



PRESS RELEASE

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ENEL PRESENTS BEST OFFER IN TENDER FOR PRIVATISATION OF BRAZILIAN DISTRIBUTION COMPANY CELG

- *The financial offer was worth 2.187 billion Brazilian reais, equal to approximately 640 million US dollars*
- *Closing of purchase contract expected in first quarter of 2017*
- *With the addition of CELG Enel Group's customer base in Brazil will increase to 10 million from 7 million, while at global level Group's customers will reach approx. 65 million from the current 62 million*

Rome, November 30th, 2016 – Enel S.p.A. ("Enel") announces that its subsidiary Enel Brasil S.A. ("Enel Brasil") has presented the best financial offer for the acquisition of approximately 94.8% of the share capital of Celg Distribuição S.A. ("CELG"), an energy distribution company that operates in the Brazilian state of Goiás, during a public tender organised by the Brazilian government via national development bank BNDES for the privatisation of CELG.

The financial offer was worth 2.187 billion Brazilian reais (approximately 640 million US dollars). After the purchase of CELG, Enel Group's client base in Brazil is expected to increase to 10 million, from 7 million. At the same time, Enel Group's customers at global level are expected to increase to approximately 65 million from the current 62 million.

*"We are very happy to be selected by Brazilian authorities for the purchase of such an important distribution company," said Enel CEO and General Manager **Francesco Starace**. "Goiás is an excellent market, which offers really good growth opportunities, in the heart of Brazil's agribusiness system. CELG is a sound investment and we are looking forward to start working in the company in order to grow in Brazil's distribution sector, making the most of existing synergies within the Group while also creating new ones."*

The technical and economic content of Enel Brasil's offer will be assessed between now and December 9th, 2016, when BNDES is expected to announce the preliminary results of that assessment. The government is expected to announce the final result of the tender on December 20th. The signing and closing of the purchase agreement are both expected to take place in the first quarter of 2017, following approval from antitrust authority CADE and electricity regulator ANEEL. After closing of the purchase of approximately 94.8% of the company's share capital, a residual stake of around 5.1% of CELG will be offered to the company's current employees and retired employees, through a process that will allow Enel Brasil to purchase the shares not bought by current employees and retired employees, the details of which will be announced at a later date.

Established in 1956 and with its headquarters in Goiânia, CELG (which is currently a subsidiary of state-controlled electricity company Eletrobras) operates in a territory that covers more than 337,000 km² through



a concession that is valid until 2045. The sale of CELG is part of the privatisation of state assets launched by the Brazilian government. CELG's market includes 237 municipalities with a combined population of about 6.2 million people. CELG's customer base of 2.9 million is served via a network over 200,800 km long.

The state of Goiás is located in Brazil's Central-West Region and is an area characterised by good economic, social and climatic conditions. While in 2015 Brazil as a whole recorded negative growth for electricity demand, Goiás posted electricity demand growth of 2.5% on the previous year, as well as seeing the addition of more than 85,300 new customers at CELG. The distribution company also enjoys energy losses levels lower than the country average, with 11.91% posted in the state in 2015¹ against a national estimate of 13.6%² for the same year.

In Brazil Enel operates in the energy generation and distribution sectors through Enel Brasil and its subsidiaries. In the distribution sector, Enel Distribuição Rio (formerly Ampla) and Enel Distribuição Ceará (formerly Coelce) serve a total of around 7 million customers respectively in the states of Rio de Janeiro and Ceará. Enel Distribuição Ceará, under its former guise of Coelce, has won the ABRADÉE Award for being the distributor with the highest levels of customer satisfaction six times. In the conventional generation sector, Enel Geração Fortaleza owns a thermal power plant with a capacity of around 327 MW in Ceará. The Enel Group is also present in the renewable energy generation sector via Enel Green Power Brasil Participações, which has a total installed capacity of 648 MW – of which 401 MW from wind power, 12 MW from solar PV and 235 MW from hydropower – as well as a further 442 MW of wind projects and 807 MW of solar projects currently in execution. Through Enel Green Power Cachoeira Dourada, Enel also manages a 658 MW hydro plant in Goiás, where CELG operates. Via Enel Soluções the Enel Group offers energy solutions and energy efficiency products and services, while through Enel CIEN it operates a 2,200 MW transmission line that runs between Brazil and Argentina.

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¹ CELG data on electricity demand, new customers and energy losses in the state of Goiás

² Source: Brazilian Electricity Distributors Association ABRADÉE