



ENEL: GROUP STRENGTHENS PRESENCE IN TELECOMMUNICATIONS SECTOR

New ownership structure for Wind.

Rome, July 18, 2000 – Enel and France Telecom have agreed to acquire Deutsche Telekom's 24.5% interest in Wind.

Wind is currently 51% owned by Enel, with the remaining 49% of the company held by DT FT Italian Holding, in which France Telecom and Deutsche Telekom have equal shares.

The agreement, which is subject to the necessary authorizations from the various antitrust authorities, will see Enel increase its controlling interest in Wind (from 51% to 56.6%), and maintain control over the company's management. The deal also strengthens Enel's ties with France Telecom, whose holding in Wind rises to 43.37%.

France Telecom is to provide technical support for Wind and will contribute to the definition of the company's strategy through corporate governance regulations.

The transaction is based on an equity value for Wind of 11 billion euro. The sum to be paid by Enel therefore amounts to around 600 million euro.

Enel and France Telecom aim to float Wind's shares on the stock market at the earliest opportunity.

As a result of the agreement, Enel, Wind and France Telecom have withdrawn the legal actions against Deutsche Telekom in relation to Wind. The arbitration proceedings currently underway in Geneva at the International Chamber of Commerce, the previous shareholders' agreements and the competition restrictions applied to Deutsche Telekom have also been wound up.

Enel's CEO, Franco Tatò, declared: "I am very pleased with the agreement, which marks an important stage in Wind's strategic development. The renewed alliance between Enel and France Telecom will enhance Wind's competitiveness as it responds to the challenges thrown up by an increasingly dynamic market".

In little more than a year since its start-up, Wind has acquired over 4.6 million customers for its fixed and mobile telephony and Internet services.

Wind's mobile network currently covers more than 60% of the population, and this will rise to over 80% by year end. Its fiber optic network provides a national backbone of 12,000 kilometers serving 113 cities and more than 350 kilometers of fiber optic cable in 11 metropolitan area networks. By the end of 2000, Wind's fiber optic cables will have been installed in 30 cities. Wind has also negotiated international roaming agreements with 100 telecommunications operators in 54 countries, thereby guaranteeing coverage throughout Europe, the Mediterranean and, in the near future, the US and Australia.