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Press Release

ENEL: BOARD OF DIRECTORS APPROVES THE RESULTS FOR THE FIRST HALF OF 2013

- *Revenues: 40,157 million euros (40,692 million euros in 1H 2012, -1.3%)*
- *EBITDA: 8,293 million euros (8,315 million euros in 1H 2012, -0.3%)*
- *EBIT: 5,168 million euros (5,385 million euros in 1H 2012, -4.0%)*
- *Group net income: 1,680 million euros (1,835 million euros in 1H 2012, -8.4%)*
- *Group net ordinary income: 1,652 million euros (1,655 million euros in 1H 2012, -0.2%)*
- *Net financial debt: 44,515 million euros (42,948 million euros as of December 31st, 2012, +3.6%)*

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Rome, August 1st, 2013 – The Board of Directors of Enel SpA, chaired by Paolo Andrea Colombo, today examined and approved the half-year financial report as of June 30th, 2013.

Consolidated financial highlights (millions of euros):

	1H 2013	1H 2012	Change
Revenues	40,157	40,692	-1.3%
EBITDA	8,293	8,315	-0.3%
EBIT	5,168	5,385	-4.0%
Group net income	1,680	1,835	-8.4%
Group net ordinary income	1,652	1,655	-0.2%
Net financial debt	44,515	42,948 (*)	+3.6%

(*) *As of December 31st, 2012.*

Fulvio Conti, Enel Chief Executive Officer and General Manager, stated: "*The solid results posted in the first half of 2013 show the soundness of managerial actions implemented by the Enel Group, as well as the competitiveness and flexibility of our geographical and technological positioning. Furthermore, such results allow us to confirm the year-end targets announced to investors in spite of the ongoing financial crisis in mature markets and uncertainty in the Spanish regulatory framework*".

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Unless otherwise specified, the balance sheet figures as of June 30th, 2013, exclude assets and liabilities held for sale, which essentially regard Marcinelle Energie and other minor positions that on the basis of the status of negotiations for their sale to third parties meet the requirements of IFRS 5 for such classification.

Following the application, as from January 1st, 2013 with retrospective effect, of the new version of "IAS 19 – Employee benefits", it was necessary, as provided for in the applicable accounting standards, to restate the amounts for certain items of the balance sheet initially presented in the consolidated financial statements as of December 31st, 2012, and certain income statement items reported in the interim financial report as of June 30th, 2012. More specifically, the amendments eliminated the use of the so-called corridor approach, making it necessary to recognize all actuarial gains and losses in equity. Accordingly, the amortisation of the excess gains and losses outside the corridor as quantified in making actuarial calculations as of December 31st, 2011 pertaining to the first half of 2012 was eliminated from the income statement. In addition, the actuarial gains and losses not recognised in application of the previous method were recognised in Group equity, with the consequent adjustment of the associated obligation for employee benefits and net plan assets in the balance sheet, net of theoretical tax effects and amounts pertaining to non-controlling interests. In addition, as the recognition of past service cost in profit or loss can no longer be deferred, the amount not recognised in the periods under review was recognised as an increase in the obligation for employee benefits. Once again, the theoretical tax effects and amounts pertaining to non-controlling interests were also calculated.

In addition, the change made by the Group at the end of 2012 in the accounting policies for white certificates produced a number of changes in the amounts reported in the income statement for the first half of 2012, which have been restated appropriately and re-presented here for comparative purposes only.

Finally, as a result of the definitive purchase price allocations for the Kafireas pipeline and Stipa Nayaa (two Renewable Energy Division companies), which were completed after December 31st, 2012, the balance sheet items at that date were restated to reflect the fair value adjustment of the assets acquired and liabilities assumed.

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, Group net ordinary income). 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 press release.

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OPERATIONAL HIGHLIGHTS

Electricity and gas sales

Electricity sold by the Enel Group to end users in the first half of 2013 came to 146.4 TWh, a decrease of 10.1 TWh (-6.5%) compared with the same period of 2012.
The lower volumes sold are mainly attributable to the Italian (-4.2 TWh), Spanish (-3.9 TWh) and French (-2.6 TWh) markets (the latter due to the decline in available capacity following the Group's withdrawal from the Flamanville3 project in late 2012).

Gas sold to end users amounted to 4.9 billion cubic meters, down 0.1 billion cubic metres (-2.0%) compared with the same period of 2012. Volumes of gas sold in Italy (2.6 billion cubic metres) decreased on the year-earlier period, while sales abroad, accounted for by Endesa (2.3 billion cubic metres) remained essentially unchanged from the first half of 2012.

Power generation

Net electricity generated as a whole by the Enel Group in the first half of 2013 totalled 138.2 TWh (-6.8% compared with the 148.3 TWh generated in the first six months of 2012), of which 36.0 TWh in Italy and 102.2 TWh abroad.

Enel Group power plants in Italy generated 36.0 TWh, down 2.1 TWh compared with the corresponding period of 2012. The decline in thermal generation (-6.6 TWh) was partially offset by the growth in hydro generation (+4.3 TWh) as a result of more favourable hydro conditions recorded in the first half of 2013 compared with the same period of the previous year.
In the first six months of 2013 electricity demand in Italy amounted to 157.6 TWh, down 3.6% compared with the same period of 2012, while net electricity imports fell by 0.6 TWh (-2.6%).
Net electricity generated abroad by the Enel Group in the first half of 2013 came to 102.2 TWh, down 8.0 TWh (-7.3%) from the same period in 2012. The decrease was mainly attributable to the lower volumes generated by Endesa (-8.7 TWh), specifically in the Iberian peninsula.
Out of the electricity generated by Enel Group power plants in Italy and the rest of the world, 50.7% came from thermoelectric generation, 34.9% from renewables (hydroelectric, wind, geothermal, biomass, cogeneration and solar) and the residual 14.4% from nuclear power.

Distribution of electricity

Electricity distributed by the Enel Group network totalled 198.8 TWh in the first half of 2013, of which 113.3 TWh in Italy and 85.5 TWh abroad.
The volume of electricity distributed in Italy declined by 4.9 TWh (-4.1%) compared with the same period of the previous year.
Electricity distributed abroad came to 85.5 TWh, down 1.9 TWh (-2.2%) compared with the first six months of the previous year, mainly due to lower volumes of electricity distributed by Endesa in the Iberian peninsula.

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CONSOLIDATED FINANCIAL HIGHLIGHTS

Revenues in the first half of 2013 amounted to 40,157 million euros, down 535 million euros (-1.3%) compared with the first half of 2012. The decline is largely due to lower revenues from the sale of electricity that were mainly recorded abroad. Such lower revenues are essentially attributable to the decrease in quantities sold against a backdrop of declining average sale prices. This negative impact was partially offset by higher revenues from the transport of electricity and sales of fuels. More specifically, the revenues of the Market business segment amounted to 8,712 million euros (-7.4%), those of the Generation and Energy Management business segment came to 12,152 million euros (+7.5%), those of Infrastructure and Networks Division totalled 3,784 million euros (unchanged compared with 1H 2012), those of the Iberia and Latin America Division amounted to 15,636 million euros (-5.2%), those of the International Division amounted to 3,817 million euros (-10.7%) and those of the Renewable Energy Division totalled 1,502 million euros (+12.8%).

EBITDA in the first half of 2013 came to 8,293 million euros, a contraction of 22 million euros (-0.3%) on the corresponding period of 2012.
The decline is largely attributable to a decrease in the conventional thermal generation margin in Italy and abroad, partially offset by the improvement in the margin on generation from renewables and the margin on sales to end users in Italy.
Specifically, the EBITDA of the Market business segment came to 477 million euros (+45.4%), that of the Generation and Energy Management business segment totalled 667 million euros (-3.9%), that of the Infrastructure and Networks Division came to 1,966 million euros (-0.5%), that of the Iberia and Latin America Division was 3,614 million euros (-1.6%), that of the International Division amounted to 565 million euros (-25.5%) and that of the Renewable Energy Division totalled 973 million euros (+20.6%).

EBIT in the first half of 2013 amounted to 5,168 million euros, down 217 million euros (-4.0%) compared with the same period of 2012, reflecting an increase of 195 million euros in depreciation, amortization and impairment losses mainly attributable to higher net writedowns of trade receivables. Broken down by segment, the EBIT of the Market business segment was 190 million euros (+50.8%), that of the Generation and Energy Management business segment came to 418 million euros (+8.6%), that of the Infrastructure and Networks Division totalled 1,479 million euros (-2.4%), that of the Iberia and Latin America Division amounted to 2,176 million euros, that of the International Division came to 262 million euros (-56.0%) and that of the Renewable Energy Division was 667 million euros (+17.0%).

Group net income in first half of 2013 came to 1,680 million euros compared with 1,835 million euros in the same period of 2012 (-8.4%). More specifically, in addition to the decrease in EBIT, the reduction also reflects the effect of the increase in the portion of the results attributable to non-controlling interests. These negative effects were only partially offset by the reduction in net financial expense, which among other things had benefitted in the first half of 2012 from the gains on the disposal of 5.1% of Terna.

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Group net ordinary income in first half of 2013 came to 1,652 million euros, down 3 million euros (-0.2%) from the 1,655 million euros posted in the same period of 2012.

The **consolidated balance sheet** as of June 30th, 2013 shows net capital employed, including net assets held for sale of 211 million euros (309 million euros as of December 31st, 2012), of 97,237 million euros (95,035 million euros as of December 31st, 2012). It is funded by shareholders' equity attributable to shareholders of the Parent Company and non-controlling interests of 52,722 million euros (52,087 million euros as of December 31st, 2012) and net financial debt of 44,515 million euros (42,948 million euros as of December 31st, 2012). The latter increased by 1,567 million euros (+3.6%) from its level at the end of 2012. In particular, the positive impact of the capital increase at the Chilean subsidiary Enersis was more than offset by the financing requirements of ordinary operations, investment in the period and the payment of dividends. At June 30th, 2013, the **debt/equity ratio** was 0.84, compared with 0.82 at the end of 2012.

Capital expenditure amounted to 2,359 million euros in the first half of 2013, down 403 million euros compared with the same period of 2012, as a result of the Group's investment optimization policy.

Group **employees** as of June 30th, 2013, numbered 73,537 (73,702 as of December 31st, 2012). The workforce in the first half of 2013 declined by 165, mainly as a result of the negative balance between new hires and terminations, only partially offset by the increase of 27 employees associated with the acquisition of 50% of Powercrop by the Renewable Energy Division.

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RECENT KEY EVENTS

On **May 22nd, 2013**, Enel Green Power SpA ("EGP") announced that its subsidiary Enel Green Power North America, Inc. ("EGP-NA") had signed an agreement for the acquisition from EFS Chisholm, LLC, a GE Capital subsidiary, of an additional 26% of the Class A shares of the company that operates the 235 MW Chisholm View wind farm, for a consideration of about 47 million US dollars. EGP-NA also signed an agreement for the acquisition from EFS Prairie Rose, LLC, another GE Capital subsidiary, of an additional 26% of the Class A shares of the company that operates the 200 MW Prairie Rose wind farm, for a consideration of 34 million US dollars. As a result of these transactions, which were closed once they had received the required approvals from the Federal Energy Regulatory Commission, EGP-NA holds 75% of the Class A shares of both of the companies operating the aforementioned wind farms, while the GE Capital subsidiaries hold the remaining 25%.

On **May 29th, 2013,** the subsidiary EGP announced the start of construction on three new wind farms, denominated Curva dos Ventos, Fontes dos Ventos and Modelo, in the states of Bahia, Pernambuco and Rio Grande do Norte, in north-eastern Brazil. The Curva dos Ventos

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plant will have an installed capacity of more than 56 MW and will add to the approximately 90 MW of the three facilities (Cristal, Primavera and Sao Judas) already under construction in the state of Bahia, bringing the total installed capacity in that state to more than 146 MW. Fontes dos Ventos and Modelo, which will have an installed capacity of about 80 MW and more than 56 MW respectively, are Enel Green Power's first wind farms in the states of Pernambuco and Rio Grande do Norte. The three wind projects will require a total investment of 330 million euros for their completion and will supply energy to both the regulated and free markets under a long-term power purchase agreement (PPA) that the company was awarded in the "Brazilian New Energy" public tender in 2011. Brazil is among the leading countries in terms of renewable generation on a global level thanks to around 98,000 MW installed renewable capacity, equivalent to an approximate 85% of the total installed capacity in the country.

On **June 3rd, 2013**, Saudi Arabia AEC, ICT Europe and Enel signed a memorandum of understanding in Riyadh for smart grid implementation in the Kingdom of Saudi Arabia and the Gulf Cooperation Countries, namely Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Bahrain and Oman. Specifically, the agreement has a primary focus on delivering world class performance in smart grids and power distribution and is expected to enable AEC to expand its technical footprint in local utilities while enabling them to benefit from Enel's proven industrial expertise in the energy sector.

On **June 17th, 2013**, subsidiaries EGP and Enel Energia SpA ("Enel Energia") announced they had reached an agreement for the sale to the latter of the entire share capital of Enel.si Srl ("Enel.si"), a wholly-owned subsidiary of EGP.
Enel.si operates in Italy, offering products and integrated solutions in the retail market for the installation of distributed renewable generation facilities and for energy savings and efficiency for end users, working through a network of franchisees.
The consideration paid by Enel Energia for the entire share capital of Enel.si amounted to an approximate 92 million euros, subject to a price adjustment as of the date the transfer of the interest took effect (July 1st, 2013). The consideration was set on the basis of the enterprise value as of December 31st, 2012 (about 76 million euros) and the net financial position of the company at the same date, which was a positive 16 million euros.
The sale of the business forms part of the medium/long-term strategy of EGP, which is increasingly focused on expanding its business of developing, building and operating renewable generation plants, a segment in which it has achieved a global leadership position. Meanwhile, with the acquisition of Enel.si, an increasingly retail-oriented company, Enel Energia, which has a leading position in the sale of electricity and gas to households and businesses in the free market in Italy, continues its strategy of broadening its commercial product range to the energy efficiency sector, covering the entire spectrum of retail and business customers' energy use needs.

On **June 19th, 2013** the subsidiary Endesa Chile SA announced that it had reached an agreement with the private equity firm Southern Cross Latin America to settle an arbitration proceeding concerning the rules of the shareholders' agreement governing their respective rights and obligations as owners of the entire share capital of Gas Atacama Holding Ltda.

On **June 21st, 2013,** at the St. Petersburg Economic Forum, Fulvio Conti, CEO and General Manager of Enel, and Alexei Miller, CEO of OAO Gazprom, signed a non-binding letter of intent for the sale to the Russian company of the entire share capital of Marcinelle Energie SA, which

owns a 420 MW combined-cycle gas turbine power plant in Belgium for a consideration of 227 million euros to be adjusted for net financial debt.
The letter of intent paves the way for a binding final agreement, whose final terms and conditions must be agreed and executed by the end of September 2013, following which date the letter of intent shall lapse. As with similar operations, the execution of the transaction will be subject to the approval of the competent corporate bodies of the parties involved as well as to the authorization of the competition and other authorities provided for by law.

On **June 28th, 2013,** the subsidiary Endesa Generacion SA completed the sale of its 12% stake in Medgaz SA to the latter's shareholders Cepsa and Sonatrach, who had exercised their right of pre-emption. The consideration for the sale amounted to 83.8 million euros.

On **July 4th, 2013**, the subsidiary Enersis SA ("Enersis") announced the completion of a merger (effective as of July 1st, 2013), between its subsidiaries Inversiones Sudamerica Ltda (the surviving company) and Cono Sur Partecipaciones slu (the merged company). The latter was contributed by Endesa SA as part of the Enersis capital increase approved by the special shareholders' meeting of December 20th, 2012.

On **July 9th, 2013**, EGP announced that its subsidiary Enel Green Power North America Development ("EGPD") and EFS Buffalo Dunes, a GE Capital subsidiary, had signed a capital contribution agreement with a syndicate led by J. P. Morgan. Under the agreement, the syndicate, which also includes Wells Fargo Wind Holdings, Metropolitan Life Insurance Company and State Street Bank and Trust Company, will commit some 260 million US dollars in financing for the 250 MW Buffalo Dunes wind project in Kansas.
The project is supported by a long-term power purchase agreement for the electricity generated by the plant. EFS Buffalo Dunes holds 51% of the wind project, while EGPD holds the remaining 49% and an option to acquire a further 26% from EFS Buffalo Dunes on specified dates in 2013 and 2014.
At the time the syndicate disburses the funds, in the fourth quarter of 2013 – subject to compliance with the specific requirements in the capital contribution agreement – the parties will sign a tax equity agreement for the Buffalo Dunes wind farm. Under US tax law, such agreements enable the transfer of the tax benefits accruing to renewables generators to third party investors.

On **July 11th, 2013,** The agency Standard & Poor's announced that it had revised its long-term rating for Enel to "BBB" (from "BBB+"). The agency also maintained its short-term rating of "A-2" for the company. The outlook is stable.
The downgrade follows the similar action recently taken by Standard & Poor's for the Italian Republic's sovereign debt rating, which reflected, among the other factors, the deterioration in macroeconomic conditions in the country. The stable outlook reflects the agency's expectations that Enel will achieve and maintain performance and financial targets commensurate with its current rating as a result of its continued deleveraging efforts, while maintaining the large contribution of operating income from regulated activities, and of its good geographical and technological diversification outside Europe.
Standard & Poor's also announced an analogous revision of the long-term rating of the subsidiary Endesa SA.

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OUTLOOK

The decline in electricity demand recorded during 1H 2013 in Eurozone countries, mainly Italy (-3.9%) and Spain (-3.8%) shows the persisting unfavourable economic conditions in both countries, conditions which are expected to continue throughout 2013, albeit a reversal could take place starting from the fourth quarter of the year. A growth scenario is confirmed for some Latin American countries and Russia.

Against this backdrop, in line with Enel's 2013-2017 Business Plan, the Group continues to carry out its global efficiency enhancement programme launched in March 2013, a programme which has already enabled significant reductions of controllable fixed costs as of June 30th, 2013. Enel is also continuing to optimize investments, focusing its priorities on development in emerging markets and in renewables.

The implementation of such programmes, as well as the actions carried out to reduce debt, allow the Group to confirm the 2013 targets announced to the market, despite the aforementioned unfavourable macroeconomic scenario and current uncertainty in the Spanish regulatory framework.

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BONDS ISSUED AND MATURING BONDS

The main bond issues carried out by the Enel Group in the first half of 2013 include the following:

- the issue, as part of the Global Medium Term Notes programme, of bonds privately placed by Enel Finance International NV, guaranteed by Enel SpA, totalling 485 million euros, with the following characteristics:

  - 100 million euros fixed-rate 5% maturing February 18th, 2023;
  - 50 million euros floating-rate maturing March 27th, 2023;
  - 50 million euros floating-rate maturing April 4th, 2025;
  - 50 million euros fixed-rate 4.875% maturing April 19th, 2028;
  - 180 million euros fixed-rate 4.45% maturing April 23rd, 2025;
  - 55 million euros fixed-rate 4.75% maturing April 26th, 2027.

During the period between July 1st, 2013 and December 31st, 2014 bond issues totalling 3,267 million euros are scheduled to reach maturity, of which the main issues are:

- 400 million US dollars (consolidated in the amount of 306 million euros) in respect of a fixed-rate bond, issued by Endesa Chile SA, maturing in August 2013;

- 350 million US dollars (consolidated in the amount of 268 million euros) in respect of a fixed-rate bond, issued by Enersis SA, maturing in January 2014;

- 1,000 million euros in respect of a floating-rate bond, issued by Enel SpA, maturing in June 2014;

- 5,000 million Russian roubles (consolidated in the amount of 117 million euros) in respect of a fixed-rate bond, issued by Enel OGK–5 OJSC, maturing in June 2014;

- 1,250 million US dollars (consolidated in the amount of 954 million euros) in respect of a fixed-rate bond, issued by Enel Finance International NV, maturing in October 2014.

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DISCLOSURES REQUESTED BY CONSOB PURSUANT TO ARTICLE 114, PARAGRAPH 5, OF LEGISLATIVE DECREE 58/1998

In a letter dated July 29th, 2013, CONSOB has asked Enel, pursuant to Article 114, paragraph 5, of Legislative Decree 58 of February 24th, 1998, to provide the following information:

a) Impact of macroeconomic environment, which was characterized, also in the first half of 2013, by a persistent decline in demand for electricity, particularly in Italy and in Spain.

- *Discuss the impact on the operational management of the divisions operating in those markets, providing information on material divergences, if any, in terms of production volumes and margins between the actual figures at June 30th, 2013 and forecasts.*

  The first half of 2013 has confirmed the continuing decline in demand for electricity in the Eurozone countries and, in particular, in Spain and in Italy.
  Despite this environment of declining demand and, consequently, of production volumes, Enel Group's results at June 30th, 2013, both in Italy and in Spain, were higher than its forecasts. This was possible thanks to the competitiveness of our plant portfolio in the generation business, which relies on a technologically diversified and balanced mix of generation sources, and to actions taken to reduce costs in the period.

- *Within each organizational division, provide separate information on volumes and margins, compared with the data for the corresponding period of the previous year, for each source of energy generation.*

  The following table reports the volume of electricity generated during the first half of 2013 compared with the same period of 2012, broken down by generation source and Group operating division.

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Millions of KWh		Conventional thermal	Nuclear	Hydroelectric	Other renewable resources	TOTAL
Generation and Energy Management	1H 2013	19,848		9,894	4	29,746
	1H 2012	25,945		6,666	5	32,616
	Change	(6,097)		3,228	(1)	(2,870)
Iberia and Latin America	1H 2013	28,871	12,776	19,995	70	61,712
	1H 2012	36,864	13,734	19,788	69	70,455
	Change	(7,993)	(958)	207	1	(8,743)
International	1H 2013	21,416	7,157	2,917	28	31,518
	1H 2012	23,157	7,091	2,355	16	32,619
	Change	(1,741)	66	562	12	(1,101)
Renewable Energy	1H 2013			5,995	9,249	15,244
	1H 2012			5,035	7,531	12,566
	Change			960	1,718	2,678
TOTAL	**1H 2013**	**70,135**	**19,933**	**38,801**	**9,351**	**138,220**
	1H 2012	**85,966**	**20,825**	**33,844**	**7,621**	**148,256**
	Change	**(15,831)**	**(892)**	**4,957**	**1,730**	**(10,036)**

With specific reference to the margins for each generation source, please note that the Enel Group, as is well known, manages its generation assets on a integrated basis, with an end-to-end approach to the energy business, in order to optimise the overall margins on generation and to ensure, through sales to end users and wholesalers, the use of the energy generated.

- *Discuss the effects on forecasted results indicated in the Business Plan and updates on the actions set out therein with regard to cost containment (external costs and personnel), the "optimisation of investments" in the areas involved and the launch of "high value added services in the energy efficiency market."*

As indicated in the 2013-2017 Business Plan, last March Enel Group launched a new efficiency enhancement programme, which as of June 2013 had already helped reducing controllable fixed costs (based on 2012 figures and the same perimeter) by about 180 million euros compared with the same period of the previous year, of which approximately 78% related to the so-called "mature markets", such as Italy and Spain. Of the cost savings recorded to date, 73% relates to external resources and the remaining 27% to the containment of personnel costs, both through headcount decrease and reductions in unit costs.

As regards the actions set out in the Business Plan concerning the optimisation of investments, as of June 30th, 2013, the gross investments of the Group amounted to about 2.4 billion euros, with a decrease of approximately 15% compared with the same period of the previous year (approximately 2.8 billion euros). This result is consistent with the programme for optimising investments envisaged in the Plan and is directed, in particular, at enhancing the efficiency of maintenance activities, improving operational performance and reducing development projects in mature markets.

With regard to the launch of high value added services in the energy efficiency market in Italy, Enel Group is pursuing a strategy of expansion of its range of energy efficiency products with a pilot project, launched in late June 2013 in selected areas, in preparation for the roll-out of its products scheduled for 2014. In line with plan forecasts, no significant financial results are expected from this area before 2015.

b) With respect to net financial debt, provide updates on the targets set out in the 2013-2017 Business Plan.

- *The plan of asset disposals of approximately 6 billion euros, indicating if, consistently with the Business Plan subsequent to the sale of Endesa Ireland, described in the Annual Report as of December 31st, 2012, other non-strategic assets were identified for sale in order to reduce the Group's debt.*

  Following the sale of Endesa Ireland, Enel Group, as announced to the market, has completed the sale of 12% of Medgaz's share capital, while the terms for the sale of 100% of Marcinelle Energie are being negotiated. In the light of ongoing activities, no impediments to continuing this plan of disposals are envisaged.

- *Likely timing, where known, of the issue of hybrid instruments totalling 5 billion euros aimed at strengthening the Group's assets and financial structure.*

  Enel confirms the intention to issue hybrid financial instruments up to a maximum amount of 5 billion euros by 2014. In order to ensure the success of the operation, the features of these instruments call for constant monitoring of market volatility conditions, which make it difficult to specify an issue date a priori.

- *Discuss the effects of the downgrade of Enel's long-term rating from BBB+ to BBB by Standard & Poor's Rating Service, announced to the market on July 11th, 2013 and, in particular, management's assessments regarding the potential impact on the cost of existing financial debt and the cost of refinancing of maturing debt,) the risk of triggering of any early redemption clauses as well as information on the compliance with the covenants in the loans granted by the EIB to certain companies of the Group.*

  The downgrade of the long-term rating of Enel from BBB + to BBB with a stable outlook by Standard & Poor's Rating Service will not have a significant impact on either the cost of outstanding debt or of new borrowing, partly due to the low volatility of spreads in the secondary market for bonds issued by Enel, whose prices

already reflect the rating issued by Moody's (Baa2), on which the Standard & Poor's (BBB) rating is now aligned.
With regard to the loans granted by EIB, it should be noted that, only for some of them (amounting to approximately 2 billion euros), the convenants require the Group beneficiary companies to renegotiate the loans or, alternatively, to provide specific bank guarantees. Accordingly, renegotiation has been initiated and should not materially impact the cost of debt or trigger early redemption. With regard to the main existing loan agreements, there are no early redemption clauses that are directly linked to the rating level.

c) Discuss decisions taken by the Spanish government in the energy policy area to cover the rate deficit for 2013, which include, **inter alia*****, rate increases for the sector and cuts in incentives.***

- *Provide a detailed discussion of the changes being introduced with Royal Decree Law 9/2013 and the measures containing application methods and of the expected timing for the completion of the same.*

- *Discuss the estimated impact on Group operations and the potential financial impact of the regulations in question.*

- *Estimate the reduction in the annual gross cash flows of the subsidiary Endesa caused from these measures, detailing the ways in which the issuer has produced this estimate and linking, where possible, the individual components of the estimated aggregate values to the various provisions of the decree.*

- *Discuss management intentions concerning any revisions of the strategy and objectives underpinning the 2013-2017 Business Plan presented to the financial community in March 2013, as well as the likely timing of such revisions.*

- *Discuss the directors' considerations concerning the effects of the measures on valuations with regard to the impairment testing of the assets of the companies affected by the new regulatory framework.*

On July 12th, 2013, the Spanish government issued Royal Decree Law 9/2013. This measure, which was published in the *Boletín Oficial del Estado* (BOE) of July 13th, 2013, and approved by Parliament on July 17th, 2013, contains urgent measures to ensure the financial stability of the electrical system in Spain. The main changes introduced concern:

- the modification of the remuneration of transport and distribution. For the latter, the remuneration for the first half of 2013 is deemed final and transitional arrangements have been introduced for the second half of 2013 and for 2014, based on a methodology that provides for an implicit regulatory asset base (RAB) and a rate of return equal to the average yield on 10-year Spanish government bonds registered during the three months preceding the entry into force of the decree, increased by 100 and 200 basis points, respectively, for the two periods noted above;

- the reduction of capacity payment, which has been cut from 26,000 €/MW to 10,000 €/MW per year, with a doubling of the remaining period for receiving the benefit. In addition, the incentive has been eliminated for plants entering into service after January 1st, 2016;
- the reintroduction, with costs borne by vertically integrated electricity companies, of the "*bono social*" financing, whose percentage allocation will be calculated annually by the *Comisión Nacional de los Mercados y la Competencia* (CNMC), a body with powers to oversee and govern the electricity and natural gas industries in Spain;
- the redefinition of the share of extra costs of operations in the extra-peninsular and island systems, of which 50% will be financed from the state budget, compared with the 100% previously envisaged;
- the introduction of a new legal and financial regime for renewable energy resources, cogeneration and waste, whose remuneration will be determined by prices in the energy market, with additional compensation to cover the investment costs of an efficient enterprise that cannot be recovered through the market. This compensation is granted if the return on the project does not exceed that considered reasonable, which has been deemed to be the average yield in the ten years preceding the entry into force of the measure on 10-year Spanish government bonds, increased by 300 basis points.

The implementation of the measures contained in the Royal Decree Law, which entered force immediately as from the date of publication in the BOE, requires the approval of a series of decrees and ministerial orders that will set out the implementation procedures.

Under Spanish law, such regulatory measures must undergo a public consultation and be accompanied by specific reports of the competent authorities, representing implementation of the law.
The conclusion of the procedure, with the enactment of all the regulatory measures, should come by the end of the year.

The measures contained in Royal Decree Law 9/2013 will inevitably have an impact on the profitability achievable by the Enel Group in Spain and, in particular, the operations of the "Endesa-Iberian peninsula" cash generating unit (CGU). Only after the approval of the implementing regulations will it be possible to reliably estimate their financial impact. In any event, these adverse impacts are occurring in an environment in which the results of the CGU for the current year fully confirm and exceed the forecasts contained in the most recent business plan approved by Enel's Board of Directors.

At present, a preliminary and provisional best estimate of the effect that the measures contained in the Royal Decree Law could have, without taking account of management actions that the Group will take to contain the adverse impact of these measures, is that the annual gross cash flows generated by the "Endesa-Iberian peninsula" CGU will be reduced by up to a maximum of approximately 275 million euros in 2013 and a maximum of approximately 400 million euros in 2014.

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With reference to the various individual measures contained in the Royal Decree Law, the preliminary and provisional estimate of the reduction in gross cash flows took account of the following components:

- modification of the remuneration of electricity distribution: the reduction in gross cash flows associated with this measure can be estimated at up to a maximum of approximately 117 million euros in 2013 and up to a maximum of approximately 189 million euros in 2014;
- the reduction of capacity payments: the reduction in gross cash flows associated with this measure can be estimated at up to a maximum of approximately 18 million euros in 2013 and up to a maximum of approximately 38 million euros in 2014;
- reintroduction of the *bono social*: the reduction in gross cash flows associated with this measure can be estimated at up to a maximum of approximately 22 million euros in 2013 and up to a maximum of approximately 58 million euros in 2014;
- redefinition of the share of extra costs associated with extra-peninsular generation: the reduction in gross cash flows associated with this measure can be estimated at up to a maximum of approximately 118 million euros in 2013 and up to a maximum of approximately 115 million euros in 2014.

In view of the significant uncertainty related to both the completion of the approval process for the measures implementing Royal Decree Law 9/2013 and to the lack of guidance on certain key elements of the regulations as from 2015 (which makes it impossible to reliably estimate the impact of the measures), and taking due account of the need to determine the mitigating effects of management actions that Enel Group is already considering but which will be specifically determined only in the coming months, the conditions do not exist for estimating the possible impact on the recoverability of the value of the assets of Endesa in Spain as reported in the condensed interim consolidated financial statements.

As soon as possible, Enel will update its Business Plan to take account of the net effect on future cash flows of the negative impact of the measures and of the actions of the management that will be adopted. Only afterwards will it be possible to update the impairment test to determine whether any further impairment losses have occurred with respect to the CGU.

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At 6:00 PM CET today, August 1st, 2013, a conference call will be held to present the results of the first half of 2013 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 call.
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 cash flow statement for the Enel Group.

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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 officer 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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Results by business area

The divisional representation of operations is based on the approach used by management in assessing Group performance for the two periods under review.

Market

Results (millions of euros)**:**

	1H 2013	1H 2012	Change
Revenues	8,712	9,408	-7.4%
EBITDA	477	328	45.4%
EBIT	190	126	50.8%
Capital expenditure	24	20	20.0%

Generation and Energy Management

Results (millions of euros)**:**

	1H 2013	1H 2012	Change
Revenues	12,152	11,304	7.5%
EBITDA	667	694	-3.9%
EBIT	418	385	8.6%
Capital expenditure	96	138	-30.4%

Infrastructure and Networks

Results (millions of euros)**:**

	1H 2013	1H 2012	Change
Revenues	3,784	3,784	-
EBITDA	1,966	1,975	-0.5%
EBIT	1,479	1,515	-2.4%
Capital expenditure	483	666	-27.5%

Iberia and Latin America

Results (millions of euros)**:**

	1H 2013	1H 2012	Change
Revenues	15,636	16,495	-5.2%
EBITDA	3,614	3,674	-1.6%
EBIT	2,176	2,175	-
Capital expenditure	803	875	-8.2%

International

Results (millions of euros)**:**

	1H 2013	1H 2012	Change
Revenues	3,817	4,273	-10.7%
EBITDA	565	758	-25.5%
EBIT	262	596	-56.0%
Capital expenditure	376	515	-27.0%

Renewable Energy

Results (millions of euros)**:**

	1H 2013	1H 2012	Change
Revenues	1,502	1,332	12.8%
EBITDA	973	807	20.6%
EBIT	667	570	17.0%
Capital expenditure	552	457	20.8%

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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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Consolidated Income Statement

Millions of euro		1st Half			
		2013		2012 restated	
			of which with related parties		*of which with related parties*
Revenues					
Revenues from sales and services		39,184	*4,719*	40,003	*3,390*
Other revenues and income		973	*41*	689	*26*
	[Subtotal]	**40,157**		**40,692**	
Costs					
Raw materials and consumables		20,880	*5,398*	22,056	*5,059*
Services		7,505	*1,232*	7,529	*1,164*
Personnel		2,388		2,317	
Depreciation, amortization and impairment losses		3,125		2,930	
Other operating expenses		1,495	*35*	1,314	*27*
Capitalized costs		(659)		(743)	
	[Subtotal]	**34,734**		**35,403**	
Net income / (charges) from commodity risk management		**(255)**	***30***	**96**	***35***
Operating income		**5,168**		**5,385**	
Financial income		1,446	*17*	1,497	*5*
Financial expense		2,713	*3*	2,998	
Share of income/(expense) from equity investments accounted for using the equity method		55		45	
Income before taxes		**3,956**		**3,929**	
Income taxes		1,473		1,515	
Net income from continuing operations		**2,483**		**2,414**	
Net income from discontinued operations		**-**		**-**	
Net income for the year (shareholders of the Parent Company and non-controlling interests)		**2,483**		**2,414**	
Attributable to shareholders of the Parent Company		1,680		1,835	
Attributable to non-controlling interests		803		579	
Earnings per share (euro) attributable to ordinary shareholders of the Parent Company		*0.18*		*0.20*	
Diluted earnings per share (euro) attributable to ordinary shareholders of the Parent Company		*0.18*		*0.20*	
Earnings from continuing operations per share (euro) attributable to ordinary shareholders of the Parent Company		*0.18*		*0.20*	
Diluted earnings from continuing operations per share (euro) attributable to ordinary shareholders of the Parent Company		*0.18*		*0.20*	

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Statement of Consolidated Comprehensive Income

Millions of euro	1st Half	
	2013	2012 restated
Net income for the period (shareholders of the Parent Company and non-controlling interests)	**2,483**	**2,414**
Other comprehensive income recyclable to profit or loss:		
Effective portion of change in the fair value of cash flow hedges	(301)	(296)
Income recognized in equity by companies accounted for using the equity method	1	(5)
Change in the fair value of financial investments available for sale	(77)	(357)
Exchange rate differences	(1,371)	419
Income / (Loss) recognized directly in equity	**(1,748)**	**(239)**
Comprehensive income for the year	**735**	**2,175**
Attributable to:		
- shareholders of the Parent Company	829	1,266
- non-controlling interests	(94)	909

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Consolidated Balance Sheet

Millions of euro

ASSETS		at June 30, 2013		at Dec. 31, 2012 restated	
			of which with related parties		*of which with related parties*
Non-current assets					
Property, plant and equipment		82,416		83,115	
Investment property		193		197	
Intangible assets		35,014		35,994	
Deferred tax assets		6,744		6,816	
Equity investments accounted for using the equity method		1,119		1,115	
Non-current financial assets (1)		5,504	*79*	5,518	*74*
Other non-current assets		819	*57*	800	*55*
	[Total]	**131,809**		**133,555**	
Current assets					
Inventories		3,395		3,338	
Trade receivables		12,382	*1,774*	11,719	*893*
Tax receivables		2,239		1,631	
Current financial assets (2)		11,017	*23*	9,381	*39*
Other current assets		2,567	*74*	2,262	*46*
Cash and cash equivalents		5,714		9,891	
	[Total]	**37,314**		**38,222**	
Assets held for sale		**233**		**317**	
TOTAL ASSETS		**169,356**		**172,094**	

(1) Of which long-term financial receivables for 3,532 millions of euro at June 30, 2013 (3,430 millions of euro at December 31, 2012) and other securities for 163 millions of euro at June 30, 2013 (146 millions of euro at December 31, 2012).
(2) Of which current portion of long-term financial receivables, short-term financial receivables and other securities at June 30, 2013 for 5,585 millions of euro (5,318 millions of euro at December 31, 2012), 2,803 millions of euro (2,211 millions of euro at December 31, 2012) and 28 millions of euro (42 millions of euro at December 31, 2012).

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Millions of euro

LIABILITIES AND SHAREHOLDERS' EQUITY		at June 30, 2013		at Dec. 31, 2012 restated	
			of which with related parties		*of which with related parties*
Equity attributable to the shareholders of the Parent Company					
Share capital		9,403		9,403	
Other reserves		7,889		8,742	
Retained earnings (losses carried forward)		17,900		17,630	
	[Total]	**35,192**		**35,775**	
Non-controlling interests		**17,530**		**16,312**	
Total shareholders' equity		**52,722**		**52,087**	
Non-current liabilities					
Long-term loans		54,077		55,959	
Post-employment and other employee benefits		4,541		4,542	
Provisions for risks and charges		8,088		8,648	
Deferred tax liabilities		11,426		11,783	
Non-current financial liabilities		2,496		2,553	
Other non-current liabilities		1,298		1,151	*2*
	[Total]	**81,926**		**84,636**	
Current liabilities					
Short-term loans		4,930		3,970	
Current portion of long-term loans		3,333		4,057	
Trade payables		11,146	*3,425*	13,903	*3,496*
Income tax payable		1,417		364	
Current financial liabilities		3,891	*4*	3,138	*1*
Other current liabilities		9,969	*10*	9,931	*39*
	[Total]	**34,686**		**35,363**	
Liabilities held for sale		**22**		**8**	
Total liabilities		**116,634**		**120,007**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**169,356**		**172,094**	

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Consolidated Statement of Cash Flows

Millions of euro	1st Half			
	2013		2012 restated	
		of which with related parties		*of which with related parties*
Income before taxes for the period	**3,956**		**3,929**	
Adjustments for:				
Amortization and impairment losses of intangible assets	406		496	
Depreciation and impairment losses of property, plant and equipment	2,339		2,255	
Exchange rate adjustments of foreign currency assets and liabilities (including cash and cash equivalents)	(96)		346	
Accruals to provisions	748		394	
Financial (income)/expense	1,030		1,272	
(Gains)/Losses on disposals and other non-monetary items	375		(451)	
Cash flow from operating activities before changes in net working capital	*8,759*		*8,241*	
Increase/(Decrease) in provisions	(1,157)		(695)	
(Increase)/Decrease in inventories	(59)		(270)	
(Increase)/Decrease in trade receivables	(1,043)	*(881)*	(284)	*412*
(Increase)/Decrease in financial and non-financial assets/liabilities	(484)	*(47)*	61	*34*
Increase/(Decrease) in trade payables	(2,759)	*(71)*	(1,498)	*(85)*
Interest income and other financial income collected	561	*17*	893	*5*
Interest expense and other financial expense paid	(2,010)	*(3)*	(2,176)	
Income taxes paid	(1,197)		(1,607)	
Cash flows from operating activities (a)	**610**		**2,665**	
Investments in property, plant and equipment	(2,162)		(2,534)	
Investments in intangible assets	(197)		(272)	
Investments in entities (or business units) less cash and cash equivalents acquired	(152)		(151)	
Disposals of entities (or business units) less cash and cash equivalents sold	68		2	
(Increase)/Decrease in other investing activities	50		214	
Cash flows from investing/disinvesting activities (b)	**(2,393)**		**(2,741)**	
Financial debt (new long-term borrowing)	1,071		10,573	
Financial debt (repayments and other net changes)	(3,252)		(6,693)	
Collection of proceeds from sale of equity holdings without loss of control	1,795		-	
Incidental expenses related to proceeds from sale of equity holdings without loss of control	(45)		-	
Dividends and interim dividends paid	(1,846)		(2,002)	
Cash flows from financing activities (c)	**(2,277)**		**1,878**	
Impact of exchange rate fluctuations on cash and cash equivalents (d)	**(129)**		**36**	
Increase/(Decrease) in cash and cash equivalents (a+b+c+d)	**(4,189)**		**1,838**	
Cash and cash equivalents at beginning of the period (1)	9,933		7,072	
Cash and cash equivalents at the end of the period (2)	5,744		8,910	

(1) Of which cash and cash equivalents equal to €9,891 million at January 1, 2013 (€7,015 million at January 1, 2012), short-term securities equal to €42 million at January 1, 2013 (€52 million at January 1, 2012) and cash and cash equivalents pertaining to assets held for sale in the amount of €0 million at January 1, 2013 (€5 million at January 1, 2012).
(2) Of which cash and cash equivalents equal to €5,714 million at June 30, 2013 (€8,845 million at June 30, 2012), short-term securities equal to €28 million at June 30, 2013 (€55 million at June 30, 2012) and cash and cash equivalents pertaining to assets held for sale in the amount of €2 million at June 30, 2013 (€10 million at June 30, 2012).