

ENEL: EBITDA AVERAGE ANNUAL GROWTH SEEN 8-9%

Data presented during the first edition of the Enel Financial Conference

Confirms pay-out ratio of 50%-60% with profits rising

Rome, February 25, 2002 - With the presence of Chairman Chicco Testa, Chief Executive Officer Franco Tatò and the Group's top management, Enel will today inaugurate the "Enel Financial Conference", an event destined to become an annual appointment with financial analysts and institutional investors, during which Enel will present the Group companies, and examine 2001 operating results, long term strategies and financial goals.

During 2001, Enel achieved important results, with revenue growth of over 7% and operating margin growth of more than 3%, even with the tariff reductions and asset sales mandated by the sector's regulation. New businesses accounted for about 18% of revenues. Enel had the technical skills for these businesses before 1996 but it didn't have the market culture.

Over the period 2001-2006 EBITDA is expected to rise by an average annual 8-9% without any significant variation in invested capital.

The Group's dividend policy will continue to guarantee a 50-60% pay-out with profits rising.

Enel remains interested in international expansion, with particular attention to the Iberian peninsula and Central Europe, as long as prices are reasonable and there is a potential for growth and for integration with our skills.

During the conference, the Group's main companies were presented, articulated in four areas of activity: Energy Management and Networks and Infrastructure (asset based businesses), and Sales of energy and services and TMT (customer based business).

- In the area of **Energy Management**, characterized by high and stable cash flows, the following points emerged:

- **Enel Produzione** confirms the timing of and investment for its 4,500 MW combined cycle conversion program, to which the conversion of a further 5,200 MW to coal and orimulsion must be added. Further, it has launched a new investment plan aimed at achieving alignment with best practice (32%) in terms of generation costs in the medium term. In 2006, thermal production efficiency will rise by 9% and fuel cost will fall by about 30%. The end goal is effective operation on the competitive generation market, as well as delivering advantages for consumers;
- **Enel Greenpower**, already the world leader in renewable energy, intends to continue investment in environmentally friendly production capacity and forecasts a 60% increase in energy produced in the period 2001-2206 with a goal of 15 TWh by 2006. Enel Greenpower also intends to become the world leader on the Green Certificates market.

Enel.FTL, active in fuel management, is progressively increasing its integration with all Group activities - mainly electricity generation and the sale of gas - with the aim of ensuring reliable fuel supply at ever lower costs. Volumes handled are expected to rise from 35 million toe (tons of oil equivalent) to over 40 million toe by 2006.

In the area of Infrastructure Management (transmission infrastructure and the distribution of electricity, gas and water), also characterized by high and stable cash flows:

- Enel announces a substantial investment plan aimed at an increase in the quality of its service and efficiency. This investment plan accompanies programs already underway for the optimization of processes and the reduction of costs, which have accelerated at a markedly greater speed than indicated at the time of Enel's stock market quotation. Thanks to this investment plan the average duration of interruptions to service will fall by 50% by 2006; by the same year we aim to achieve best practice;
- Enel Distribuzione's plan for the installation of around 30 million digital meters by 2004 is proceeding to schedule, with an investment of over Euro 2 billion and one million meters replaced each month;

- In the distribution of gas and water, the recent acquisition of clients and concessions are such as to confirm the target of becoming the second operator in both sectors in the short to medium term.
- In the **Sale of Energy and Services**, characterized by a high rate of growth, the Group intends to:
- Maintain its market leadership in the supply of energy to clients on the free market, a market that continues to grow, thanks to a competitive pricing policy and the offer of structured products, that respond to the specific needs of clients;
- Increase the multi-service offer which will lead over 10% of clients to buy two or more services;
- Increase competitiveness through the diversification of the offer and the development of value-added services, also taking advantage of new technologies still to be implemented.
- In the TMT area, where the Group is present through Wind and Enel.it, there is a strong growth outlook. In this context Wind's aims are:
- Sales growth of over 20% per year for the next five years;
- To draw on its customer base, assets and skills to consolidate its position as the second fixed and mobile operator, with a market share of 20%, and the first Internet operator in Italy;
- To achieve break-even in terms of cash flows by 2004 and at the net profit level between 2004 and 2005.

To see the tables which accompany today's presentation please refer to www.enel.it/investorelations