PRESS RELEASE

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ENEL'S NET ORDINARY INCOME UP 18.6% IN 1Q 2017 DUE TO LOWER FINANCIAL EXPENSES AND REDUCED IMPACT FROM MINORITIES

- **Revenues**: 19,366 million euros (17,872 million euros in the first quarter of 2016, +8.4%)
  - *Due to an increase in revenues from sales to end users and electricity transport, an increase in electricity trading activities, as well as the depreciation of the euro against most of the currencies of the countries in which the Group operates*

- **EBITDA:** 3,914 million euros (4,017 million euros in the first quarter of 2016, -2.6%)
  - *The improvement in performance in Latin America was more than offset by a decline in margins in Iberia, mainly in generation, and the effects of the change in the scope of consolidation*

- **Ordinary EBITDA:** 3,763 million euros (3,871 million euros in the first quarter of 2016, -2.8%)

- **EBIT**: 2,525 million euros (2,670 million euros in the first quarter of 2016, -5.4%)
  - *Due to a 42 million euro increase in depreciation, amortisation and impairment*

- **Group net income:** 983 million euros (939 million euros in the first quarter of 2016, +4.7%)
  - *The increase was due to a decline in net financial expenses and a reduction in minority interests, which more than offset the contraction in EBIT*

- **Group net ordinary income**: 943 million euros (795 million euros in the first quarter of 2016, +18.6%)
  - *In addition to the above factors, the increase reflects the lower impact of extraordinary items in the first quarter of 2017*

- **Net financial debt:** 39,282 million euros (37,553 million euros at the end of 2016, +4.6%)
  - *The increase was attributable to acquisitions in the period (notably the Brazilian distribution company CELG) and the payment of the interim dividend for 2016, the effects of which were partly offset by an increase in cash flow from operations (+12% compared with first quarter of 2016).*

Enel SpA – Registered Office: 00198 Rome – Italy - Viale Regina Margherita 137 – Companies Register of Rome and Tax I.D. 00811720580 - R.E.A. 756032 – VAT Code 00934061003 – Stock Capital Euro 10,166,679,946 fully paid-in as of April 1st, 2016

Francesco Starace, Chief Executive Officer and General Manager of Enel, remarked: *"The results for the first quarter of 2017 showed significant progress, with net ordinary income increasing over the same period of last year, despite a decline in EBITDA. In Italy and Spain, our two most mature markets, we saw an increase, albeit a modest one, in electricity demand, with rising prices, especially in the Iberian peninsula as a result of various factors. Among these, in addition to rising demand, were a decrease in renewables generation and a contraction in exports from France due to the temporary shutdown of a number of nuclear plants in the country.*
In Latin America, we experienced demand growth in all the countries in which the Group operates, with the sole exception of Colombia. Another positive sign was the appreciation of the major South American currencies against the euro. During the quarter we also completed the acquisition of Celg Distribuição S.A. ("CELG").
The first three months of this year have also confirmed the validity of our plans to boost efficiency and our efforts to increase cash flow in support of investment in growth.
The performance in the quarter results makes us confident in the effectiveness of our actions, in line with our strategy, whose intrinsic flexibility enables us to adapt to the complexity of the environments in which we operate and will allow us to continue to create value for all our stakeholders.
We will continue to work tirelessly to this end, and we confirm our year-end targets."

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Rome, May 12th, 2017 – The Board of Directors of Enel S.p.A. ("Enel"), chaired by Patrizia Grieco, yesterday afternoon examined and approved the interim financial report as of March 31st, 2017.

Consolidated financial highlights for the first quarter of 2017

REVENUES

The following table provides a breakdown of revenues by **business area**:

Revenues *(millions of euros)*	**1Q 2017**	**1Q 2016**	**Change**
Italy	10,293	9,382	9.7%
Iberia	5,210	4,768	9.3%
Latin America	3,247	2,513	29.2%
Europe and North Africa	642	1,213	-47.1%
North and Central America	177	244	-27.5%
Sub-Saharan Africa and Asia	21	3	-
Other, eliminations and adjustments	(224)	(251)	10.8%
TOTAL	**19,366**	**17,872**	**8.4%**

- **Revenues in the first quarter** of 2017 totalled 19,366 million euros, an increase of 1,494 million euros (+8.4%) compared with the same period of 2016. The increase was due to:

- the depreciation of the euro against most of the currencies of the countries in which the Group operates;
- an increase in revenues from the sale of electricity to end users and from the transport of electricity;
- an increase in electricity trading and the sale of fuels;

These factors more than offset a decrease in sales on the wholesale market and the impact of the deconsolidation of Slovenské elektrárne.

- **Extraordinary items** included in revenues for **the first quarter of 2017 comprise** the gain on the sale of the interest in the Chilean company Electrogas in the amount of 151 million euros, while in the first quarter of 2016 they included the gain of 146 million euros on the sale of Hydro Dolomiti Enel.

EBITDA

The following table provides a breakdown of EBITDA by **business area**:

EBITDA (millions of euros)	1Q 2017	1Q 2016	Change
Italy	1,959	1,947	0.6%
Iberia	694	843	-17.7%
Latin America	1,087	849	28.0%
Europe and North Africa	144	238	-39.5%
North and Central America	113	180	-37.2%
Sub-Saharan Africa and Asia	12	(2)	-
Other, eliminations and adjustments	(95)	(38)	-
TOTAL	**3,914**	**4,017**	**-2.6%**

- **EBITDA in the first quarter of 2017** amounted to 3,914 million euros, a decrease of 103 million euros (-2.6%) compared with the same period of 2016. The decline was mainly attributable to the following factors:
  - the decline in margins in Iberia, mainly in the generation segment, as a result of the purchase of electricity on the spot market at higher prices than sales prices and of a smaller contribution from renewables, as well as in the retail business;
  - the effect of the changes in the scope of consolidation, which had an adverse impact on performance in the business areas Europe and North Africa (in particular, following the loss of control of Slovenské elektrárne) and North and Central America (following the deconsolidation of EGPNA Renewable Energy Partners).

  These developments more than offset the improvement in EBITDA in Latin America (especially in Brazil and Colombia), which partly reflected exchange rate effects and the gain on the disposal of Electrogas in Chile, as mentioned in the section on revenues.

ORDINARY EBITDA

The following table provides a breakdown of ordinary EBITDA by **business area**:

Ordinary EBITDA (millions of euros)	1Q 2017	1Q 2016	Change
Italy	1,959	1,801	8.8%
Iberia	694	843	-17.7%
Latin America	936	849	10.2%
Europe and North Africa	144	238	-39.5%
North and Central America	113	180	-37.2%
Sub-Saharan Africa and Asia	12	(2)	-
Other, eliminations and adjustments	(95)	(38)	-
TOTAL	**3,763**	**3,871**	**-2.8%**

Ordinary EBITDA amounted to 3,763 million euros, a decrease of 108 million euros on the first three months of 2016 (-2.8%). **Extraordinary items in the first three months of 2017 and 2016 are the same as those mentioned in the section on revenues**.

EBIT

The following table provides a breakdown of EBIT by **business area**:

EBIT (millions of euros)	1Q 2017	1Q 2016	Change
Italy	1,416	1,410	0.4%
Iberia	278	409	-32.0%
Latin America	775	617	25.6%
Europe and North Africa	91	169	-46.2%
North and Central America	62	119	-47.9%
Sub-Saharan Africa and Asia	2	(3)	-
Other, eliminations and adjustments	(99)	(51)	-94.1%
TOTAL	**2,525**	**2,670**	**-5.4%**

EBIT in the first quarter of 2017 amounted to 2,525 million euros. The 145 million euro decrease (-5.4%) compared with the same period of 2016 reflected both developments in EBITDA and an increase of 42 million euros in depreciation, amortisation and impairment. This increase is primarily attributable to exchange rate effects in Latin America and, to a lesser extent, the entry into service of new renewables plants in South Africa, the impact of which was only partly offset by the deconsolidation of Slovenské elektrárne and the extension of the useful life of certain renewables assets.

GROUP NET INCOME

In the first quarter of 2017, Group net income amounted to **983 million euros**, compared with 939 million euros in the same period of 2016, an increase of 44 million euros (+4.7%).
The aforementioned decrease in EBIT was more than offset by:

- a decrease in **net financial expenses** (notably those associated with net financial debt);
- a **reduction in the impact of minority interests**, partly due to the partial non-proportional demerger of the subsidiary Enel Green Power in favour of Enel at the end of the first quarter of 2016.

GROUP NET ORDINARY INCOME

Excluding the extraordinary items mentioned in the section on revenues, **Group net ordinary income** for the first three months of 2017 amounted to 943 million euros (795 million euros in the first three months of 2016), an increase of 148 million euros (+18.6%) compared with the same period of 2016. Extraordinary items had a positive impact (net of taxes and minority interests) on the Group's net ordinary income of 40 million euros in the first quarter of 2017 and 144 million euros in the same period of 2016.

FINANCIAL POSITION

The financial position shows **net capital employed** as of March 31st, 2017 of **93,182 million euros** (90,128 million euros as of December 31st, 2016), which is funded by:

- **equity** pertaining to shareholders of the Parent Company and non-controlling interests of **53,900 million euros** (52,575 million euros as of December 31st, 2016);
- **net financial debt** of **39,282 million euros** (37,553 million euros as of December 31st, 2016). The 1,729 million euro increase was due to the funding requirement generated by acquisitions (notably the Brazilian distribution company CELG) and to the payment of the interim dividend for 2016 (0.09 euros per share for a total of 915 million euros) approved by the Board of Directors on November 10th, 2016, the effects of which were partially offset by an increase in cash flow from operations of 12% compared with the first quarter of 2016.

As of March 31st, 2017, the **debt/equity ratio** came to **0.73** (0.71 as of December 31st, 2016).

CAPITAL EXPENDITURE

The following table provides a breakdown of capital expenditure by **business area**:

Capital expenditure (millions of euros)	**1Q 2017**	**1Q 2016**	**Change**
Italy	314	346	-9.2%
Iberia	144	177	-18.6%
Latin America	566	603	-6.1%
Europe and North Africa	41	50	-18.0%

North and Central America	380	277	37.2%
Sub-Saharan Africa and Asia	8	89	-91.0%
Other, eliminations and adjustments	-	5	-
TOTAL	**1,453**	**1,547**	**-6.1%**

- **Capital expenditure amounted to 1,453 million euros** in the first quarter of 2017, mainly attributable to renewable development activities overseas, notably in Latin America and in North and Central America.
  Capital expenditure in the first quarter of 2017 registered a 94 million euro decrease (-6.1%) compared with the same period of 2016, mainly attributable to renewable development activities in Sub-Saharan Africa and Asia.

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OPERATIONAL HIGHLIGHTS IN THE FIRST QUARTER OF 2017

	1Q 2017	1Q 2016	Change
Electricity sales (TWh)	**71.3**	68.0	4.9%
Gas sales (billions of m^3)	**4.2**	3.8	10.5%
Electricity generated (TWh)	**63.3**	66.0	-4.1%
Electricity distributed (TWh)	**109.1**	106.1	2.8%
Employees (no.)	**63,518**	62,080[(1)]	2.3%

(1) As of December 31st, 2016.

Electricity and gas sales

- **Electricity** sold in the first quarter of 2017 amounted to 71.3 TWh, an increase of 3.3 TWh (+4.9%) on the first quarter of 2016, mainly reflecting:
  - an increase in quantities of electricity sold in Italy (+1.8 TWh, mainly due to a commercial policy targeted at the business segment), in Latin America (+2.8 TWh, due in particular to the acquisition of CELG) and in Romania (+0.4 TWh, mainly as a result of the increase in electricity demand).
  - a decrease in sales in the Europe and North Africa business area as a result of the change in the scope of consolidation following the sale of assets in France and the deconsolidation of Slovenské elektrárne;

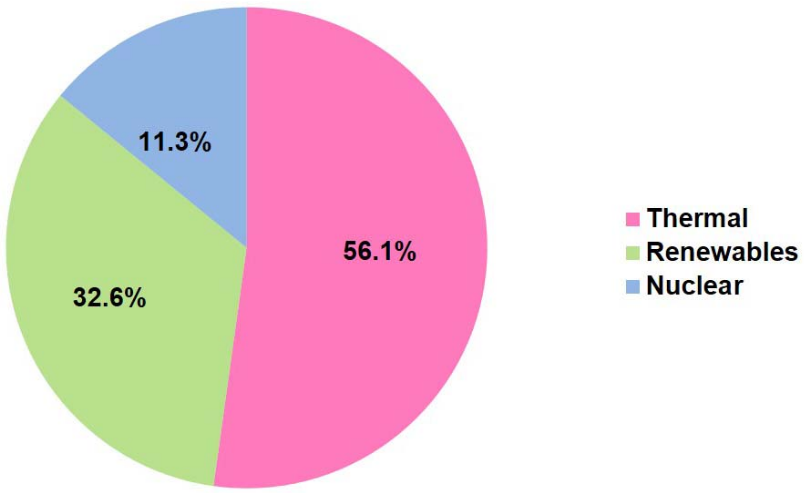
- **Natural gas** sales in the first quarter of 2017 amounted to 4.2 billion cubic metres, an increase (largely in Italy in the business segment) of 0.4 billion cubic metres compared to the first quarter of 2016 (+10.5%).

Electricity generated

- Net electricity generated by Enel in the first quarter of 2017 amounted to **63.3 TWh**, a decrease of 2.7 TWh on the same period of 2016 (-4.1%), attributable to a contraction in output in Italy (-0.5 TWh) and in the other geographies (-2.2 TWh). More specifically, this drop reflected:
  - a substantial contraction in nuclear generation, attributable to the change in the scope of consolidation following the loss of control of Slovenské elektrárne (-3.8 TWh). The decrease was only partly offset by greater conventional thermal generation (+1.7 TWh) related to the greater use of coal and combined-cycle plants in Spain;
  - a reduction in output from renewables, mainly to low water availability in Iberia and Chile as well as the deconsolidation of assets in Slovakia and certain assets in the United States.

- The reduction in net generation outside of Italy reflected a decline in output from the plants in the Europe and North Africa as well as North and Central America business areas:
  - Europe and North Africa: -5.1 TWh, mainly due to the deconsolidation of assets in Slovakia and Belgium;
  - North and Central America: -1 TWh mainly due to the deconsolidation of certain assets in the United States.

Generation mix of Enel Group plants:



The Enel Group confirms its long-term objective for "**the decarbonisation of the mix"** by 2050. It is expected that in 2019 zero-emissions generation will contribute more than half of the Group total output, estimated at 230 TWh.

Electricity distributed

- **Electricity transported** on the Enel Group distribution network in the first quarter of 2017 amounted to 109.1 TWh
  - of which 55.9 TWh in Italy and 53.2 TWh in the other geographies.

- The volume of **electricity distributed in Italy** decreased by 0.2 TWh (-0.4%) compared with the first quarter del 2016:
  - with a slight deterioration compared with electricity demand on the Italian grid, which expanded by 0.6%. The change in demand registered in the first quarter of 2017 exhibited a certain geographical disparity: it was positive in the North (+0.8%), slightly negative in the Centre (-0.6%) and negative in the South (-2.0%), with the latter area mainly served by Enel.
- **Electricity distributed outside of Italy** amounted to 53.2 TWh, an increase of 3.2 TWh (+6.4%) compared with the same period of 2016:
  - mainly in Brazil as a result of the acquisition of CELG (+2 TWh).

EMPLOYEES
As of March 31st, 2017, **Enel Group employees numbered 63,518** (62,080 as of December 31st, 2016). The increase in the quarter (+1,438) represents the difference between the positive balance of changes in the scope of consolidation (a gain of 1,937, mainly due to CELG) and the net balance of new hires and terminations (a negative 499).

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OUTLOOK

The Group's 2017-2019 Strategic Plan, which was updated in November 2016, focuses on:

- **an ambitious investment plan for the digitisation** of the assets, operations and processes of the Group and enhancing connectivity;
- **greater customer focus,** improving customer service to preserve and expand Enel's most important asset;
- **improving operational efficiency,** including reducing operating costs driven by digitisation;
- **long-term industrial growth** strongly focused on networks and renewables;
- **simplification of Enel Group structure**, with the rationalisation of Group's shareholdings at the country level in all of the areas in which the Group operates;
- **ongoing active portfolio management** to achieve the strategic repositioning of the Group.

During the first quarter of 2017 significant progress was made towards achieving each of the objectives in the Strategic Plan.

For the remainder of 2017, in line with the Plan targets, the Group expects:

- the ramp-up of **investments in digitisation**, continuing the installation of second-generation **smart meters** in Italy and the installation of smart meters in the Iberian Peninsula. The roll-out of the optical fibre network undertaken by OpEn Fiber is also expected to be accelerated;
- a contribution from the **customer focus** strategy on a global scale, following the first phase of investments in the back-office and customer-experience platforms;
- additional progress in **operational efficiency**, supported by digitisation;
- a contribution from industrial growth, focused on networks and renewables;
- the second phase of corporate simplification at the individual country level, especially in Latin America;
- additional progress in active portfolio management.

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RECENT KEY EVENTS

March 29th, 2017: Enel announced that its renewables subsidiary Enel Green Power México Srl de Cv ("Enel Green Power México") has begun construction of the photovoltaic plant of Villanueva, located in Viesca, in the Mexican state of Coahuila. Villanueva is the largest photovoltaic plant under construction on the American continent and the Enel Group's largest solar project in the world. The plant will have a total installed capacity of 754 MW and will comprise the 427 MW Villanueva 1 and the 327 MW Villanueva 3 PV plants. Villanueva, which will enter service in the second half of 2018, will require a total investment of about 650 million US dollars. It will be able to generate more than 1,700 GWh a year.

March 31st, 2017: Enel announced that the subsidiary Enel Green Power North America, Inc. ("EGPNA"), has brought online the 400 MW Cimarron Bend wind farm in Clark County in Kansas, in the United States. The facility is the Enel Group's largest wind farm in the world. The wind facility, whose construction investment amounted to approximately 610 million US dollars, is owned by EGPNA Renewable Energy Partners, LLC, an equally held joint venture between EGPNA and GE Energy Financial Services, a unit of General Electric, and will be able generate about 1.8 TWh a year.

April 4th, 2017: Enel announced that its subsidiary Enel Green Power México has begun construction of the photovoltaic plant of Don José, located at San Luis de la Paz, in the state of Guanajuato, in central-northern Mexico. Don José will have an installed capacity of 238 MW and, once completed, will be able to generate 539 GWh a year. Enel will invest about 220 million US dollars in building the Don José plant, which is scheduled to enter service by the end of 2018.

April 10th, 2017: Enel announced that its subsidiary Enel Investment Holding B.V. ("EIH") has closed the acquisition from SAPE S.A. ("SAPE", the Romanian state-owned holding company that owns state shareholdings) of an additional 13.6% of E-Distributie Muntenia S.A. ("EDM") and Enel Energie Muntenia S.A. ("EEM"), companies operating in the Romanian region of Muntenia, for a total of about 400 million euros. Following the transaction, EIH has increased its interest in EDM and EEM to about 78%, from the 64.4% held previously.
EIH's acquisition of an additional 13.6% of EDM and EEM's share capital is a consequence of SAPE exercising a put option in November 2012. With the exercise of the put option, SAPE had asked for a price of about 520 million euros, amount which was contested by EIH. After failing to reach an agreement on the price for the equity interests, in 2014 SAPE began an arbitration proceeding before the International Chamber of Commerce in Paris, in which it lodged a claim for the above price and about 60 million euros in interest. In its ruling of February 3rd, 2017, the Arbitral Tribunal set the purchase price for the equity interests involved in the put option at about 400 million euros, reducing the amount requested by SAPE by more than 100 million euros and dismissing the request for interest.

April 10th, 2017: Enel announced that, acting through a joint venture between the subsidiary Enel Green Power S.p.A. and Dutch Infrastructure Fund, it has closed an agreement to acquire Bungala Solar One, the first 137.5 MW phase of the 275 MW Bungala Solar PV project from Bungala Solar Holding Pty Ltd., a subsidiary of Australian developer Reach Solar Energy Pty Ltd. The acquisition of Bungala Solar Two, the second phase of the project, is expected to close in the third quarter of 2017.
Bungala Solar is currently the largest ready-to-build solar PV project in Australia. The overall investment in the project will amount to approximately 315 million US dollars, with the Enel Group contributing around 157 million US dollars. The total investment will be financed through a mix of equity and project finance with a consortium of banks. Construction of Bungala Solar One is expected to begin by mid-2017,

followed by Bungala Solar Two, whose construction will start by the end of 2017. The overall 275 MW plant should be fully operational by the third quarter of 2018.

April 12th, 2017: Enel announced that its Board of Directors had authorised the issue by December 31st, 2018 of one or more bonds to be placed with institutional investors up to a maximum value of 7 billion euros as part of the strategy to refinance the Group's maturing consolidated debt. The issues may be carried out by the Dutch subsidiary Enel Finance International N.V. (supported by a parent company guarantee) or directly by Enel depending on the existing market opportunities.
The Board also charged the Chief Executive Officer with establishing the amounts, currencies, timing and characteristics of the individual issues, taking account of developments in market conditions, with the power to apply for a listing of the issues on one or more regulated markets in the European Union or on multilateral trading facilities.

April 18th, 2017: Enel announced that its subsidiary EGPNA has begun construction of the Red Dirt wind plants in the United States, to be built in Kingfisher and Logan counties, in Oklahoma. The total investment in the construction of Red Dirt amounts to about 420 million US dollars. The plant, which is expected to enter service by the end of 2017, will have a total installed capacity of 300 MW and will be able to generated about 1,200 GWh a year.

April 27th, 2017: Enel announced the entry into service of the Lindahl wind farm, the Enel Group's first plant in North Dakota. The total investment in the wind farm, which is owned by the joint venture EGPNA Renewable Energy Partners LLC, amounted to more than 220 million US dollars. Lindahl has an installed capacity of 150 MW and can generate about 625 GWh a year.

May 4th, 2017: The Enel Shareholders' Meeting met in Rome and voted to approve the Enel financial statements as of December 31st, 2016, together with a total dividend of 0.18 euros per share (0.09 euros already paid as an interim dividend in January 2017 and the remaining 0.09 euros to be paid as balance of the dividend in July 2017).
The shareholders also granted the Board of Directors authorisation for the acquistion and subsequent disposal of up to a maximum of 500 million of Enel's shares, representing about 4.92% of the share capital, for a total outlay of up to 2 billion euros. The acquisition of the company's shares has been authorised for 18 months as from the date of the shareholder resolution. No time limit was placed on the disposal of the shares purchased.
The Shareholders' Meeting also appointed the new Board of Directors, which will serve until the approval of the financial statements for 2019. It is composed of Patrizia Grieco (re-elected Chairman), Francesco Starace, Alfredo Antoniozzi, Alberto Bianchi, Cesare Calari, Paola Girdinio, Alberto Pera, Anna Chiara Svelto and Angelo Taraborrelli.

May 5th, 2017: The new Board of Directors of Enel confirmed Francesco Starace as Chief Executive Officer and General Manager of the Company. The Board also confirmed the existing division of powers, designating the Chairman Patrizia Grieco to supervise audit activities (although the head of that function continues to report to the Board of Directors), to drive and oversee the application of corporate governance rules concerning the activities of the Board of Directors, and to maintain, in agreement and coordination with the CEO, relations with institutional bodies and authorities. In line with the previous division of powers, the CEO was granted all powers for the management of the Company, except for those otherwise assigned by applicable laws and regulations as well as the by-laws or those retained by the Board of Directors within the scope of its responsibilities.

May 9th, 2017: Enel announced that its subsidiary EGPNA has begun construction in the United States of the Thunder Ranch wind farm, which will be built in Garfield, Kay and Noble counties, in Oklahoma. The total investment in the construction of Thunder Ranch will amount to about 435 million US dollars. The plant, which is expected to enter service by the end of 2017, will have a total installed capacity of 298 MW and be able to generate about 1,100 GWh a year.

More details on these events are available in the associated press releases, which are published on the Enel website at the following address: https://www.enel.com/en/media.html#

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NOTES

At 9:30 a.m. CET, on May 12th, 2017, a conference call will be held to present the results for the first quarter of 2017 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 section from the beginning of the call.
The condensed income statement, statement of comprehensive income, condensed balance sheet and condensed cash flow statement for the Enel Group on a consolidated basis are attached below. A descriptive summary of alternative performance indicators is also attached.
The officer responsible for the preparation of the corporate financial reports, Alberto De Paoli, certifies, 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.

ACCOUNTING STANDARDS AND CHANGES IN SCOPE OF CONSOLIDATION

There were no changes in accounting standards that had an impact on the accounts that would need to be reported here. Unless otherwise specified, the balance sheet figures as of March 31st, 2017, exclude assets and liabilities held for sale

The operating segment figures are reported consistent with the new organisational structure, which modifies the structure of reporting, the analysis of the Group's performance and financial position and, accordingly, the representation of consolidated results as from September 30th, 2016. Consequently, the results by business segment are discussed on the basis of the new organisational structure. Similarly, the figures for the first quarter of 2016 have been restated appropriately for comparative purposes.

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KEY PERFORMANCE INDICTORS

This press release uses a number of "alternative performance indicators" not envisaged in the IFRS-EU accounting standards but which management feel can facilitate the assessment and monitoring of the Group's performance and financial position. In line with the recommendations in the Guidelines issued on October 5th, 2015, by the European Securities and Markets Authority (ESMA) pursuant to Regulation (EU) no. 1095/2010, the content and basis of calculation of these indicators are as follows:

- **EBITDA**: an indicator of Enel's operating performance, calculated as "EBIT" plus "Depreciation, amortisation and impairment losses";
- **Ordinary EBITDA**: an indicator defined as EBITDA generated from ordinary business operations, therefore excluding all items associated with non-recurring transactions such as acquisitions or disposals of companies.
- **Net financial debt**: an indicator of the financial structure, determined by "Long-term borrowings" and "Short-term borrowings and the current portion of long-term borrowings", taking account of "Short-term financial payables" included in "Other current liabilities", all net of "Cash and cash equivalents" and "Securities held to maturity", "Financial investments in funds or portfolio management products measured at fair value through profit or loss" and "Other financial receivables" included in "Other non-current financial assets", as well as the "Current portion of long-term financial receivables", "Factoring receivables", "Cash collateral" and "Other financial receivables" included in "Other current financial assets". More generally, the net financial debt of the Enel Group is calculated in conformity with paragraph 127 of Recommendation CESR/05-054b implementing Regulation (EC) no. 809/2004 and in line with the CONSOB instructions of July 26th, 2007, net of financial receivables and long-term securities.
- **Net capital employed**: calculated as the algebraic sum of "Net non-current assets",[1] "Net current assets"[2] and "Provisions for risks and charges", "Deferred tax liabilities", "Deferred tax assets" and "Net assets held for sale";[3]
- **Group net ordinary income**: defined as that part of "Group net income" generated from ordinary business operations.

[1] Determined as the difference between "Non-current assets" and "Non-current liabilities" with the exception of: 1) "Deferred tax assets"; 2) "Securities held to maturity", "Financial investments in funds or portfolio management products measured at fair value through profit or loss" and "Other financial receivables" included in "Other non-current financial assets"; 3) "Long-term borrowings"; 4) "Employee benefits"; 5) "Provisions for risks and charges (non-current portion)"; and 6) "Deferred tax liabilities".

[2] Defined as the difference between "Current assets" and "Current liabilities" with the exception of: 1) "Current portion of long-term financial receivables", "Factoring receivables", "Securities held to maturity", "Cash collateral" and "Other financial receivables" included in "Other current financial assets"; 2) "Cash and cash equivalents"; 3) "Short-term borrowings" and the "Current portion of long-term borrowings"; 4) "Provisions for risks and charges (current portion)"; and 5) "Other financial payables" included in "Other current liabilities".

[3] Determined as the difference between "Assets held for sale" and "Liabilities held for sale".

Condensed Consolidated Income Statement

Millions of euro	1st Quarter	
	2017	2016
Total revenues	19,366	17,872
Total costs	17,091	15,122
Net income/(expense) from commodity contracts measured at fair value	250	(80)
Operating income	**2,525**	**2,670**
Financial income	569	1,592
Financial expense	1,233	2,444
Total financial income/(expense)	**(664)**	**(852)**
Share of gains/(losses) on investments accounted for using the equity method	**39**	**35**
Income before taxes	**1,900**	**1,853**
Income taxes	596	548
Income from continuing operations	**1,304**	**1,305**
Net income from discontinued operations	**-**	**-**
Net income for the period (shareholders of the Parent Company and non-controlling interests)	**1,304**	**1,305**
Attributable to shareholders of the Parent Company	983	939
Attributable to non-controlling interests	321	366
Net earnings attributable to shareholders of the Parent Company per share (euro) [1]	*0.10*	*0.09*

(1) Diluted earnings per share are equal to basic earnings per share,

Statement of Consolidated Comprehensive Income

Millions of euro	1st Quarter	
	2017	2016
Net income for the period	**1,304**	**1,305**
Other comprehensive income recyclable to profit or loss (net of taxes):		
Effective portion of change in the fair value of cash flow hedges	159	(649)
Income recognized in equity by companies accounted for using the equity method	(2)	(26)
Change in the fair value of financial investments available for sale	22	3
Change in translation reserve	50	83
Income/(Loss) recognized directly in equity	**229**	**(589)**
Comprehensive income for the period	**1,533**	**716**
Attributable to:		
- shareholders of the Parent Company	1,128	309
- non-controlling interests	405	407

Condensed Consolidated Balance Sheet

Millions of euro

	at Mar. 31, 2017	at Dec. 31, 2016
ASSETS		
Non-current assets		
- Property, plant and equipment and intangible assets	93,308	92,318
- Goodwill	14,467	13,556
- Equity investments accounted for using the equity method	1,612	1,558
- Other non-current assets (1)	13,311	12,872
Total non-current assets	**122,698**	**120,304**
Current assets		
- Inventories	2,642	2,564
- Trade receivables	13,427	13,506
- Cash and cash equivalents	5,602	8,290
- Other current assets (2)	9,840	10,921
Total current assets	**31,511**	**35,281**
Assets held for sale	**6**	**11**
TOTAL ASSETS	**154,215**	**155,596**
LIABILITIES AND SHAREHOLDERS' EQUITY		
- Equity attributable to the shareholders of the Parent Company	35,931	34,803
- Equity attributable to non-controlling interests	17,969	17,772
Total shareholders'equity	**53,900**	**52,575**
Non-current liabilities		
- Long-term loans	40,315	41,336
- Provisions and deferred tax liabilities	16,424	16,334
- Other non-current liabilities	4,332	4,388
Total non-current liabilities	**61,071**	**62,058**
Current liabilities		
- Short-term loans and current portion of long-term loans	10,004	9,756
- Trade payables	12,017	12,688
- Other current liabilities (3)	17,223	18,519
Total current liabilities	**39,244**	**40,963**
Liabilities held for sale	**-**	**-**

TOTAL LIABILITIES	**100,315**	**103,021**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**154,215**	**155,596**

(1) Of which long-term financial receivables and other securities at March 31, 2017 for €2,282 million (€2,181 million at December 31, 2016) and €427 million (€441 million at December 31, 2016), respectively,

(2) Of which current portion of long-term financial receivables, short-term financial receivables and other securities at March 31, 2017 for €828 million (€767 million at December 31, 2016), €1,992 million (€2,121 million at December 31, 2016) and €45 million (€36 million at December 31, 2016), respectively,

(3) Of which short-term financial payables at March 31, 2017 for €139 million (€296 million at December 31, 2016),

Condensed Consolidated Statement of Cash Flows

Milioni di euro	1st Quarter	
	2017	2016
Income before taxes	**1,900**	**1,853**
Adjustments for:		
Depreciation, amortization and impairment losses	1,389	1,347
Financial (income)/expense	664	852
Net income of equity investments accounting for using the equity method	(39)	(35)
Changes in net working capital:		
- Inventories	*(54)*	*183*
- Trade receivables	*286*	*(1,307)*
- Trade payables	*(1,099)*	*163*
- Other activities and liabilities	*(313)*	*(231)*
Interest and other income/expense financial paid and collected	(649)	(768)
Other changes	(345)	(490)
Cash flows from operating activities (a)	**1,740**	**1,567**
Investments in property, plant and equipment and in intangible assets	(1,453)	(1,650)
Investments in entities (or business units) less cash and cash equivalents acquired	(679)	-
Disposals of entities (or business unit) less cash and cash equivalents sold	-	326
(Increase)/Decrease in other investing activities	165	23
Cash flows from investing/disinvesting activities (b)	**(1,967)**	**(1,301)**
Financial debt (new long-term borrowing)	2,075	827
Financial debt (repayments and other net changes)	(3,233)	(5,163)
Operations on non-controlling interest	(2)	(196)
Dividends and interim dividends paid	(1,289)	(236)
Cash flows from financing activities (c)	**(2,449)**	**(4,768)**
Impact of exchange rate fluctuations on cash and cash equivalents (d)	**(3)**	**36**
Increase/(Decrease) in cash and cash equivalents (a+b+c+d)	**(2,679)**	**(4,466)**
Cash and cash equivalents at beginning of the period (1)	8,326	10,790
Cash and cash equivalents at the end of the period (2)	5,647	6,324

(1) O
f which cash and cash equivalents equal to €8,290 million at January 1, 2017 (€10,369 million at January 1, 2016), short-term securities equal to €36 million at January 1, 2017 (€1 million at January 1, 2016) and cash and cash equivalents pertaining to "Assets held for sale" in the amount of €150 million at January 1, 2016.

(2) O
f which cash and cash equivalents equal to €5,602 million at March 31, 2017 (€6,279 million at March 31, 2016), short-term securities equal to €45 million at March 31, 2017 (€29 million at March 31, 2016) and cash and cash equivalents pertaining to "Assets held for sale" in the amount of €16 million at March 31, 2016.