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ENEL SELLS 100% OF ENEL HYDRO AND 20% OF IDROSICILIA TO VEOLIA

Rome/Paris, 22 December 2004 – Enel SpA agreed today to transfer to Compagnie Générale des Eaux S.A., the water company of the Veolia Environnement group, 100% of the share capital of Enel Hydro SpA, which includes Enel's water initiatives in Calabria and the province of Latina, and 20% of Idrosicilia S.p.A., which operates large scale water transportation activities in Sicily.

Enel and Veolia were already partners in Latina and Sicily where they successfully co-managed the start-up of the concession.

The total value of the transaction is approximately 36 million euro and it should be concluded in the first quarter of 2005, pending the required Antitrust approval.

Enel and Veolia have also agreed a put and call option for the sale of Enel's remaining 40% stake in Idrosicilia.

With this deal, Enel concludes its exit from the water business, in line with the timetable announced to the financial community, and takes a further step in focusing on its core businesses of electricity and gas.