press release

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# ENEL S.P.A'S TRANSITION TO INTERNATIONAL ACCOUNTING STANDARDS COMPLETED

**Rome, 6 September 2006** – In compliance with Consob Communication no. 6064313 of 28 July 2006, Enel S.p.A. announces that the external auditor KPMG S.p.A. has completed a full audit of the reconciliation statements for the Parent Company envisaged under IFRS 1 (First-time adoption of International Financial Reporting Standards).

The text of KPMG S.p.A.'s report on the document "Transizione di Enel S.p.A. ai principi contabili internazionali (IFRS)" ("Enel S.p.A.'s transition to international accounting standards (IFRS)") can be found, together with the document itself, on Enel's website (www.enel.it) and that of Borsa Italiana (www.borsaitaliana.it).

The Parent Company, Enel S.p.A., has adopted international accounting standards (IFRS) as from 2006, with an IFRS transition date of 1 January 2005. It has therefore prepared the balance sheet at 1 January and 31 December 2005 on the basis of the provisions of IFRS 1.

Compared with the accounts of Enel S.p.A. at 31 December 2005 prepared in accordance with Italian GAAP, the following main differences emerged:

- an increase of €202 million in the value of investments in associated companies as a result of their measurement at fair value;
- the recognition of financial liabilities of €125 million in respect of derivatives used to hedge interest rate and exchange rate risks measured at fair value;
- an increase of €43 million in the liability for staff termination benefits and other employee benefits calculated on an actuarial basis;
- an increase of €38 million in liabilities, mainly attributable to the fair value measurement of Terna bonus shares, which were distributed in January 2006;
- the recognition of €62 million in respect of the positive tax effects on impairment adjustments.