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## ENEL: BOARD OF DIRECTORS APPROVES 2011 INTERIM DIVIDEND OF 0.10 EUROS PER SHARE TO BE PAID ON NOVEMBER 24<sup>TH</sup>

**Rome, September 28<sup>th</sup>, 2011** – The Board of Directors of Enel SpA, chaired by Paolo Andrea Colombo, today approved the half-year financial report of Enel SpA at June 30<sup>th</sup>, 2011. The performance and results achieved by the Company and the Group allow the distribution of an interim dividend for 2011 equal to 0.10 euros per share to be paid on November 24<sup>th</sup>, 2011, with an ex-dividend date on November 21<sup>st</sup>, 2011 (coupon no. 19).

The consolidated results for the financial report as of June 30<sup>th</sup>, 2011, were approved by the Board of Directors and announced on August 3<sup>rd</sup>, 2011. More specifically, Group net ordinary income amounted to 2,305 million euros (down 4.9% compared with the first half of 2010).

### FINANCIAL HIGHLIGHTS OF THE PARENT COMPANY

In its capacity as an industrial holding company, Enel SpA sets strategic targets for the Enel Group and coordinates the activities of the subsidiaries.

In addition, it manages central treasury operations and insurance risk coverage, providing assistance and guidelines on organisation, personnel management and labour relations, accounting, administrative, fiscal, legal and corporate matters for Group companies.

Also, Enel SpA currently holds a multi-year contract for the import of electricity through the Swiss border that terminates on December 31<sup>st</sup>, 2011.

### **Main financial highlights of the Parent Company** (millions of euros):

	<b>H1 2011</b>	<b>H1 2010</b>	<b>Change</b>
Revenues	<b>340</b>	323	+5.3%
EBIT	<b>(33)</b>	(7)	-
Net financial expense and income from equity investments	<b>2,768</b>	2,751	+0.6%
Net income for the period	<b>2,806</b>	2,864	-2.0%
Net financial debt	<b>12,589*</b>	13,314**	-5.4%

\* At June 30<sup>th</sup>, 2011 \*\* At December 31<sup>st</sup>, 2010

This press release uses two "alternative performance indicators" not envisaged in the IFRS-EU accounting standards (net financial debt and Group net ordinary income). In accordance with recommendation CESR/05-178b published on November 3<sup>rd</sup>, 2005, the criteria used to calculate these indicators are described at the end of the release.

**Revenues** in the first half of 2011 totalled 340 million euros, up 17 million euros (+5.3%) compared with the first half of 2010. The increase is essentially attributable to higher revenues

from electricity sales (primarily due to the increase in average sales prices while volumes remained essentially unchanged), as well as higher revenues for assistance and consultancy services provided to the subsidiaries.

**EBIT** in the first half of 2011 amounted to a negative 33 million euros, down 26 million euros compared with the same period of 2010, mainly due to higher operating costs.

**Net financial expense and income from equity investments** for the first half of 2011 brought net income to 2,768 million euros (2,751 million euros in the first half of 2010). This figure includes dividends distributed by subsidiaries, associated and other companies of 3,215 million euros (3,361 million euros in the first half of 2010) and net financial expense of 447 million euros. Net financial expense fell by 163 million euros compared with the corresponding period of 2010, mainly due to the reduction in net expense on interest rate trading derivative instruments and interest and other charges on financial debt as a result of the reduction in medium and long-term debt.

**Net income for the period** amounted to 2,806 million euros, compared with 2,864 million euros for the corresponding period of 2010.

**Net financial debt** as of June 30<sup>th</sup>, 2011 came to 12,589 million euros, down 725 million euros from December 31<sup>st</sup>, 2010, mainly due to repayments made during the first half of 2011 with respect to syndicated credit lines and the tranches of bonds that matured during the period, partially offset by drawings on credit lines from banks.

**Shareholders' equity** at June 30<sup>th</sup>, 2011 came to 25,682 million euros (24,516 million euros at December 31<sup>st</sup>, 2010). The change is mainly attributable to the comprehensive income in the first half of 2011 (2,859 million euros), net of the distribution of the balance of the dividend for 2010 (1,693 million euros). As of June 30<sup>th</sup>, 2011, the **debt/equity ratio** was 0.49, compared with 0.54 at the end of 2010.

#### **APPROVAL OF DISTRIBUTION OF 2011 INTERIM DIVIDEND**

Based on the level of earnings of 2,806 million euros achieved in the first half of 2011 and the outlook for the current year, the Board of Directors approved the distribution of an interim dividend in of 0.10 euros per share.

The opinion of independent auditor Reconta Ernst & Young SpA, required by Article 2433-*bis* of the Italian Civil Code, was released today.

The dividend is scheduled to be paid (before any withholding required by law) on November 24<sup>th</sup>, 2011, with an ex-dividend date of November 21<sup>st</sup>, 2011 (coupon no. 19).

*The income statement, the statement of comprehensive income, the balance sheet and the condensed cash flow statement for Enel SpA are attached below. 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.*

## **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 Enel SpA's performance and financial position.

- **Net financial debt:** an indicator of Enel's financial structure, calculated as the sum of "Long-term loans", "Current portion of long-term loans" and "Short-term loans" less "Cash and cash equivalents" and financial receivables included in "Non-current financial assets" and "Current financial asset";
- **Group net ordinary income:** defined as that part of "Group net income" derived from ordinary business operations.

\* \* \* \* \*

**Enel SpA**  
**Income Statement**

Millions of euros

1<sup>st</sup> Half

	2011		2010	
		<i>of which with related parties</i>		<i>of which with related parties</i>
<b>Revenues</b>				
Revenues from sales and services	335	334	319	319
Other revenues	5	3	4	4
	<i>(Sub Total)</i>	<b>340</b>	<b>323</b>	
<b>Costs</b>				
Electricity purchases and consumables	170	9	165	14
Services, leases and rentals	119	42	110	44
Personnel	58		46	
Depreciation, amortization and impairment losses	5		3	
Other operating expenses	21	1	6	(16)
	<i>(Sub Total)</i>	<b>373</b>	<b>330</b>	
<b>Operating income</b>	<b>(33)</b>		<b>(7)</b>	
Income from equity investments	3,215	3,215	3,361	3,361
Financial income	1,215	809	2,544	496
Financial expense	1,662	257	3,154	1,951
	<i>(Sub Total)</i>	<b>2,768</b>	<b>2,751</b>	
<b>Income before taxes</b>	<b>2,735</b>		<b>2,744</b>	
Income taxes	(71)		(120)	
<b>NET INCOME FOR THE PERIOD</b>	<b>2,806</b>		<b>2,864</b>	

**Enel SpA**  
**Statement of comprehensive income for the period**

Millions of euros	1 <sup>st</sup> Half	
	2011	2010
<b>Net income for the period</b>	<b>2,806</b>	<b>2,864</b>
<b>Other components of comprehensive income:</b>		
Effective portion of change in the fair value of cash flow hedges	50	(78)
Change in the fair value of financial investments available for sale	3	(4)
<b>Income (loss) recognized directly in equity</b>	<b>53</b>	<b>(82)</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>2,859</b>	<b>2,782</b>

**Enel SpA**  
**Balance Sheet**

Millions of euros

<b>ASSETS</b>	<b>at June 30, 2011</b>		at Dec. 31, 2010	
		<i>of which with related parties</i>		<i>of which with related parties</i>
<b>Non-current assets</b>				
Property, plant and equipment	4		5	
Intangible assets	14		15	
Deferred tax assets	245		328	
Equity investments	38,844		38,831	
Non-current financial assets <sup>(1)</sup>	1,231	684	1,448	630
Other non-current assets	258	216	264	222
	<i>(Total)</i>		<b>40,891</b>	
<b>Current assets</b>				
Trade receivables	472	463	542	533
Income tax receivables	214		272	
Current financial assets <sup>(2)</sup>	13,459	12,472	9,693	8,900
Cash and cash equivalents	738		2,117	
Other current assets	893	428	257	205
	<i>(Total)</i>		<b>12,881</b>	
<b>Non-current assets classified as held for sale</b>	<b>19</b>		-	
<b>TOTAL ASSETS</b>	<b>56,391</b>		<b>53,772</b>	

<sup>(1)</sup> Of which long-term financial receivables for € 319 million at June 30, 2011, € 334 million at December 31, 2010.

<sup>(2)</sup> Of which short-term financial receivables for € 12,979 million at June 30, 2011, € 9,209 million at December 31, 2010.

Millions of euros

**LIABILITIES AND SHAREHOLDERS' EQUITY**

	at June 30, 2011		at Dec. 31, 2010	
		<i>of which with related parties</i>		<i>of which with related parties</i>
<b>Shareholders' equity</b>				
Share capital	9,403		9,403	
Other reserves	9,595		9,543	
Retained earnings (losses carried forward)	3,878		3,394	
Net income for the period <sup>(1)</sup>	2,806		2,176	
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<i>(Total)</i>	<b>25,682</b>	<b>24,516</b>	
<b>Non-current liabilities</b>				
Long-term loans	18,640	2,797	22,326	2,797
Post-employment and other employee benefits	359		363	
Provisions for risks and charges	33		33	
Deferred tax liabilities	114		126	
Non-current financial liabilities	1,626	156	1,999	392
Other non current liabilities	40	40	40	40
	<i>(Sub Total)</i>	<b>20,812</b>	<b>24,887</b>	
<b>Current liabilities</b>				
Short-term loans	4,375	1,911	1,842	1,496
Current portion of long-term loans	3,610		806	
Trade payables	318	94	350	97
Current financial liabilities	758	104	789	117
Other current liabilities	836	732	582	332
	<i>(Sub Total)</i>	<b>9,897</b>	<b>4,369</b>	
<b>TOTAL LIABILITIES</b>		<b>30,709</b>	<b>29,256</b>	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>56,391</b>	<b>53,772</b>	

<sup>(1)</sup> Net income is reported net of interim dividend equal to € 940 million for 2010.

## Enel SpA Statement of Cash Flows

Millions of euros

1<sup>st</sup> Half

	2011		2010	
		<i>of which with related parties</i>		<i>of which with related parties</i>
<b>Income for the period</b>	<b>2,806</b>		<b>2,864</b>	
<b>Adjustments for:</b>				
Depreciation and amortization of property, plant and equipment and intangible assets	4		3	
Exchange rate gains and losses	(61)		110	
Provisions	19		11	
Dividends from subsidiaries, associates and other companies	(3,215)	(3,215)	(3,361)	(3,361)
Financial (income)/expense	501	(552)	493	1,456
Income taxes	(71)		(120)	
(Gains)/losses and other non-monetary items	-		1	
<b>Cash flow from operating activities before changes in net current assets</b>	<b>(17)</b>		<b>1</b>	
Increase/(decrease) in provisions	(23)		(21)	
(Increase)/decrease in trade receivables	70	70	(111)	(112)
(Increase)/decrease in financial and non-financial assets/liabilities	622	360	1,242	4,990
Increase/(decrease) in trade payables	(32)	(3)	(57)	3
Interest income and other financial income collected	410	195	357	108
Interest expense and other financial expense paid	(1,145)	(127)	(1,096)	(217)
Dividends from subsidiaries, associates and other companies	2,950	2,950	3,348	3,348
Income taxes paid (consolidated taxation mechanism)	(387)		(536)	
<b>Cash flow from operating activities (a)</b>	<b>2,448</b>		<b>3,127</b>	
Investments in property, plant and equipment and intangible assets	(2)	(2)	-	
Equity investments	(29)	(29)	(8)	(8)
<b>Cash flows from investing/disinvesting activities (b)</b>	<b>(31)</b>		<b>(8)</b>	
Long-term financial debt (new borrowing)	1,800		3,000	
Long-term financial debt (repayments)	(2,608)		(10,409)	(8,009)
Net change in long-term financial payables/(receivables)	(2,862)	16	(165)	
Net change in short-term financial payables/(receivables)	1,567	(3,138)	5,940	4,213
Dividends paid	(1,693)		(1,410)	
<b>Cash flows from financing activities (c)</b>	<b>(3,796)</b>		<b>(3,044)</b>	
<b>Increase/(decrease) in cash and cash equivalents (a+b+c)</b>	<b>(1,379)</b>		<b>75</b>	
Cash and cash equivalents at beginning of the period	2,117		995	
<b>Cash and cash equivalents at the end of the period</b>	<b>738</b>		<b>1,070</b>	