

IBM AND ENEL WILL TEAM TO OFFER AUTOMATED METERING SOLUTION WORLDWIDE

ROME/WHITE PLAINS, N.Y., MARCH 18, 2004 – IBM and Enel today announced that the two companies will team to deliver Enel’s advanced automated meter management (AMM) system solutions to utilities worldwide.

The agreement combines IBM’s global delivery capability, systems integration skills and business transformation services, with Enel’s expertise in electricity distribution, involving the use of advanced hardware and software systems for the management of energy consumption data. IBM and Enel estimate that the potential worldwide market for AMM solutions is worth more than 120 billion euros.

Enel’s AMM system integrates metering, billing and contract management, thereby improving efficiency for utilities while enhancing customer service. It allows utilities to better manage customers by performing remote readings and management that reduce metering errors and cut down maintenance time, and by offering varied tariff structures with lower energy costs for off-peak consumption.

Enel is the only utility to have applied and tested this technology on a large scale. To date, Enel has installed 15 million new meters and the majority of them are already link to its computer network. By 2005, all of Enel’s 30 million customers will be equipped with the new meters.

Paolo Scaroni, Enel’s chief executive, said: “We are very proud of this agreement which confirms Enel’s technological leadership in the electricity sector. We are experiencing significant benefits and efficiencies with the new meters already installed. Enel’s 2 billion euro investment in the AMM, including R&D costs and rollout, will be paid back in 4 years in Italy alone. We are excited about the prospect of now distributing our technology with IBM on a global scale. The partnership with IBM will bring additional economic benefits for Enel and confirms our vision of using advanced technology to improve infrastructure and create value.”

“IBM is working with our utilities customers and partners around the world to help them improve reliability, customer service and operational costs through the integration of advanced technology and innovative business practices,” said David Samuel, General Manager of IBM’s Energy & Utilities Solutions Unit. “For many utilities, AMM solutions such as Enel’s are the first step to becoming an on-demand utility, in which real-time information about energy usage and the condition of network assets is used to improve decision making. This alliance enables IBM to help utility companies immediately benefit from Enel’s experience.”



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Note to editors

About IBM

With 80 years of leadership in helping businesses innovate, IBM is the world's largest information technology company. IBM is a leading provider of e-business solutions and is dedicated to helping companies, Business Partners and developers leverage the potential of the Internet and network computing across a wide range of businesses and industries. The company offers a host of cross-industry and industry specific solutions designed to meet the needs of companies of all sizes.

About Enel

Enel is one of the world's major electricity companies. It is Italy's main operator with over 45,000 MW of installed capacity and approximately 30 million electricity customers. Enel is also Italy's second largest operator in the distribution and sale of gas with 1.85 million gas customers. In Spain it has a significant presence through Viesgo (2,400MW), while it is the world leader in renewable energy with over 17,000 MW installed in Italy, Spain, North America and Latin America.

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