

Media Relations
Ph. +39 06 83055699
Fax +39 06 83053771
e-mail: ufficiostampa@enel.it

Investor Relations
Ph. +39 06 83057008
Fax +39 06 83053771
e-mail: investor.relations@enel.it
www.enel.it

Enel Board approves results for first half of 2005

Revenues: 16,805 million euro (14,918 million in 1H 2004, +12.6%)
EBITDA: 4,202 million euro (4,076 million in 1H 2004, +3.1%) net of capital gains from sale of equity stake in Terna; gross of the sale, EBITDA totals 4,530 million euro (4,888 million in 1h 2004, -7.3%)

Interim 2005 dividend payment of between 0.17 and 0.20 euro per share, payable from 24 November

CEO Fulvio Conti: "Net income expected to be up for the full year 2005"

Rome, 8 September 2005 – The Board of Directors of Enel Spa, chaired by Piero Gnudi, today approved the results for the first half of 2005.

The consolidated interim report at 30 June 2005 was prepared using the accounting principles established under IFRS, which are assumed will be in force at 31 December 2005. The figures used for the purposes of comparison were also calculated in accordance with the IFRS. **The income statements for the two half-year periods and the balance sheet at 30 June 2005 exclude the discontinued operations (Terna and Wind).**

Consolidated financial highlights (millions of euro):

	H1 2005	H1 2004	Change
Revenues	16,805	14,918	+12.6%
EBITDA	4,530	4,888	-7.3%
EBITDA (net of capital gains on Terna sale)	4,202	4,076	+3.1%
EBIT	3,414	3,813	-10.5%
EBIT (net of capital gains on Terna sale)	3,086	3,001	+2.8%
Net income	2,006	2,423	-17.2%
Net income (net of capital gains on Terna)	1,678	1,611	+4.2%
Net financial debt	16,247*	24,514**	-33.7%

* 30 June 2005 ** 31 December 2004

Fulvio Conti, CEO, remarked: "I am very satisfied with our results for the first half of the year. These figures reflect our strategy of increasing efficiency and focusing on electricity and gas operations. Net income for the full year 2005 is expected to show an improvement on 2004".

Revenues in the first half of 2005 amounted to 16,805 million euro, an increase of 12.6% with respect to the corresponding period of 2004. The increase is largely attributable to electricity sales made to the Italian

Power Exchange and to the Single Buyer by the Group's power generation companies and Enel SpA. Until 31 March 2004, power was sold directly to Group distribution companies, and the related revenues and costs were eliminated from the consolidated accounts.

EBITDA for the period, net of the capital gains made in the first half-year periods of 2004 and 2005 from the sale of the equity interest in Terna, rose by 3.1% from 4,076 million euro to 4,202 million euro. The capital gains on the sale of 50% of Terna amounted to 812 million euro in the first half of 2004, while the capital gains on the placement of 13.86% of the company with institutional investors at the beginning of April, 2005 came to 328 million euro, recording a difference of 484 million euro. EBITDA showed particularly strong growth in the Generation and Energy Management Division (+402 million euro).

EBIT in the first half of 2005, net of the capital gains from the sale of Terna shares recorded in the two periods totalled 3,086 million euro, a growth of 85 million euro (+2.8%) with respect to the corresponding period of the previous year 3,001 million euro. **Net income, net of the capital gains**, stood at 1,678 million euro, a growth of 67 million euro (+4.2%) with respect to 1,611 million euro in the first half of 2004. Including the capital gains, **EBIT** for the period stood at 3,414 million euro, a reduction of 399 million euro compared with the same period a year earlier (-10.5%). **Net income for the period** was 2,006 million, down by 417 million euro (-17.2%) from the 2,423 million euro recorded at 30 June 2004.

The **consolidated balance sheet** at 30 June 2005, net of Terna and Wind, shows total shareholders' equity of 19,417 million euro, and net financial debt of 16,247 million euro (24,685 million euro including Terna and Wind). This figure does not include proceeds for 2,986 million euro from the disposal of the controlling stake in Wind which occurred in August. At the end of 2004, shareholders' equity came to 19,066 million euro and net financial debt was 24,514 million euro.

Capital expenditure in the first half of 2005 totalled 1,200 million euro (1,560 million euro including Terna and Wind).

Group employees numbered 53,449 (64,643 including Terna and Wind) at the end of June 2005. The Group headcount increased by 2,745 in the first half of 2005. The increase reflects changes in the Group's consolidation, chiefly the acquisition of Electrica Banat and Electrica Dobrogea (3,629 units), two Romanian electricity distribution companies, which more than offset the negative balance of 1,078 between new hires and departures.

Significant post-period events

- Successful completion of placement of fourth tranche of Enel shares by the Ministry of the Economy and Finance
- Acquisition of three gas distribution and sales companies serving 20,000 customers in the North-east of Italy
- Disposal of controlling stake in Wind (62.75%) from Enel to Weather.

Outlook

The completion of the disposal of 62.75% stake in Wind to Weather Investments and the expected sale of 29.99% of Terna to Cassa Depositi e Prestiti, with the deconsolidation of the related debt, will enable Enel to further reduce its debt, which should decline to around 13 billion euro by the end of the year. The Group

remains on target with its strategy of focusing on its core business and expanding its international operations. As part of this strategy, the acquisition of Slovenske Elektrarne is expected to be completed in early 2006.

On the basis of the results achieved in the first half of the year and the initiatives undertaken by Enel to further improve its operating efficiency and contain costs, we expect net income for the full year 2005 to show an improvement on 2004.

Enel SpA's results in the first half of 2005

The accounting policies and valuation criteria used in the preparation of Enel SpA's interim report at 30 June 2005 are the same as those used to prepare the financial statements at 31 December 2004. The policies conform to the provisions of Article 2426 of the Civil Code, interpreted and supplemented as necessary by the accounting standards established by the National Councils of the Italian accounting profession.

	H1 2005	H1 2004		Change
Revenues	500	504		-0.8%
EBITDA	41	97		-57.7%
EBIT	17	86		-80.2%
Net equity income	1,264	1,583		-20.2%
Net extraordinary income	434	3,752	(*)	-88.4%
Net income for period	1,650	5,304	(*)	-68.9%

(*) Net extraordinary income and net income in the first half of 2004 include the effects of reversal of tax-related items, now eliminated, which mainly regard writedowns of equity investments of 2,241 million euro.

Enel SpA, the parent company, posted **revenues** of 500 million euro in the first half of 2005, in line with the 504 million euro at 30 June 2004.

EBITDA amounted to 41 million euro, a reduction of 56 million euro (-57.7%) compared with the corresponding period of the previous year owing to higher operating costs and a reduction in margins on energy sales.

EBIT totalled 17 million euro, a reduction of 69 million euro (-80.2%) compared with the first half of 2004.

Net equity income, which came to 1,264 million euro (1,583 million euro at 30 June 2004), is largely comprised of dividends distributed by Group subsidiaries on 2004 net income.

Net extraordinary income totalled 434 million euro (3,752 million euro in the first half of 2004) and refers mainly to net capital gains from the sale of a 13.86% stake in Terna.

Net income for the period amounted to 1,650 million euro, compared with 5,304 million euro in the first half of 2004. The decrease of 3,654 million euro reflects the higher revenues for 2004 in the form of dividends from subsidiaries (302 million euro), larger net gains on the sale of equity investments (1,069 million euro) and extraordinary income from the reversal of tax-related items (2,241 million euro).

Net financial debt at 30 June 2005 came to 1,631 million euro, compared with 1,282 million euro at the end of 2004.

Shareholders equity amounted to 15,026 million euro at 30 June 2005 (15,301 million euro at 31 December 2004) and reflects net income for the period of 1,650 million euro and dividends of 2,214 million euro distributed from 2004 profits. In addition, in the first half of 2005, approximately 45 million options distributed under the stock option plans of 2001, 2002, 2003 and 2004 were exercised. That assignment of options increased by 288 million euro in shareholders' equity.

BOND ISSUES AND BONDS REACHING MATURITY

During the first half of 2005 Enel SpA carried out two bond issues for Italian investors, one fixed-rate, the other floating rate, with a total nominal value of 1,000 million euro, with the following characteristics:

	Floating-rate 7-year tranche	Fixed-rate 7-year tranche
Issue date	10 March 2005	10 March 2005
Amount	400 million euro	600 million euro
Repayment	14 March 2012	14 March 2012
Coupon	6M Euribor + 0.10% semiannually	3.625% annually
Issue price	100.00	98.836
Early repayment	None	None
Listing	Milan	Milan

Between 1 July 2005 and 31 December 2006 bonds totalling 1,337 million euro are expected to be maturing. Taking into account the large size of the maturing bonds, we report that on 12 December 2005 a fixed-rate bond of 750 million euro will mature.

BOARD APPROVES DISTRIBUTION OF INTERIM DIVIDEND FOR 2005

Given that the Parent Company registered a first half 2005 net income of 1,650 million euro, and in the light of the performance expected for the remainder of 2005, the Board has voted to distribute an interim dividend for 2005 of between 0.17 - 0.20 euro per share, as previously announced. The exact amount of the interim dividend will be determined by the Board on the basis of further developments relating to the disposal of 29.99% stake in Terna.

The auditor KPMG issued a favourable opinion today, pursuant to Article 2433-bis of the Civil Code.

The interim dividend, gross of any withholding tax, will be paid from 24 November 2005, with the ex-dividend date of coupon no. 6 falling on 21 November 2005.

At 2 pm (Italian time) today, 8 September 2005, at Enel's Auditorium, Viale Regina Margherita 125, Rome, Enel will present the first half 2005 results and an update on the progress of the business plan to analysts and institutional investors. The presentation will be followed by a press conference.

Documentation relating to the presentation will be available on Enel's website, www.enel.it, in the investor relations section from the beginning of the event.

The income statement, balance sheet and the cash flow data for the Enel Group and the parent company, Enel SpA, follow. These tables and related notes have been delivered to the Board of Statutory Auditors and the external auditors for their evaluation.

RESULTS BY DIVISION

Generation and Energy Management

Results (in millions of euro):

	H1 2005	H1 2004	Change
Revenues	7,334	6,061	+21%
EBITDA	2,389	1,987	+20.2%
EBIT	1,749	1,377	+27%
Capex	414	376	+10.1%

Revenues for the first half of 2005 amounted to 7,334 million euro, an increase of 1,273 million euro (+21%) on the first half of 2004. **EBITDA** came to 2,389 million euro, up 402 million euro (+20.2%) on the same period a year earlier. Net of regulatory items related to the previous year, amounting to 362 million euro, EBITDA grew by 40 million euro. The growth was mainly attributable to the good performance recorded in the international activities, Enel Viesgo and Enel Union Fenosa Renovables in particular, which benefited from higher volumes and prices. In Italy the reduction in operating costs and effects deriving from commodities risk management operations totally offset a reduction in volumes and a growth in fuel prices. **EBIT** was 1,749 million euro, an increase of 372 million euro (+27%) on the first half of the previous year.

Enel's net power generation in Italy during the first half of 2005 totalled 55.5 billion kWh, down 10.1% on the first half of 2004. Hydro generation declined by 14.8% to 12.9 billion kWh due to less favourable water conditions in the second quarter of 2005 compared with the same period a year earlier. Thermal generation fell by 9% to 40 billion kWh, mainly attributable to greater market competition and foreign imports. Generation from other sources was equal to 183 million kWh, an increase of 69.4% resulting from new wind farms entering into service.

Net power generation from international activities in the first half of 2005 stood at 7 billion kWh, a growth of 1.5 billion kWh (+27.2%) compared with the same period of 2004.

Sales, Infrastructure and Networks

Results (millions of euro):

	H1 2005	H1 2004	Change
Revenues	9,636	9,860	-2.3%
EBITDA	1,699	1,910	-11%
EBIT	1,269	1,511	-16%
Capex	752	758	-0.8%

Electricity

Revenues from the sale and transport of electricity totalled 8,732 million euro in the first half of 2005, a decrease of 333 million euro (-3.7%) with respect to the same period of 2004. The decrease is linked to lower sales to other distributors as a consequence of the start of full operations by the Single Buyer. **EBITDA** came to 1,532 million euro, down 219 million euro (-12.5%) compared with the first half of 2004 due to the reduction in the margin on the sale and transport of power, equal to about 220 million euro. This reduction was mainly attributable to the recouping in 2004 of the electricity sold but not billed in 2003 and the effect of lower tariffs, which were partially offset by reductions in operating costs. **EBIT** amounted to 1,145 million euro in the first half of 2005, a decrease of 251 million euro compared with the same period in 2004 (-18%), reflecting along with a reduction in EBITDA, an increase in depreciation and writedowns of 32 million euro.

Gas

Revenues in the gas sector totalled 906 million euro in the first half of 2005, up 108 million euro (+13.5%) compared with the same period the previous year. The growth is attributable to increased revenues on the sale and transport of gas, while the volumes sold remain broadly stable, edging down from 3,003 million cubic metres in the first half of 2004 to 2,998 million cubic metres in the first half of 2005. At the end of June 2005, the Gas Division had a total of more than 2 million customers throughout the country. **EBITDA** came to 167 million euro, an increase of 8 million euro (+5%) compared with the same period in 2004. **EBIT** was 124 million euro, up 9 million euro (+7.8%) on the same period a year earlier.

Services and Other Activities

Services and Other Activities posted revenues of 702 million euro in the first half of the year, a decrease of 287 million euro (-29%) compared with the same period in 2004. The change is the result of reduced revenues from the engineering and construction sector due to completion of contracts with non-Group customers. **EBITDA** came to 105 million euro in the first half of 2005, a decrease of 68 million euro (-39.3%) compared with the same period the previous year.

Consolidated Income Statement Data

2° quarter		In millions of euro				1° half			
2005	2004	Change			2005	2004	Change		
			(%)					(%)	
Revenues:									
6,643	6,346	297	4.7	- Electricity sales and Electricity	13,791	11,632	2,159	18.6	
230	220	10	4.5	Equalization Fund contributions	871	780	91	11.7	
336	(2)	338		- Gas sold to end-users	325	(13)	338		
338	816	(478)	-58.6	- Net revenues from commodity risk hedging	339	816	(477)	-58.5	
882	869	13	1.5	- Capital gains on disposal of equity investments	1,479	1,703	(224)	-13.2	
8,429	8,249	180	2.2	- Other services, sales and revenues	16,805	14,918	1,887	12.6	
Total revenues									
Costs									
695	746	(51)	-6.8	- Personnel	1,366	1,438	(72)	-5.0	
877	737	140	19.0	- Fuel consumed for electricity generation	1,780	1,599	181	11.3	
3,176	2,655	521	19.6	- Electricity purchased	6,688	4,058	2,630	64.8	
766	765	1	0.1	- Services, leases and rentals	1,462	1,499	(37)	-2.5	
254	390	(136)	-34.9	- Fuel for trading and gas for resale to end-users	824	1,051	(227)	-21.6	
193	268	(75)	-28.0	- Materials	367	541	(174)	-32.2	
171	156	15	9.6	- Other costs	273	286	(13)	-4.5	
(249)	(233)	(16)	-6.9	- Capitalized expenses	(485)	(442)	(43)	-9.7	
5,883	5,484	399	7.3	Total costs	12,275	10,030	2,245	22.4	
2,546	2,765	(219)	-7.9	GROSS OPERATING MARGIN	4,530	4,888	(358)	-7.3	
587	545	42	7.7	- Depreciation, amortization and write-downs	1,116	1,075	41	3.8	
1,959	2,220	(261)	-11.8	OPERATING INCOME	3,414	3,813	(399)	-10.5	
(193)	(127)	(66)	-52.0	- Net financial income (expense)	(349)	(390)	41	10.5	
1,766	2,093	(327)	-15.6	INCOME BEFORE TAXES	3,065	3,423	(358)	-10.5	
580	511	69	13.5	- Income taxes	1,114	1,084	30	2.8	
1,186	1,582	(396)	-25.0	INCOME FROM CONTINUING OPERATIONS	1,951	2,339	(388)	-16.6	
21	110	(89)	-80.9	INCOME FROM DISCONTINUED OPERATIONS	55	84	(29)	-34.5	
1,207	1,692	(485)	-28.7	INCOME BEFORE MINORITY INTERESTS	2,006	2,423	(417)	-17.2	
(60)	(53)	(7)	-13.2	- Minority interests	(91)	(55)	(36)	-65.5	
1,147	1,639	(492)	-30.0	GROUP NET INCOME	1,915	2,368	(453)	-19.1	

Consolidated Balance Sheet Data

In millions of euro

	at June 30, 2005	at Dec. 31, 2004	Change
Net fixed assets:			
- Tangible assets	29,434	36,702	(7,268)
- Intangible assets	2,115	10,071	(7,956)
- Non-current financial assets (liabilities)	96	(12)	108
- Other non-current assets (liabilities)	957	(64)	1,021
Total	32,602	46,697	(14,095)
Net current assets:			
- Trade receivables	7,383	8,027	(644)
- Inventories	944	1,345	(401)
- Current financial assets	316	56	260
- Other assets and net receivables from Electricity Equalization Fund	1,453	1,959	(506)
- Net tax receivables (payables)	839	755	84
- Trade payables	(5,116)	(6,818)	1,702
- Current financial liabilities	(364)	(470)	106
- Other current liabilities	(3,827)	(4,098)	271
Total	1,628	756	872
Gross capital employed	34,230	47,453	(13,223)
Provisions:			
- Employee termination indemnity and similar obligations	(2,730)	(2,910)	180
- Provisions for risks and charges	(1,144)	(1,404)	260
- Net deferred taxes	(1,210)	441	(1,651)
Total	(5,084)	(3,873)	(1,211)
Net assets of discontinued operations	6,518		6,518
Net capital employed	35,664	43,580	(7,916)
Group Shareholders' Equity	17,969	17,953	16
Minority interests	1,448	1,113	335
Total Shareholders' Equity	19,417	19,066	351
Net financial debt	16,247	24,514	(8,267)
TOTAL	35,664	43,580	(7,916)

Consolidated cash flow data

Millions of euro	Six Months ended June 30	
	2005	2004
Net income (including minority interests)	2,006	2,423
<i>Adjustments for:</i>		
Amortization of intangible assets	209	233
Depreciation of property, plant and equipment	1,531	1,479
Effects of exchange rate changes (including cash and cash equivalents)	(18)	19
Provisions	202	291
Financial expense (income)	492	501
Income taxes	1,240	1,093
Capital gains/losses and other non-cash items	(363)	(794)
<i>Cash generated by operations before change in net current assets</i>	5,299	5,245
Net change in provisions (including termination indemnities)	(262)	(614)
(Increase)/Decrease in inventories	49	11
(Increase)/Decrease in trade receivables	(700)	(1,228)
Increase)/Decrease in financial and non-financial assets/liabilities	(163)	56
(Increase)/Decrease in trade payables	(236)	359
Interest and other financial income received	112	158
Interest and other financial expense paid	(635)	(703)
Taxes paid	(487)	(1,394)
Cash flows from operating activities (a)	2,977	1,890
Capital expenditure on property, plant and equipment	(1,426)	(1,452)
Capital expenditure on intangible assets	(134)	(95)
Acquisition of subsidiaries, net of cash acquired	(187)	(57)
Disposal of subsidiaries, net of cash disposed	584	1,716
Other change in fixed assets	149	70
Cash flows from investing activities (b)	(1,014)	182
Change in net financial debt	214	(194)
Dividends paid	(2,303)	(2,195)
Exercise of stock options	288	201
Minority capital contributions		5
Cash flows from financing activities (c)	(1,801)	(2,183)
Effects of exchange rate changes on cash and cash equivalents (d)	16	2
Cash flow generated (employed) in the year (a+b+c+d)	178	(109)
Cash and cash equivalents at beginning of period	363	452
Cash and cash equivalents at end of period	541	343
of which from <i>discontinued operations</i>	130	41

Enel Spa Income Statement

Millions of euro	1 st half-year		
	2005	2004	Differences
Revenues:			
- Sales of Electricity:	367	372	(5)
- to third parties (Single Buyer)	367	191	176
- to Group companies	-	181	(181)
- Other revenues from Group companies	118	123	(5)
- Other revenues	15	9	6
Total revenues	500	504	(4)
Operating costs:			
- Personnel	43	34	9
- Electricity purchased	286	285	1
- Services, leases and rentals	96	67	29
- Other costs	34	21	13
Total operating costs	459	407	52
GROSS OPERATING MARGIN	41	97	(56)
Depreciation, amortization and accruals	24	11	13
OPERATING INCOME	17	86	(69)
- Equity income (expense)	1,264	1,583	(319)
- Net financial income (expense)	(83)	(128)	45
- Extraordinary items	434	3,752 ⁽¹⁾	(3,318)
INCOME BEFORE TAXES	1,632	5,293	(3,661)
Income taxes	(18)	(11)	(7)
NET INCOME	1,650	5,304 ⁽¹⁾	(3,654)

⁽¹⁾ Extraordinary items and Net income include euro 2,241 million related to the effects of the reversal of tax-related entries connected primarily to the write-down of equity investments, in application of new company and tax regulations.

Enel Spa Statement of Cash Flows

Millions of euro	1 st half-year		
	2005	2004	Differences
CASH FLOW FROM OPERATIONS			
Net income	1,650	5,304	(3,654)
Depreciation and amortization	4	1	3
Write-downs of equity investments	272	255	17
Net capital gains on the sale of equity investments	(441)	(1,509)	1,068
Net change in provisions (including termination indemnities)	(3)	33	(36)
Effects of reversal of tax-related entries	-	(2,241)	2,241
Cash generated by operations before changes in net current assets	1,482	1,843	(361)
(Increase)/Decrease:			
Net receivables from subsidiaries	183	173	10
Net tax receivables	(158)	396	(554)
Other assets and liabilities	(177)	(193)	16
Cash generated by current operating activities	1,330	2,219	(889)
CASH FLOW FROM INVESTMENTS			
(Investments) / Sale of equity investments	424	2,823	(2,399)
Change of other assets	(178)	6	(184)
Cash generated by (employed in) investing activities	246	2,829	(2,583)
CASH FLOW FROM FINANCING ACTIVITIES			
Change in net financial debt with third parties:			
- medium and long-term	(22)	583	(605)
- short-term	480	250	230
Change in net financial debt with Group companies	(37)	(3,990)	3,953
Dividend paid and interim dividend paid	(2,214)	(2,195)	(19)
Increases in capital stock and reserves due to exercise of stock options	288	201	87
Cash employed in financing activities	(1,505)	(5,151)	3,646
CASH FLOW GENERATED (EMPLOYED) IN THE YEAR	71	(103)	174
BEGINNING CASH BALANCE	20	133	(113)
ENDING CASH BALANCE	91	30	61

Enel Spa Balance Sheet

Millions of euro

	at Jun. 30,2005	at Dec. 31,2004	Differences
Net fixed assets:			
- Tangible and intangible	30	33	(3)
- Financial	16,268	16,074	194
Total	16,298	16,107	191
Net current assets:			
- Trade receivables	150	158	(8)
- Other assets and net receivables from Electricity Equalization Fund	1,512	1,435	77
- Net receivables from subsidiaries and associates	(274)	(91)	(183)
- Net tax receivables	565	407	158
- Trade payables	(265)	(327)	62
- Other liabilities	(281)	(327)	46
Total	1,407	1,255	152
Gross capital employed	17,705	17,362	343
Provisions	(1,048)	(779)	(269)
Net capital employed	16,657	16,583	74
Shareholders' Equity	15,026	15,301	(275)
Net financial debt	1,631	1,282	349
Total	16,657	16,583	74