



ENERGY TO LIFE

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ENEL BOARD OF DIRECTORS APPROVES REORGANISATION OF GROUP OPERATIONS IN IBERIA AND LATIN AMERICA AND NEW ORGANIZATION STRUCTURE

Rome, July 31st, 2014 – The Board of Directors of Enel S.p.A. (“Enel”), chaired by Patrizia Grieco, late yesterday afternoon examined and approved the plan for the reorganisation of Group operations in Iberia and Latin America as well as the new organization structure set by the Chief Executive Officer.

The main objectives of the **plan for reorganizing the Group’s activities in Iberia and Latin America** are as follows:

- to simplify the control chain and align the corporate structure with the organizational structure of the Group, thus creating the basis for the optimization of Group’s cash flows;
- to refocus the operations of Endesa S.A. (“Endesa”) as the leading company in the energy market in the Iberian peninsula, by means of a new business plan focused on the development of current business platforms as well as on the innovation of the energy model;
- to foster value creation for Endesa shareholders, also through the optimisation of its financial structure and the adoption of a stable and well-defined dividend policy.

Specifically the project is structured into the following phases:

1. Corporate reorganization. Enel Energy Europe S.L., a company incorporated under Spanish law that is wholly-owned by Enel and which in turn holds 92.06% of Endesa, will submit a proposal for the acquisition of 60.62% interest held directly and indirectly by Endesa in the Chilean company Enersis S.A. (“Enersis”), parent company for the operations in Latin America. More specifically, the stakes to be acquired are 20.30% of Enersis held directly by Endesa, and 100% of Endesa Latinoamérica S.A., which in turn holds 40.32% of Enersis. The consideration of the transaction will be determined on market terms and conditions (“fair value”), using generally accepted international valuation procedures and methods, with the assistance of independent advisors, who will issue the associated fairness opinions;
2. The distribution of an extraordinary dividend by Endesa. Together with the acquisition referred to in point 1, the shareholders’ meeting of Endesa will be asked to approve the distribution of an extraordinary cash dividend which will be paid subject to the closing of the same acquisition. The dividend amount to be distributed will be at least equal to the consideration received by Endesa for the sale of Enersis interest.

The Board of Directors of Endesa has therefore appointed an internal Committee entirely comprised of independent members mandated to verify that the project is in line with the corporate interests of Endesa from an economic, financial, legal and strategic standpoint. The Committee has also been mandated to submit to the Board of Directors the proposals deemed more appropriate relating to the project.



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The phases of the reorganisation described above are expected to be completed during the last quarter of 2014, subject to the receipt of required authorisations for the completion of the transaction in the terms set out above.

After the completion of the transaction, Enel also intends to assess the possibility of undertaking other capital market transactions, depending on market conditions, that could increase the value of its holding in Endesa and restore the stock's current lack of liquidity.

This announcement is not an offer to sell or a solicitation of any offer to buy any securities issued by Endesa, S.A. in any jurisdiction.

The new organization structure of the Enel Group, as set by the Chief Executive Officer, is based on a matrix of Business Lines and Geographical Areas and is focused on Group industrial targets with a clear indication of roles and responsibilities aimed at:

- pursuing and maintaining technological leadership in the sectors in which the Group operates, thus ensuring operational excellence;
- maximizing the level of service offered to customers in local markets.

By means of this new structure the Group will benefit from lower complexity in executing managerial actions as well as in analysing value drivers.

The new organization arrangements of the Enel Group are structured as follows:

a) **Global Business Lines**, which are responsible for managing and developing assets, optimising their performance and the return on capital employed in the various geographical areas in which the Group operates. They break down as follows:

- Global Infrastructures and Networks, assigned to Livio Gallo;
- Global Generation, assigned to Enrico Viale;
- Global Trading, assigned to Claudio Machetti;
- Renewable Energy, assigned to Francesco Venturini;
- Upstream Gas, assigned to Marco Arcelli.

Business Lines are also responsible for improving efficiency in managed processes as well as sharing best practices globally. The Group will benefit from a centralized industrial overview on projects carried out under the different business lines. Any single project will be evaluated based on its financial return as well as taking into account the best available technologies at Group level.

b) **Regions and Countries**, which are responsible for managing relationships with institutional bodies and regulatory authorities, as well as selling electricity and gas in each of the countries in which the Group is present, while also providing staff and other service support to the Global Business Lines. They break down as follows:

- Italy, assigned to Carlo Tamburi;
- Iberia, assigned to Andrea Brentan;



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- Latin America, assigned to Ignacio Antoñanzas Alvear;
- Eastern Europe, assigned to Luca D'Agnese.

c) **Global Service Functions**, which are responsible for managing information and communication technology activities and procurement at the Group level. They break down as follows:

- Procurement, assigned to Francesco Buresti;
- ICT, assigned to Carlo Bozzoli.

d) **Holding Company Functions**, which are responsible for managing governance processes at the Group level, broken down as follows:

- Administration, Finance and Control, assigned to Luigi Ferraris;
- Human Resources and Organisation, assigned to Francesca Di Carlo;
- Communication, assigned to Francesco Starace ad interim;
- Legal and Corporate Affairs, assigned to Francisco de Borja Acha Besga;
- Audit, assigned to Silvia Fiori;
- European Affairs, assigned to Simone Mori;
- Innovation and Sustainability, assigned to Francesco Starace ad interim.

The new organization structure will modify the reporting structure and the evaluation of economic and financial performance of the Group. As a consequence, consolidated results according to this new organization structure will be presented as from early 2015.

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