

## **ENEL ACCEPTS NEW OFFER FOR INTERPOWER**

### **THIRD GENCO SOLD TO THE ACEA-ELECTRABEL-ENERGIA ITALIANA CONSORTIUM FOR 874 MILLION EUROS**

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## **ENEL APPROVES THIRD-QUARTER 2002 RESULTS**

### **NINE MONTHS 2002 EBITDA AT 5,794 MILLION EUROS: REGULATORY IMPACT LARGELY OFFSET BY GOOD PERFORMANCE IN TELECOMMUNICATIONS AND COST REDUCTION**

### **NET DEBT REDUCED, DEBT/EQUITY RATIO IMPROVES**

Rome, November 12, 2002 – The Board of Directors of Enel met today under the chairmanship of Piero Gnudi and accepted the offer for 100% of Interpower presented by the Energia Italiana – Electrabel - Acea consortium.

The price offered, following the request of a second bid, was 551 million euros. Including 323 million euros of intra-group debt, the total value of the transaction was 874 million euros.

Enel has set in motion the necessary procedures for the disposal.

Interpower is the smallest of the gencos sold. It has an installed capacity of 2,611 MW and power plants in Genoa, Naples, Civitavecchia and Vado Ligure. With its sale, Enel has completed, ahead of the December 31, 2002 deadline, the disposal of 15,057 MW mandated by the Bersani Decree. The total value of the sale of the three gencos is around 8.3 billion euros.

The Board also approved the consolidated data for the third quarter of 2002.

### **RESULTS FOR THE FIRST NINE MONTHS OF 2002**

*The data for the first nine months of 2001 are presented on a pro-forma basis excluding Elettrogen and Valgen for the entire period and Eurogen from the third quarter. They include Infostrada from January 1, 2001.*

Electricity dispatched through Enel's distribution network came to 189.7 TWh, a fall of 0.8% compared with the 191.1 TWh recorded in the same period a year earlier in consequence of the disposal of the metropolitan networks of Rome and Turin. In the first nine months of 2002, the total volume sold by Enel on the regulated market was

122.5 TWh, a year-on-year reduction of 13.3 TWh. The decline was due to the transfer to the free market of some high- and medium-voltage sales, as well as the aforesaid disposal of the Rome and Turin urban networks. Enel Group sales on the free market came to 22.5 TWh, representing a market share of about 33%.

**Revenue** at 21,696 million euros was slightly lower (-1.5%) than the first nine months of 2001. WIND, Enel's international activities and the gas sector brought greater revenues, which compensated for a fall in revenue from the electricity business in Italy due to the regulatory impact and lower fuel prices.

**Gross operating margin** (EBITDA) totaled 5,794 million euros (-8.6% compared with 6,336 million euros in the first nine months of 2001). The operating performance improved by about 860 million euros. The main components were increased margins in: Telecommunications (+518 million euros), Sales, Infrastructure and Networks (+214 million euros), and international activities (+130 million euros).

This improvement partially offset the following negative, external factors:

- regulatory impact (445 million euros), including the cancellation of a 0.31 euro per KWh tariff bonus, the introduction of "green certificates" and the tariff freeze;
- lower non-recurrent revenue (265 million euros), including lower past-years CIP 6 plants payments;
- lower hydroelectric production, changes in the process of fuel cost reimbursements, and a reduction of margins on energy imports (720 million euros).

The total reduction in the cost of personnel and external resources was 160 million euros, of which 130 million euros was in the Sales, Infrastructure and Networks areas.

**Operating profit** (EBIT) came to 2,160 million euros (-21.2% compared with 2,740 million euros in the first nine months of 2001), reflecting the EBITDA performance and including an increase in provisions of 47 million euros and a decrease in depreciation and amortization of 9 million euros.

**Extraordinary items.** Net extraordinary items came to a positive 415 million euros. Compared with the first six months of 2002, these extraordinary items were 82 million euros lower as a result of write-downs of fixed assets and early-retirement incentives. It should be recalled that the accounts for the first six months of 2002 included a capital gain of 2,340 million euros for the sale of Eurogen and a write-down of WIND goodwill of 1,511 million euros.

**Income tax.** Income tax in the first nine months of 2002 totaled 428 million euros, at a tax rate of 25.5% resulting from a reduced rate for the capital gain from the disposal of Eurogen, as well as benefits stemming from the "Tremonti bis" law. The

Decree Law No. 209 of September 24, 2002, relating to the deferred deductibility of write-downs of shareholdings, had a limited impact on the results for the period.

**Net income** was 1,393 million euros (-8.6% compared with 1,524 million euros in the first nine months of 2001).

The **consolidated balance sheet** shows shareholders' equity of 20,250 million euros (20,274 million euros as of June 30, 2002) and net financial debt of 23,377 million euros, down 2.3% compared with 23,932 million euros as of June 30, 2002. Net invested capital stood at 43,627 million euros compared with 44,206 million euros as of June 30, 2002.

At the end of the nine months to September 30, 2002, the **debt to equity ratio** fell to 1.15 from 1.18 as of June 30, 2002.

The **Group's headcount** as of September 30, 2002, was 72,764, down 304 from June 30, 2002.

### **THIRD-QUARTER 2002 RESULTS**

*For the purposes of a like-for-like comparison, the data of the third quarter 2001 are presented on a pro-forma basis which excludes Elettrogen (sold in September 2001) and Eurogen (sold at the end of May 2002).*

**Revenue** was 7,292 million euros, in line with that of the third quarter of 2001 (+0.4%). WIND, Enel's international activities and the gas sector brought greater revenues which compensated for a fall in revenues from the electricity business in Italy due to the regulatory impact and lower fuel prices.

**Gross operating margin** (EBITDA) totaled 1,925 million euros, slightly lower than the same period of 2001 (1,970 million euros, -2.3%). The increase in WIND's margin (+154 million euros) and that of the international activities (+41 million euros), as well as the reduction in operating costs, came close to offsetting the negative effect of regulatory changes, a smaller contribution from non-recurrent items and from changes in the process of fuel cost reimbursement.

**Operating profit** (EBIT) was 712 million euros (749 million euros in the third quarter of 2001, -4.9%) with provisions and depreciation and amortization almost stable.

**Extraordinary items.** Net extraordinary items amounted to a negative 82 million euros, with 30 million euros linked to fixed asset write-downs and 23 million euros to early-retirement incentives. In the third quarter of 2001, they amounted a positive 212 million euros.

**Income tax.** Income tax in the third quarter of 2002 totaled 354 million euros (+171 million euros compared with the same period a year earlier), mainly as the result of the impact of recent changes to the law relating to write-downs of shareholdings and a cautious valuation of several fiscal benefits.

**Net income** was 18 million euros (536 million euros in the third quarter of 2001). The result essentially reflects a higher level of income tax and changes in the contributions of extraordinary items.

At 5:45 p.m. (Italian time) CFO Fulvio Conti will hold a conference call for financial analysts and institutional investors. Support material for the conference call will be available at [www.enel.it](http://www.enel.it), under "investor relations". Journalists will be able to listen in by calling:

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