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Press Release

ENEL: BOARD OF DIRECTORS APPROVES THE RESULTS FOR THE FIRST HALF OF 2011

- *Revenues: 38,391 million euros (34,802 million euros in 1H 2010,+10.3%)*
- *EBITDA: 8,929 million euros (8,878 million euros in 1H 2010,+0.6%)*
- *EBIT: 6,072 million euros (6,083 million euros in 1H 2010,-0.2%)*
- *Group net income: 2,552 million euros (2,425 million euros in 1H 2010, +5.2%)*
- *Group net ordinary income: 2,305 million euros (2,425 million euros in 1H 2010, -4.9%)*
- *Net financial debt: 46,135 million euros (44,924 million euros at December 31st, 2010, +2.7%)*
- *CEO: "We confirm all 2011 guidance announced to investors"*

*** * ***

Rome, August 3rd, 2011 – The Board of Directors of Enel SpA, chaired by Paolo Andrea Colombo, today examined and approved the half-year financial report at June 30th, 2011.

Consolidated financial highlights (millions of euros):

	H1 2011	**H1 2010**	**Change**
Revenues	**38,391**	34,802	+10.3%
EBITDA	**8,929**	8,878	+0.6%
EBIT	**6,072**	6,083	-0.2%
Group net income	**2,552**	2,425	+5.2%
Group net ordinary income	**2,305**	2,425	-4.9%
Net financial debt	**46,135**	44,924 (*)	+2.7%

(*) *At December 31st, 2010.*

Fulvio Conti, Chief Executive Officer and General Manager of Enel, stated: "***We are pleased with the results achieved by the Group in the first half of the year. Growth in Russia, the development of Enel Green Power as well as good results achieved by distribution and sales on the free market in Italy enabled us to record a positive half period. The initiatives aimed at continuously improving operational efficiency, the introduction of new generation capacity in renewables as well as in Russia and in Spain, along with an unwavering focus on optimising our financial position enable us to confirm all 2011 financial guidance previously announced to investors***".

* * * * *

Unless otherwise specified, the balance sheet figures at June 30th, 2011 exclude assets and liabilities held for sale, which essentially regard (i) the net assets of Deval and Vallenergie, which on the basis of decisions made by management meet the requirements of IFRS 5 for such classification; and (ii) the assets of Endesa Ireland.

Having completed the process of allocating the purchase price of Enel's acquisition of 40% of SE Hydropower, in compliance with IFRS 3 and within the time limit established by that standard, a number of changes have been made to the values reported on a provisional basis in the financial statements at December 31st, 2010, as a result of the final determination of the fair values of the assets acquired and the liabilities assumed. Accordingly, the balances of those items at December 31st, 2010, have been adjusted appropriately and restated for comparative purposes only.

This press release uses a number of “alternative performance indicators” not envisaged in the IFRS-EU accounting standards (EBITDA, net financial debt, net capital employed, net assets held for sale). In accordance with recommendation CESR/05-178b published on November 3rd, 2005, the criteria used to calculate these indicators are described at the end of the release.

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OPERATIONAL HIGHLIGHTS

Electricity and gas sales

Electricity sold by the Enel Group in the first half of 2011 amounted to 153.3 TWh, up 2.1 TWh (+1.4%) compared with the same period of 2010.
The increase is attributable to increased sales abroad (+6.9 TWh), mainly relating in Latin America (+2.7 TWh), France (+2.0 TWh) and Russia (+1.7 TWh), partially offset by decreased sales volumes in Italy (-4.8 TWh).

Sales of gas to end users in the first six months of 2011 came to 4.7 billion cubic metres, down 0.3 billion cubic metres (-6.0%) compared with the year-earlier period. Domestic sales fell 0.5 billion cubic metres, while sales of gas abroad by Endesa rose 0.2 billion cubic metres.

Power generation

Net electricity generated by the Enel Group in the first half of 2011 totalled 144.4 TWh (+2.5%) versus 140.9 TWh in the same period of the previous year, of which 39.3 TWh in Italy and 105.1 TWh abroad.

In Italy, Enel Group plants generated 39.3 TWh, down 1.6 TWh from the first half of 2010. The decrease in hydroelectric generation (-2.5 TWh) due to less favourable water conditions in the first half of 2011 compared with a year earlier was partially offset by a rise in thermal generation (+0.7 TWh) and generation from other renewable resources (+0.2 TWh).

Demand for electricity in Italy in first half of 2011 was 165.4 TWh, up 1.6% on the same period of 2010, while net imports contracted by 0.2 TWh (-1.0%).

Press Release

Net electricity generated abroad by the Enel Group in the first half of 2011 was 105.1 TWh, up 5.1 TWh (+5.1%) on the first six months of 2010. The rise is mainly attributable to the higher output by Endesa in the Iberian peninsula (+3.9 TWh, despite the impact of 0.6 TWh associated with the ECyR plants that became part of Enel Green Power España at the end of March 2010) and to the increase in output by the companies of the Renewable Energy Division (+1.0 TWh), which was essentially a consequence of the change to the Division's perimeter following the ECyR operation.

Of the total generation by Enel power plants in Italy and abroad, 58.1% came from thermal generation, 28.9% from renewables and 13.0% from nuclear.

Distribution of electricity

Electricity distributed by the Enel Group network totalled 215.4 TWh in the first half of 2011, of which 121.6 TWh in Italy and 93.8 TWh abroad.
The volume of electricity distributed in Italy rose 0.1 TWh (+0.1%) versus the first half of the previous year.
Volumes distributed abroad totalled 93.8 TWh, up 2.6 TWh (+2.9%) on the corresponding period of 2010, mainly due to the increased contribution of Endesa (+2.3 TWh) in both the Iberian peninsula (+1.0 TWh) and Latin America (+1.3 TWh).

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CONSOLIDATED FINANCIAL HIGHLIGHTS

Revenues in the first half of 2011 totalled 38,391 million euros, up 3,589 million euros (+10.3%) compared with the first half of 2010. The rise is essentially attributable to increased revenues from electricity sales to end users and the growth in revenues from electricity generation and trading. More specifically, the greater volumes sold in Latin America and Russia, associated with the rise in average sales prices in those markets, more than offset the decline in sales in Italy. Revenues in the first half of 2011 also include gains totalling 398 million euros from the disposal of certain assets as well as fair value re-measurements of the assets and liabilities following changes in control of a number of companies as a result of transactions carried out during the period.

With regard to individual operating division results, Sales Division revenues totalled 8,803 million euros (-3.8%), those of Generation and Energy Management came to 10,222 million euros (+24.1%), Engineering and Innovation revenues totalled 206 million euros (-37.2%), Infrastructure and Networks revenues were 3,594 million euros (+5.3%), Iberia and Latin America Division revenues were 15,844 million euros (+6.7%), those of the International Division totalled 3,819 million euros (+22.8%) and those of the Renewable Energy Division totalled 1,329 million euros (+36.4%).

EBITDA for first half of 2011 was 8,929 million euros, up 51 million euros (+0.6%) year on year basis. In addition to the above-mentioned gains from the disposal of certain assets as well as fair value re-measurements, the rise is essentially attributable to improvement in the operating margins of the Sales, Infrastructure and Networks, and Renewable Energy Divisions, the effects of which were only partially offset by the decline in the margin on electricity generation in Italy and the impact of the Iberia and Latin America Division. The latter factor also reflected the disposal, completed in the fourth quarter of 2010, of the gas distribution network and power transmission grid assets in Spain, as well as the impact of the recognition of the net-worth tax in Colombia.

More specifically, the EBITDA of the Sales Division amounted to 326 million euros (+68.9%), that of the Generation and Energy Management Division, including 237 million euros from fair value re-measurements, came to 1,229 million euros (in line with the first half of 2010), that of the Engineering and Innovation Division was 7 million euros (in line with the first half of 2010), that of the Infrastructure and Networks Division amounted to 2,025 million euros (+9.8%), that of the Iberia and Latin America Division totalled 3,611 million euros (-10.8%), that of the International Division totalled 798 million euros (-5.1%) and that of the Renewable Energy Division came to 876 million euros (+34.6%), including gains of 121 million euros from the fair value re-measurements.

EBIT in the first half of 2011 amounted to 6,072 million euros, down 11 million euros (-0.2%) compared with the same period of 2010, impacted by an increase of 62 million euros in depreciation, amortisation and impairment losses.

With regard to the results of the individual operating divisions, the EBIT of the Sales Division totalled 180 million euros in the first half of 2011, compared with 51 million euros in the corresponding period of 2010. The EBIT of the Generation and Energy Management Division amounted to 940 million euros (-2.1%), that of the Engineering and Innovation Division came to 5 million euros, in line with the first half of 2010, that of the Infrastructure and Networks Division amounted to 1,567 million euros (+11.5%), that of the Iberia and Latin America Division totalled 2,197 million euros (-14.8%), that of the International Division was 496 million euros (-14.6%) and that of the Renewable Energy Division amounted to 684 million euros (+38.2%).

Group net income in first half of 2011 was 2,552 million euros, compared with 2,425 million euros posted in the year-earlier period (+5.2%). This increase essentially reflects the decrease in net financial charges, which only partially offset the higher year-on-year tax charge in the first half of 2011as well as the positive impact (247 million euros) resulting from the above-mentioned proceeds from the disposal of certain assets and the fair value re-measurements net of related fiscal charges. **Group net ordinary income** in the first half of 2011 totalled 2,305 million euros, down 120 million euros (-4.9%) compared with the same period of 2010.

The **consolidated balance sheet** at June 30th, 2011, shows net capital employed of 100,372 million euros (98,790 million euros at December 31st, 2010) including net assets held for sale of 479 million euros (620 million euros at December 31st, 2010). This was financed by total shareholders' equity of 54,237 million euros (53,866 million euros at December 31st, 2010) and net financial debt of 46,135 million euros (44,924 million euros at December 31st, 2010). The latter, excluding the amount relating to assets held for sale (23 million euros compared with 636 million euros at December 31st, 2010), increased by 1,211 million euros (+2.7%) from the end of 2010. The rise is essentially attributable to the payment of dividends, current income taxes and investments during the period, the effects of which were only partially offset by the cash flows generated by operations.
At June 30th, 2011, the **debt/equity ratio** was 0.85, compared with 0.83 at the end of 2010.

Capital expenditure in the first half of 2011 totalled 2,846 million euros, up 217 million euros, essentially attributable to the Renewable Energy Division.

At June 30th, 2011, there were 76,077 Group **employees** (versus 78,313 at December 31st, 2010). The Group's workforce declined by 2,236 units during the period, largely due to the change in the consolidation perimeter (down 2,287), mainly in relation to the disposals of CAM, Synapsis and Enel Operations Bulgaria and Enel Maritza East 3, as well as the change in the method used to consolidate Hydro Dolomiti Enel.

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RECENT KEY EVENTS

On **May 30th, 2011**, Enel Green Power SpA and its subsidiary Enel Green Power España SL (EGPE) finalized the agreement signed with Gas Natural SDG SA (“Gas Natural Fenosa”) for the break-up of Enel Union Fenosa Renovables SA (EUFER), until that date a 50% joint venture between EGPE and Gas Natural Fenosa.
Specifically, EUFER assets were divided in two well-balanced parts in terms of value, EBITDA, installed capacity, risk and technology mix. One part was transferred to Gas Natural Fenosa, while EGPE has retained the other part as the sole shareholder of EUFER.

In accordance with the agreement, EGPE and Gas Natural Fenosa each received more than 500 MW of installed capacity (including wind, mini-hydro and cogeneration) and a pipeline of wind, thermal solar and biomass projects totalling about 800 MW. The net debt of EUFER was equally split between EGPE and Gas Natural Fenosa.

On **June 9th, 2011**, Enel Green Power España, acting through its subsidiary Finerge, acquired the remaining 50% of Sociedad Térmica Portuguesa SA (TP), thereby becoming the sole shareholder.
TP holds shares in 13 cogeneration plants and two wind farms in Portugal as well as a 20% direct stake in ENEOP, the consortium that was granted authorization to build a total of 1,200 MW of wind power in Portugal. Enel Green Power SpA owns a 20% direct stake in ENEOP.

On **June 16th, 2011**, the Board of Directors of Enel SpA approved the issue of one or more bonds by December 31st, 2012, for a total of up to €5 billion. The bonds will be placed with institutional or retail investors, depending upon the opportunities presented by the market. The bonds may be issued directly by Enel SpA or by its Dutch subsidiary Enel Finance International NV (guaranteed by the Parent Company), the latter based on the opportunities that may be available for placement of the bonds on foreign regulated markets. The Board of Directors delegated to the CEO the task of allocating the bond issues between the two above-mentioned companies and setting the amounts, currencies, timing and characteristics of the individual issues, with the option of seeking a listing on one or more regulated markets. The Board of Directors also revoked its previous resolution of March 2nd, 2011 that had authorized the issue of one or more bonds by December 31st, 2011, to be placed with institutional investors, for a total amount of up to 1 billion euros, maintaining the validity and effects of the bonds issued under such resolution.

On **June 17th, 2011**, Enel Green Power North America Inc. (EGP NA) purchased a 51% stake in the Rocky Ridge wind project in Oklahoma. Construction activities are planned to start in the fall. Rocky Ridge was developed by EGP NA's partner TradeWind Energy, which has a power purchase agreement with the Western Farmers Electric Cooperative. The new wind farm's total installed capacity is approximately 150 MW. Once fully operational, the plant will generate about 630 million kWh annually, supplying power to some 55,000 US households and avoiding the emission of over 470,000 tons of CO_2 nto the atmosphere each year.

On **June 28th, 2011**, the Dutch subsidiary Enel Investment Holding BV ("EIH"), in implementation of the agreement of March 14th, 2011 with Contour Global LP, sold the latter the entire capital of the Dutch companies Maritza East III Power Holding BV and Maritza O&M Holding Netherland BV. These companies respectively own 73% of the Bulgarian company Maritza East 3 AD, owner of a lignite-fuelled power plant with an installed capacity of 908 MW ("Maritza"), and 73% of the Bulgarian company Enel Operations Bulgaria AD, which is responsible for the operation and maintenance of the Maritza plant. ContourGlobal paid a total consideration of 230 million euros for the stakes.

On **July 5th, 2011**, the International Chamber of Commerce notified the parties of the ruling issued by the arbitration court on May 30th, 2011 in Paris, in the international arbitration proceeding initiated by Enel Green Power against its partner in the LaGeo joint venture, Inversiones Energéticas (INE), for recognition of its right to make investments in LaGeo by means of capitalization of such investments, thus achieving a majority stake in the Salvadorean company's share capital. The arbitration board recognized Enel Green Power's right to make further investments through LaGeo in geothermal energy in El Salvador and to capitalize such investments in LaGeo itself by way of the subscription of new shares in that company. This right, which is provided for in the agreement between LaGeo shareholders of June 4th, 2002, will enable Enel Green Power to acquire the majority of LaGeo's share capital. In addition, the arbitration court dismissed as unfounded a counterclaim brought by INE against Enel Green Power for alleged damages.

Again on **July 5th, 2011**, Enel SpA, through its subsidiary Enel Finance International NV, placed on the European market a multi-tranche bond issue totalling 1,750 million euros, aimed at institutional investors as part of its Global Medium Term Notes programme, thus putting into effect the resolution passed by the Enel S.p.A. Board of Directors on June 16th, 2011.
The operation, led by a syndicate of banks consisting of Banca IMI, BNP Paribas, Deutsche Bank, Société Generale and Unicredit in the role of joint-bookrunners, attracted subscriptions worth about 7,500 million euros, and is structured in the following tranches (all guaranteed by Enel S.p.A.):

- 1,000 million euros at a fixed rate of 4.125% to mature July 12th, 2017.
- 750 million euros at a fixed rate of 5% to mature July 12th, 2021.

On **July 15th, 2011,** the subsidiary Enel OGK-5 OJSC successfully launched the new combined cycle gas turbines (CCGT) unit with installed capacity of 410 MW at Nevinnomysskaya GRES in the Northern Caucasus. This is the first new power generating facility constructed by Enel in Russia as part of the current investment program in the country aimed at increasing the installed capacity as well as improving operational and environmental performances of the existing Enel OGK-5 generation fleet. The new unit is characterized by high reliability and automation. The efficiency of the new CCGT is about 58%, versus the 35-40% of conventional gas-fired power plants. Total investments into the construction of CCGT-410 at Nevinnomysskaya GRES amounted about 400 million euros (16 billion rubles).

Again on **July 15th, 2011**, Enel Produzione SpA and En&En SpA ("En&En"), a company involved in the development of energy projects, signed an agreement to develop new hydroelectric projects in the province of Belluno. The accord provides for the establishment of a new company (called ENergy Hydro Piave srl) held by Enel Produzione (51%) and En&En (49%) – or companies directly controlled by that company – to build and operate new hydroelectric plants in the province, in synergy with the existing Enel Produzione plants in the area and leveraging the contribution of the local business community. Enel Produzione and En&En have initiated the process of obtaining permits for two projects with a total capacity of about 60 MW, with the aim of obtaining, through ENergy Hydro Piave, the award of the first 30-year diversion concession from the Region of Veneto by the end of 2011.

On **July 25th, 2011**, the subsidiary Enel OGK-5 OJSC successfully launched the new combined cycle gas turbines (CCGT) unit with installed capacity of 410 MW at Sredneuralskaya GRES near Yekaterinburg in the Urals Region. This is the second power unit constructed by Enel in Russia. The efficiency rate of the new CCGT is about 58%, compared to 35-40% of conventional gas-fired power units. The new unit is based on fourth-generation technologies and equipment, which allow to meet the ever-growing power and heat demand of the region while at the same time reducing negative impact on the environment. Total investments into the construction of the new unit amounted about 380 million euros (15 billion rubles).

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OUTLOOK

The first half of 2011 saw steady growth of power demand in Latin America, Eastern Europe and Russia, and weak signs of recovery were registered in the other European countries. Against this backdrop, the dimension achieved by the Enel Group along with its geographical diversification, represent key success factors in reaching Enel's strategic goals.

The Group thus expects to benefit from the improvement in its margins with the introduction of new generation capacity in Russia and the Iberian peninsula as well as from the continued contribution of efficiency projects and improved operating cash flow.

Enel's integration with Endesa generated first-half operating synergies totalling 522 million euros, in addition to the 82 million euros produced by Endesa's Zenith programme, bringing the total synergies achieved in the period to 604 million euros.

A second wave of the Zenith programme will generate cumulative savings in the order of 1 billion euros between 2012 and 2015.

Enel will continue to implement programmes to develop new capacity in renewables as well as environmentally-sustainable thermal generation technologies and smart grids.

These measures, together with actions to further improve the Group's cash flow, enables us to confirm the consolidated financial targets for 2011 previously announced to investors.

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2011 INTERIM DIVIDEND

Based on the results achieved in the first half of 2011 and the outlook for the current year, the Board of Directors will decide on September 28th regarding the distribution of an interim dividend and the amount of said dividend.
The dividend is scheduled to be paid from November 24th, 2011, with an ex-dividend date of November 21st, 2011.

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BONDS ISSUED AND MATURING BONDS

The main bond issues made by the Enel Group in the first half of 2011 include the following:

- in January 2011, bonds denominated in Colombian pesos and Peruvian sols were issued respectively by Emgesa SA and Edelnor SAA, with a total value of 295 million euros;
- in March 2011, Enel Finance International NV carried out two private placements (guaranteed by Enel SpA) with a total value of 200 million euros. The issues have an weighted average maturity of about 20 years and an average interest rate of 5.78%;
- on May 27th, 2011, Enel Finance International NV issued a bond (guaranteed by Enel SpA) with a total value of 250 million Swiss francs (equal to about 205 million euros), weighted average maturity of 6.3 years and an average interest rate of 3.96%;
- on June 6th, 2011, Enel Finance International NV carried out a private placement (guaranteed by Enel SpA) with a total value of 11.5 billion yen (equal to about 100 million euros), with a maturity of 7 years, which was swapped into euros at an interest rate of 3.915%.

Between July 1st, 2011 and December 31st, 2012, a total of 3,134 million euros in bonds is scheduled to mature, including the most significant ones:

- 123 million euros relating to a fixed-rate bond issued by Enel OGK-5 OJSC, maturing in September 2011;
- 300 million euros relating to a floating-rate bond issued by Endesa Capital Finance LLC, maturing in November 2011;
- 600 million euros relating to a fixed-rate bond issued by Enel SpA, maturing in March 2012;
- 400 million euros relating to a floating-rate bond issued by Enel SpA, maturing in March 2012;
- 300 million euros relating to a floating-rate bond issued by Endesa Capital Finance LLC, maturing in July 2012;
- 624 million euros relating to a fixed-rate bond in pounds sterling issued by International Endesa BV, maturing in July 2012;
- 132 million euros relating to a fixed-rate bond in Brazilian reais issued by Ampla Energia e Serviços SA maturing in August 2012;
- 186 million euros relating to a fixed-rate bond in US dollars issued by International Endesa BV, maturing in September 2012;
- 150 million euros relating to a floating-rate bond issued by International Endesa BV, maturing in November 2012.

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At 18:00 today, August 3rd, 2011, a conference call will be held to present the results of the first half of 2011 to financial analysts and institutional investors. Journalists are also invited to listen in on the call.
Documentation relating to the conference call will be available on Enel's website (www.enel.com) in the Investor Relations section from the beginning of the event.

Tables presenting the results of the individual Divisions (which do not take account of intersegment eliminations) are attached below, as are the income statement, the statement of comprehensive income, the balance sheet and the condensed cash flow statement for the Enel Group. These statements and explanatory notes were delivered to the independent auditor for evaluation. A descriptive summary of the alternative performance indicators is also attached.

The manager responsible for the preparation of the corporate financial reports, Luigi Ferraris, declares, pursuant to Article 154-bis, paragraph 2, of the Consolidated Law on Financial Intermediation, that the accounting information contained in this press release corresponds with that contained in the accounting documentation, books and records.

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Press Release

Results of the Divisions

The representation of performance and financial results by Division presented here is based on the approach used by management in assessing Group performance for the two periods.

Sales Division

Results (millions of euros)**:**

	H1 2011	H1 2010	Change
Revenues	8,803	9,148	-3.8%
EBITDA	326	193	+68.9%
EBIT	180	51	-
Capital expenditure	12	16	-25.0%

Generation and Energy Management Division

Results (millions of euros)**:**

	H1 2011	H1 2010	Change
Revenues	10,222	8,236	+24.1%
EBITDA	1,229	1,229	-
EBIT	940	960	-2.1%
Capital expenditure	109	293	-62.8%

Engineering and Innovation

Results (millions of euros)**:**

	H1 2011	H1 2010	Change
Revenues	206	328	-37.2%
EBITDA	7	7	-
EBIT	5	5	-
Capital expenditure	1	4	-75.0%

Press Release

Infrastructure and Networks

Results (millions of euros)**:**

	H1 2011	H1 2010	Change
Revenues	3,594	3,414	+5.3%
EBITDA	2,025	1,845	+9.8%
EBIT	1,567	1,405	+11.5%
Capital expenditure	579	509	+13.8%

Iberia and Latin America

Results (millions of euros)**:**

	H1 2011	H1 2010	Change
Revenues	15,844	14,843	+6.7%
EBITDA	3,611	4,047	-10.8%
EBIT	2,197	2,578	-14.8%
Capital expenditure	933	875	+6.6%

International

Results (millions of euros)**:**

	H1 2011	H1 2010	Change
Revenues	3,819	3,111	+22.8%
EBITDA	798	841	-5.1%
EBIT	496	581	-14.6%
Capital expenditure	573	559	+2.5%

Renewable Energy

Results (millions of euros)**:**

	H1 2011	H1 2010	Change
Revenues	1,329	974	+36.4%
EBITDA	876	651	+34.6%
EBIT	684	495	+38.2%
Capital expenditure	624	339	+84.1%

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ALTERNATIVE PERFORMANCE INDICATORS

The following section describes a number of alternative performance indicators, not envisaged under the IFRS-EU accounting standards, which are used in this press release in order to facilitate the assessment of the Group's performance and financial position.

- **EBITDA:** an indicator of Enel's operating performance, calculated as "Operating income" plus "Depreciation, amortisation and impairment losses";
- **Net financial debt**: an indicator of Enel's financial structure, determined by "Long-term loans" and "Short-term loans and the current portion of long-term loans" less "Cash and cash equivalents", current and non-current financial assets (financial receivables and securities other than equity investments) included in "Other current assets" and "Other non-current assets";
- **Net capital employed**: calculated as the sum of "Current assets", "Non-current assets" and "Net assets held for sale", net of "Current liabilities" and "Non-current liabilities", excluding the items considered in the definition of net financial debt;
- **Net assets held for sale:** calculated as the algebraic sum of "Assets held for sale" and "Liabilities held for sale";
- **Group net ordinary income:** defined as that part of "Group net income" derived from ordinary business operations.

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Press Release

Consolidated Income Statement

Millions of euro		1st Half			
		2011		2010	
			of which with related parties		*of which with related parties*
Revenues					
Revenues from sales and services		37,223	*3,175*	34,274	*3,753*
Other revenues		1,168	*29*	528	*3*
	[Subtotal]	***38,391***	***3,204***	***34,802***	***3,756***
Costs					
Raw materials and consumables		19,795	*4,686*	16,944	*5,285*
Services		7,005	*1,178*	6,609	*959*
Personnel		2,176		2,254	
Depreciation, amortization and impairment losses		2,857		2,795	
Other operating expenses		1,330		1,001	*18*
Capitalized costs		(726)		(792)	
	[Subtotal]	***32,437***	***5,864***	***28,811***	***6,262***
Net income / (charges) from commodity risk management		**118**		**92**	***6***
Operating income		**6,072**		**6,083**	
Financial income		1,765	*13*	2,441	*12*
Financial expense		3,175	*3*	4,207	
Share of income/(expense) from equity investments accounted for using the equity method		63		(1)	
Income before taxes		**4,725**		**4,316**	
Income taxes		1,536		1,263	
Net income from continuing operations		**3,189**		**3,053**	
Net income from discontinued operations (1)		**-**		**-**	
Net income for the period (shareholders of the Parent Company and non-controlling interests)		**3,189**		**3,053**	
Attributable to shareholders of the Parent Company		2,552		2,425	
Attributable to non-controlling interests		637		628	
Earnings per share (euro)		*0.27*		*0.26*	
Diluted earnings per share (euro) (1)		*0.27*		*0.26*	
Earnings from continuing operations per share		*0.27*		*0.26*	
Diluted earnings from continuing operations per share (1)		*0.27*		*0.26*	

(1) Calculated on the basis of the average number (9,403,357,795 shares) of ordinary shares in both periods, adjusted for the diluting effect of outstanding stock options (zero in both years).

Press Release

Statement of comprehensive income

Millions of euro	1st Half	
	2011	2010
Net income for the period (shareholders of the Parent Company and non-controlling interests)	**3,189**	**3,053**
Other comprehensive income:		
- Effective portion of change in the fair value of cash flow hedges	139	3
- Income recognized in equity by companies accounted for using the equity method	-	32
- Change in the fair value of financial investments available for sale	131	53
- Exchange rate differences	(831)	2,753
Net Income (loss) recognized in equity	**(561)**	**2,841**
Comprehensive income for the period	**2,628**	**5,894**
Attributable to:		
- shareholders of the Parent Company	2,528	3,897
- non-controlling interests	100	1,997

Press Release

Consolidated balance sheet

Millions of euro

ASSETS		at June 30, 2011	*of which with related parties*	at December 31, 2010 *restated*	*of which with related parties*
Non-current assets					
Property, plant and equipment		78,395		78,094	
Investment property		291		299	
Intangible assets		39,250		39,581	
Deferred tax assets		5,985		6,017	
Equity investments accounted for using the equity method		1,041		1,033	
Non-current financial assets (1)		4,900		4,701	
Other non-current assets		1,088		1,062	
	[Total]	**130,950**		**130,787**	
Current assets					
Inventories		3,274		2,803	
Trade receivables		12,481	*1,130*	12,505	*1,065*
Tax receivables		1,980		1,587	
Current financial assets (2)		9,623	*81*	11,922	*69*
Cash and cash equivalents		3,708		5,164	
Other current assets		2,605	*17*	2,176	*79*
	[Total]	**33,671**		**36,157**	
Assets held for sale		**602**		**1,618**	
TOTAL ASSETS		**165,223**		**168,562**	

1) Of which long-term financial receivables for 2,764 millions of euro at June 30, 2011 (2,463 millions of euro at December 31, 2010) and other securities for 85 millions of euro at June 30, 2011 (104 millions of euro at December 31, 2010).

(2) Of which current portion of long-term financial receivables, short-term financial receivables and other securities at June 30, 2011 for 6,283 millions of euro (9,290 millions of euro at December 31, 2010), 1,647 millions of euro (1,608 millions of euro at December 31, 2010) and 38 millions of euro (95 millions of euro at December 31, 2010).

Press Release

Millions of euro

LIABILITIES AND SHAREHOLDERS' EQUITY		at June 30, 2011	of which with related parties	at December 31, 2010 *restated*	of which with related parties
Equity attributable to the shareholders of the Parent Company					
Share capital		9,403		9,403	
Other reserves		10,767		10,791	
Retained earnings (losses carried forward)		16,100		14,345	
Net income for the period (1)		2,552		3,450	
	[Total]	**38,822**		**37,989**	
Equity attributable to non-controlling interests		**15,415**		**15,877**	
TOTAL SHAREHOLDERS' EQUITY		**54,237**		**53,866**	
Non-current liabilities					
Long-term loans		42,752		52,440	
Post-employment and other employee benefits		3,079		3,069	
Provisions for risks and charges		8,424		9,026	
Deferred tax liabilities		11,226		11,336	
Non-current financial liabilities		2,380		2,591	
Other non-current liabilities		1,305		1,244	
	[Total]	**69,166**		**79,706**	
Current liabilities					
Short-term loans		9,944		8,209	
Current portion of long-term loans		7,964		2,999	
Trade payables		11,308	*2,685*	12,373	*2,777*
Income tax payable		1,484		687	
Current financial liabilities		2,638	*7*	1,672	
Other current liabilities		8,359	*31*	8,052	*13*
	[Total]	**41,697**		**33,992**	
Liabilities held for sale		**123**		**998**	
TOTAL LIABILITIES		**110,986**		**114,696**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**165,223**		**168,562**	

(1) Net income for 2010 is reported net of the interim dividend (€940 million).

Press Release

Consolidated Statement of Cash Flows

Millions of euro	1st Half			
	2011		2010	
		of which with related parties		*of which with related parties*
Income for the period (shareholders of the Parent Company and non-controlling interests)	**3,189**		**3,053**	
Adjustments for:				
Amortization and impairment losses of intangible assets	463		415	
Depreciation and impairment losses of property, plant and equipment	2,248		2,217	
Exchange rate gains and losses (including cash and cash equivalents)	(710)		1,350	
Accruals to provisions	398		315	
Financial (income)/expense	1,074		1,288	
Income taxes	1,536		1,263	
(Gains)/Losses and other non-monetary items	573		(1,088)	
Cash flow from operating activities before changes in net current assets	*8,771*		*8,813*	
Increase/(Decrease) in provisions	(941)		(618)	
(Increase)/Decrease in inventories	(462)		(222)	
(Increase)/Decrease in trade receivables	(232)	*(65)*	326	*(47)*
(Increase)/Decrease in financial and non-financial assets/liabilities	(325)	*(75)*	703	*(10)*
Increase/(Decrease) in trade payables	(1,043)	*(92)*	(2,075)	*(448)*
Interest income and other financial income collected	600	*13*	690	*12*
Interest expense and other financial expense paid	(1,877)	*2*	(1,931)	
Income taxes paid	(1,103)		(2,092)	
Cash flows from operating activities (a)	**3,388**		**3,594**	
Investments in property, plant and equipment	(2,712)		(2,435)	
Investments in intangible assets	(202)		(219)	
Investments in entities (or business units) less cash and cash equivalents acquired	(52)		(117)	
Disposals of entities (or business units) less cash and cash equivalents sold	104		375	
(Increase)/Decrease in other investing activities	84		(72)	
Cash flows from investing/disinvesting activities (b)	**(2,778)**		**(2,468)**	
Financial debt (new long-term borrowing)	3,601		5,053	
Financial debt (repayments and other changes)	(3,318)		(5,095)	
Charges related to sales of equity holdings without loss of control	(34)		-	
Dividends and interim dividends paid	(2,388)		(1,897)	
Cash flows from financing activities (c)	**(2,139)**		**(1,939)**	
Impact of exchange rate fluctuations on cash and cash equivalents (d)	**(65)**		**239**	
Increase/(Decrease) in cash and cash equivalents (a+b+c+d)	**(1,594)**		**(574)**	
Cash and cash equivalents at beginning of the period	5,342		4,289	
Cash and cash equivalents at the end of the period (1) (2)	3,748		3,715	

(1) Of which short-term securities equal to €38 million at June 30, 2011 (€82 million at June 30, 2010).
(2) Of which cash and cash equivalents pertaining to assets held for sale in the amount of €2 million at June 30, 2011 (€98 million at June 30, 2010).