede Group is an integrated operator in electricity generation, distribution and trading in Brazil, currently serving about 3 million customers in such country.

The 10 companies involved in the transaction are located in three Brazilian states: five with 9 plants and a total capacity of 37.6 MW in Mato Grosso; three with 8 plants and a total capacity of 50.1 MW in Tocantins, and two with 3 plants and a total capacity of 4.7 MW in

the state of São Paulo. Separate financials for such companies are not yet available owing to the unbundling of the Rede Group's generation assets from its distribution operations in November last year.

The Enel Group is active in Central and South America in the generation of electricity from renewable resources, and is seeking to seize all investment opportunities in the sector, further expanding its presence in a continent with rapidly growing demand for energy. The Enel Group is already present in Costa Rica, Nicaragua, El Salvador, Guatemala, Chile and Panama, and together with its affiliates has interests in projects with a total generation capacity of about 600 MW.

In **Costa Rica** Enel Latin America has interests in two hydro plants (30 MW) and one wind facility (24 MW).

In **Nicaragua** and **El Salvador** Enel Group is working in partnership with La Geo (which has about 100 MW of installed capacity) to develop geothermal resources, a field in which Enel has unique experience at the world level.

In **Guatemala** Enel Latin America has interests in three hydro plants, having about 75 MW of overall installed capacity.

In **Chile** Enel Latin America owns and operates two hydro plants (87 MW) and is conducting explorations for the development of that country's promising geothermal resources in partnership with Enap (Chile's hydrocarbon agency).

In **Panama** Enel Group recently acquired a 24.55% stake in EGE Fortuna SA, a generation company with 300 MW of hydro capacity.