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PRESS RELEASE

AGREEMENT SIGNED FOR TRANSFERRING THE HIGH VOLTAGE ELECTRICITY GRID OF ENEL DISTRIBUZIONE TO TERNA

- *The agreement is based on transferring to Terna SpA the entire capital of Enel Linee Alta Tensione Srl, for a consideration of 1,152 million euros; Enel Linee Alta Tensione Srl is a fully owned subsidiary of Enel Distribuzione S.p.A., to which the company branch formed by the high voltage lines and by the relative legal obligations will be transferred.*
- *The execution of the agreement is subject to the approval of the Antitrust Authority, to the inclusion of the high voltage lines that are involved in the transfer into the National Transmission Grid on the part of the appropriate Authorities and to the issuance of regulatory provisions on the part of the Authority for Electricity that recognize Terna the tariff revenues relating to the company branch involved.*

Rome, December 19, 2008 – Enel SpA (Enel), Enel Distribuzione SpA (Enel Distribuzione) and Terna SpA (Terna) signed an agreement today for transferring to Terna the entire capital of Enel Linee Alta Tensione Srl (“ELAT”), a company fully owned by Enel Distribuzione to which the latter, prior to the closing, will transfer a company branch formed by high voltage lines and by the relative legal obligations; at the time the branch will be fully operating it will receive tariff revenues equal to nearly 133 million euros, based on the 2008 tariffs.

The company branch that will be transferred to ELAT is formed by 18,583 kilometers of high voltage grid (“HV lines”), mainly 132 and 150 kV, and by the relative existing agreements concerning this branch (essentially represented by telecommunications service agreements). The transaction was possible also thanks to the stability of the regulatory and tariff reference framework.

The agreed upon consideration for this transfer is equal to 1,152 million euros. This amount will be paid in full at the time of closing and will be adjusted on the basis of any changes in ELAT’s net capital as of the date of transfer.

Terna will entirely finance the operation with debt, using existing credit lines.

This transaction falls within the program for enhancing the Enel Group’s shareholding portfolio announced to the market as part of the guidelines for the 2008-2012 industrial plan; at the same time, it will allow Terna to increase by 45% its kilometers of electricity lines, by 18% its Regulated

Asset Base (RAB) and will also have a positive impact on the company's profit and loss account already from the first year of consolidation.

Once today's agreement is finalized, Terna will hold 7th place among the world transmission operators with over 61 thousand kilometers of lines and will consolidate its 1st place among the independent grid operators in Europe, as well as further increase its core business activities. The transaction will also increase the National Electricity Grid's development, upgrading and safety potential and will accelerate certain development investments that were already planned.

The transaction is expected to be finalized in the spring of 2009 and is subject to the approval of the Antitrust Authority, to the inclusion of the high voltage lines that are involved in the transfer into the National Transmission Grid on the part of the appropriate Authorities, to the issuance of provisions by the Authority for Electricity and Gas that recognize Terna the tariff revenues relating to the company branch involved and to Terna's assessment of the transfer's compliance with the agreement.

For assessing the appropriateness of the price agreed upon for the transfer of the full ownership of ELAT, Enel Distribuzione was aided by Leonardo & Co., Mediobanca and Banca IMI as independent experts, while Goldman Sachs and J.P. Morgan acted as Terna's financial advisors and assisted Terna's Board of Directors in assessing the fairness of the price agreed upon for the acquisition.

Following the closing of the transaction, Terna will issue public information pursuant to the terms of articles 71 and 71-bis of the Consob Regulations for Issuers (Regolamento Emittenti Consob)

Fulvio Conti, ENEL's CEO and Director General, stated: "This transaction represents an important step forward in the expected enhancement plan of the activities' portfolio, which will continue with the sale of the gas network and of a minority share of the Enel Greenpower company. Furthermore, the liberalization process of the electricity market is being completed, which began with the separation from Enel of electricity transportation and transmission activities which was followed by Terna's listing in the Stock Market; this transaction improves Enel's assets by nearly 1.5 billion euros in total, considering that the tariff element relative to the recognition of the previous profit sharing will still be assigned to Enel Distribuzione" .

Flavio Cattaneo, Terna's CEO, commented: "This agreement leads to Terna being at 1st place in Europe and among the most important grid players at the world level. The year closes having reached an important industrial and economic objective with a business and strategic opportunity that creates value for the country and for shareholders without changing our risk profile. The price that Terna paid has an implicit value that is lower than the RAB. The transaction closed matching the present market conditions and presents interesting business, industrial and financial opportunities for Terna and all its shareholders: it is accretive for the Company.

The high voltage grid in Italy is being strengthened with improved quality and safety and with a fundamental role for the country's industrial development. This transaction allows Terna to look ahead to the future positively in coherence with the grid's development plan for the next five years. We feel very satisfied and wish to congratulate ENEL's CEO".

On Monday, December 22, at 4:00 pm Terna will hold a conference call to illustrate the transaction to financial analysts and institutional investors. Journalists can also connect to this conference in the audio mode. Support material for the conference call will be available on the website www.terna.it, Investor Relations section, concomitantly with the beginning of the conference call. In the same section it will also be possible to follow the presentation through audio webcasting.