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RENEWABLES DRIVE ENEL'S GROWTH IN 9M 2018, ORDINARY NET INCOME UP 11.8%

- **Revenues:** 55,246 million euros (54,188 million euros in 9M 2017, +2.0%)
  - *The increase mainly reflects changes in the scope of consolidation related to the acquisition of Eletropaulo in June 2018 and EnerNOC, now Enel X North America, in August 2017, and to the increase in revenues from distribution in Italy and Spain, which more than offset the reduction in commodity trading volumes and adverse exchange rate developments, especially in South America*

- **EBITDA**: 12,134 million euros (11,450 million euros in 9M 2017, +6.0%)
  - *The increase is primarily attributable to the growth in renewables, the income generated by the disposal of 80% of the capital of eight project companies in Mexico, increased margins in Brazil following the acquisition of Eletropaulo, in the United States following the acquisition of EnerNOC, in distribution in Italy and Spain as well as in end-user markets in Italy, Spain and Romania*

- **Ordinary EBITDA**: 12,006 million euros (11,306 million euros in 9M 2017, +6.2%), net of extraordinary items in the two periods under exam

- **EBIT**: 7,438 million euros (7,217 million euros in 9M 2017, +3.1%)
  - *The growth reflects the improvement in EBITDA, which more than offset the increase in depreciation and amortisation, mainly due to the adoption of IFRS 15, and impairment in the period*

- **Group net income**: 3,016 million euros (2,621 million euros in 9M 2017, +15.1%)
  - *The improvement reflects the increase in EBIT and the reduction in financial expenses, mainly due to the efficient management of financial liabilities*

- **Group net ordinary income**: 2,888 million euros (2,583 million euros in 9M 2017, +11.8%)

- **Net financial debt:** 43,122 million euros (37,410 million euros at the end of 2017, +15.3%)
  - *The increase reflects acquisitions during the period, specifically the Brazilian company Eletropaulo, the public tender offer for all the shares of the subsidiary Enel Generación Chile, which was carried out as part of the reorganisation of Group's shareholdings in Chile, the payment of dividends for 2017, investments for the period and adverse exchange rate developments*

- **Interim dividend for 2018 of 0.14 euros per share approved, to be paid starting from January 23rd, 2019, up 33% on the interim dividend paid in January 2018**

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.

- *The Enel Board of Directors confirmed the interim dividend policy for 2018, already envisaged in the 2018-2020 Strategic Plan*
- *The overall dividend for 2018 will be the highest between 0.28 euros per share and 70% of the Enel Group's net ordinary income*

Francesco Starace, Enel CEO and General Manager, said: "*In the first nine months of 2018 Enel confirmed a set of solid results, by registering a double digit net income increase vis-à-vis the same period of last year. Renewables were once again the major driving force behind the Group's positive performance, while the diversification of our geographical footprint proved effective to withstand the current, adverse development of certain exchange rates. On top of strong renewable growth, better margins posted by our distribution and retail activities in Italy and Spain, the acquisition of Sao Paulo distribution company Eletropaulo in Brazil, as well as the expansion of Enel X in North America, also contributed to the growth of our performance in the first nine months of 2018. During the period, we also completed the sale of a majority stake of 1.8 GW of renewable capacity in Mexico for 1.4 billion US dollars, keeping operational management of these plants in line with our Build, Sell and Operate (BSO) model. In January 2019, we will pay an interim dividend which is one third more remunerative than the interim dividend paid out this year on 2017 results. The Group's financial performance posted in the first nine months of this year allows us to confirm our EBITDA and net income targets for full year 2018.*"

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Rome, November 6th, 2018 – The Board of Directors of Enel S.p.A. ("Enel"), chaired by Patrizia Grieco, examined and approved the Interim Financial Report as of September 30th, 2018. The Board of Directors has also examined and approved Enel's financial statements on the same date and the report that indicates that the company's financial position and performance permit the distribution of an interim dividend for 2018 of 0.14 euros per share, which will be paid starting from January 23rd, 2019.

1) Consolidated financial highlights for the first nine months of 2018

REVENUES

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

Revenues *(millions of euros)*	**9M 2018**	**9M 2017**	**Change**
Italy	27,582	27,799	-0.8%
Iberia	14,875	14,701	1.2%
South America	10,432	9,830	6.1%
Europe and North Africa	1,704	1,750	-2.6%
North and Central America	956	608	57.2%
Africa, Asia and Oceania	73	72	1.4%
Other, eliminations and adjustments	(376)	(572)	34.3%
TOTAL	**55,246**	**54,188**	**2.0%**

- Revenues in the **first nine months of 2018** amounted to 55,246 million euros, an **increase of 1,058 million euros (+2.0%)** compared with the same period of 2017, mainly reflecting changes in the scope of consolidation following the inclusion of Eletropaulo in Brazil (+1,270 million euros) as of June 2018 and of EnerNOC, now Enel X North America, in the United States as of August 2017, in addition to higher revenues resulting from:

  - the revenues of e-distribuzione related to the payment of an indemnity connected with the sale in 2009 of the latter's interest in Enel Rete Gas, provided for under the agreement with F2i and 2i Rete Gas (128 million euros) and to the recognition of revenues from the reimbursement by CSEA[1] of system charges that were paid by e-distribuzione but not levied by traders (146 million euros);

  - the recognition of the capital gain, for a total of 192 million euros, resulting from the disposal of 80% of the capital of eight project companies in Mexico as part of the Build, Sell and Operate (BSO) model;

  - electricity distribution activities in Spain, reflecting the application of new tariffs (64 million euros).

  These factors more than offset:

  - lower revenues resulting from the reduction in the volume of commodity trading activities due to greater market price volatility (819 million euros);

  - adverse exchange rate effects, especially in South America and Russia.

- Revenues in **the first nine months of 2018 included**, as **extraordinary item**, the abovementioned income from the indemnity related to the disposal in 2009 of the interest held by e-distribuzione in Enel Rete Gas in the amount of 128 million euros. Revenues in **the first nine months of 2017** included, as **extraordinary item**, the gain on the disposal of the stake in the Chilean company Electrogas for 144 million euros.

[1] Energy & Environmental Services Fund (Cassa per i Servizi Energetici ed Ambientali), formerly the Electricity Equalisation Fund (Cassa Conguaglio per il Settore Elettrico – "CCSE").

EBITDA

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

EBITDA (millions of euros)	9M 2018	9M 2017	Change
Italy	5,550	5,238	6.0%
Iberia	2,719	2,543	6.9%
South America	3,016	3,117	-3.2%
Europe and North Africa	380	409	-7.1%
North and Central America	479	326	46.9%
Africa, Asia and Oceania	40	47	-14.9%
Other	(50)	(230)	-78.3%
TOTAL	**12,134**	**11,450**	**6.0%**

- **EBITDA in the first nine months of 2018** amounted to 12,134 million euros, an increase of 684 million euros compared with the same period of 2017 (+6.0%), despite adverse exchange rate developments for 425 million euros. The growth mainly reflected the following factors:
  - an improvement in margins in renewables (626 million euros), especially in Brazil, Mexico, Italy and Spain as a result of the increase in sale volumes following the increase in installed capacity and more favourable weather conditions, as well as the results posted by the Volta Grande plant (operated by the Group under a concession arrangement since December 2017). This growth also includes the income from the disposal of 80% of the capital of eight project companies in Mexico as part of the Build, Sell and Operate (BSO) model (192 million euros);
  - an increase in margins as a result of the acquisitions of Eletropaulo in Brazil and EnerNOC, now Enel X North America, in the United States as described in the comments on revenues (for a total of 130 million euros);
  - an improvement in the margins of the distribution companies in Italy and Spain, as noted in the comments on revenues (304 million euros);
  - an increase in margins registered in end-user markets in Spain, Italy and Romania for a total of 343 million euros, mainly reflecting the reduction in operating costs and the capitalisation of customer acquisition costs ("contract costs") following the application of IFRS 15 as of January 1st, 2018.

  These increases more than offset:
  - a decrease in generation and trading margins in Italy and Spain (390 million euros), mainly because of the reduction in conventional generation activities;
  - a reduction in the margins related to the Fortaleza power plant in Brazil (86 million euros) due to the increase in provisioning costs;
  - the negative impact for 89 million euros from hyperinflation in Argentina, following the application of "IAS 29 – Financial reporting in hyperinflationary economies";
  - the reduction in margins in Chile, mainly due to the gain, registered in 2017, on the disposal of Electrogas (144 million euros).

ORDINARY EBITDA

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

Ordinary EBITDA (millions of euros)	9M 2018	9M 2017	Change
Italy	5,422	5,238	3.5%
Iberia	2,719	2,543	6.9%
South America	3,016	2,973	1.4%
Europe and North Africa	380	409	-7.1%
North and Central America	479	326	46.9%
Africa, Asia and Oceania	40	47	-14.9%
Other	(50)	(230)	-78.3%
TOTAL	**12,006**	**11,306**	**6.2%**

Ordinary EBITDA in the first nine months of 2018 amounted to **12,006 million euros**, an increase of 700 million euros (+6.2%) on the first nine months of 2017, excluding the extraordinary items referred to in the comments on revenues.

EBIT

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

EBIT (millions of euros)	9M 2018	9M 2017	Change
Italy	3,558	3,555	0.1%
Iberia	1,418	1,316	7.8%
South America	2,018	2,138	-5.6%
Europe and North Africa	221	253	-12.6%
North and Central America	285	181	57.5%
Africa, Asia and Oceania	6	15	-60.0%
Other	(68)	(241)	-71.8%
TOTAL	**7,438**	**7,217**	**3.1%**

EBIT in the first nine months of 2018 amounted to 7,438 million euros, an increase of 221 million euros (+3.1%) compared with the same period of 2017, despite a 119 million euro growth in amortisation of the contract costs capitalised following the adoption of IFRS 15, an increase in depreciation of tangible assets following the entry into service of new plants and higher writedowns of receivables, especially in Italy.

GROUP NET INCOME

In the first nine months of 2018, Group net income amounted to **3,016 million euros**, a 395 million euro increase (+15.1%) compared with 2,621 million euros in the same period of the previous year. In addition to the positive developments in the above indicators, the growth mainly reflected (i) **lower net interest expenses** related to the efficient financial management concerning the renegotiation of bonds and of other financial liabilities, as well as (ii) **a 100 million euro net financial gain** related to the application of IAS 29 to Enel's subsidiaries in Argentina, which substantially offset the negative effects registered on EBITDA.

GROUP NET ORDINARY INCOME in the first nine months of 2018 amounted to **2,888 million euros**, compared with 2,583 million euros in the same period of the previous year, an increase of 305 million euros (+11.8%) excluding the extraordinary items referred to in the comments on revenues:

- the indemnity connected with the sale in 2009 of the stake held by e-distribuzione in Enel Rete Gas for 128 million euros in 2018;
- the gain on the disposal of Electrogas of 38 million euros in 2017.

FINANCIAL POSITION

The financial position shows **net capital employed** as of September 30th, 2018 of **91,223 million euros** (89,571 million euros as of December 31st, 2017).
The amount is funded by:

- **equity pertaining to shareholders of the Parent Company** and non-controlling interests of **48,101 million euros** (52,161 million euros as of December 31st, 2017);
- **net financial debt** of **43,122 million euros** (37,410 million euros as of December 31st, 2017), an increase of 5,712 million euros, mainly reflecting the acquisition of Eletropaulo, the public tender offer for all of the shares of the subsidiary Enel Generación Chile held by minority shareholders, the payment of dividends for 2017, investments in the period and adverse exchange rate developments.

As of September 30th, 2018, the **debt/equity ratio** was **0.90** (0.72 as of December 31st, 2017).

The percentage increase in leverage is partly attributable to the decrease in the Group's consolidated shareholders' equity for 3,688 million euros as a result of the retrospective application of IFRS 9 and IFRS 15.

CAPITAL EXPENDITURE

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

Capital expenditure (millions of euros)	9M 2018	9M 2017	Change
Italy	1,602	1,124	42.5%
Iberia	835	582	43.5%
South America	1,380	2,094	-34.1%
Europe and North Africa	216	208	3.8%
North and Central America	968	1,479	-34.6%
Africa, Asia and Oceania	97	25	-
Other	61	8	-
TOTAL	**5,159**	**5,520**	**-6.5%**

- **Capital expenditure** in the first nine months of 2018 declined by 361 million euros compared with the same period of 2017, mainly reflecting the lower investments in wind and solar plants in Brazil, Peru and North America following the completion of the facilities that were already under construction in 2017.
- The amount does not include investments by units classified as “held for sale”, worth 378 million euros in the first nine months of 2018 and 27 million euros in the first nine months of 2017.

2) Financial highlights of the Parent Company as of September 30th, 2018

The Parent Company Enel, in its capacity as holding company, sets the strategic objectives for the Group and coordinates the activities of its subsidiaries. The activities that Enel performs in respect of the other Group companies as part of its management and coordination role include holding company functions (coordination of governance processes).
Within the Group, Enel also directly performs the role of central treasury, ensuring access to the money and capital markets, and provides coverage of insurance risks.

Millions of euros	9M 2018	9M 2017	Change
Revenues	23	93	-75.3%
EBITDA	(151)	(131)	-15.3%
EBIT	(163)	(140)	-16.4%
Net financial expense and income from equity investments	2,513	2,486	1.1%
Net income for the period	2,424	2,461	-1.5%
Net financial debt	15,239*	13,251**	15.0%

**As of September 30th, 2018* ***As of December 31st, 2017*

Revenues, which mainly refer to services rendered to the subsidiaries as part of the management and coordination function performed by the Parent Company, amounted to 23 million euros in the first nine months of 2018, a decrease of 70 million compared with the same period of the previous year. The reduction is largely attributable to the decrease in revenues from the provision of management and technical services following: (i) the reorganisation of Enel's three "Global Units", as part of which the Global Business Lines *Infrastructure&Networks* and *Thermal Generation*, as well as *Global Service Procurement,* were transferred, respectively, to the wholly-owned subsidiaries Enel Global Infrastructure & Network S.r.l., Enel Global Thermal Generation S.r.l. and Enel Italia S.r.l., (ii) the negative adjustments in respect of previous financial years.

EBITDA was a negative 151 million euros, a deterioration of 20 million euros compared with the first nine months of 2017, mainly reflecting the decrease in revenues from services.

EBIT, including depreciation and amortisation of 12 million euros, was a negative 163 million euros as a result of the developments discussed in the sections on revenues and EBITDA, a deterioration of 23 million euros compared with the first nine months of 2017.

Net financial expense and income from equity investments in the first nine months of 2018 were a positive 2,513 million euros overall. This figure includes dividends received from subsidiaries, associates and other entities worth 2,863 million euros (2,976 million euros in the first nine months of 2017) and net financial expenses for 350 million euros (490 million euros in the first nine months of 2017). The latter decreased by 140 million euros compared with September 30th, 2017, largely attributable to the decrease in net expenses on derivatives held by Enel, partly offset by adverse exchange rate developments.

Net income for the first nine months of 2018 amounted to 2,424 million euros, compared with 2,461 million euros in the same period of 2017. The 37 million euro decrease mainly reflected the reduction in revenues from the provision of technical services to subsidiaries, partly offset by the decline in costs.

Net financial debt as of September 30th, 2018 amounted to 15,239 million euros, an increase of 1,988 million euros compared with the figure registered as of December 31st, 2017, the result of an increase in net short-term debt of 2,060 million euros, partly offset by a decrease in net long-term debt of 72 million euros.

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OPERATIONAL HIGHLIGHTS IN THE FIRST NINE MONTHS OF 2018

	9M 2018	9M 2017	Change
Electricity sales (TWh)	**219.7**	213.1	3.1%
Gas sales (billions of m^3)	**8.0**	7.9	1.3%
Electricity generated (TWh)	**187.8**	184.5	1.8%
Electricity distributed (TWh)	**349.2**	335.0	4.2%
Employees (no.)	**69,909**	62,900*	11.1%

As of December 31st, 2017.

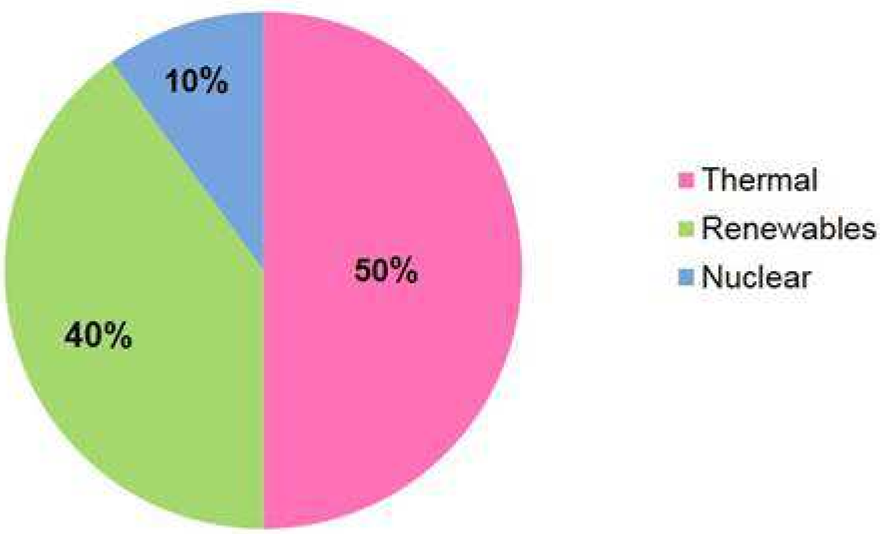
Electricity and gas sales

- **Electricity** sold in the first nine months of 2018 amounted to **219.7 TWh,** an increase of 6.6 TWh (+3.1%) on the same period of 2017, reflecting:
  - an increase in electricity sold in Italy (+1.5 TWh), South America (+9.4 TWh, including electricity sold by Eletropaulo) and Romania (+0.2 TWh);
  - a decrease in sales in Spain (-4.5 TWh).
- **Natural gas** sold amounted to **8.0 billion cubic metres**, a slight increase on the same period of 2017.

Electricity generated

- Net electricity produced by the Enel Group in the first nine months of 2018 amounted to 187.8 TWh, an increase of 3.3 TWh on the same period of 2017 (+1.8%), mainly attributable to an increase in generation in Brazil, Peru and North and Central America, which more than offset the decline in output mainly in Spain.
  More specifically, this increase reflected:
  - an increase in renewable generation (+14.8 TWh, of which +8.7 TWh of hydro generation, +3.9 TWh of wind generation, +2.1 TWh of solar generation and +0.1 TWh of other renewables), mainly reflecting the growth of installed renewable capacity and an increase in water availability;
  - a decrease in thermal generation (-11.5 TWh), reflecting lower output from coal-fired facilities (-4.8 TWh, mainly in Italy and Spain), and from CCGT (-3.7 TWh, mainly in South America and Spain), and lower output from nuclear sources (-1.5 TWh).

Generation mix of Enel Group plants:



The Enel Group's long-term objective remains **decarbonising the generation mix** by 2050. In 2019, around half of the Group's total capacity of 83 GW is expected to be represented by renewable energy generation.

Electricity distributed

- **Electricity transported** on the Enel distribution network in the first nine months of 2018 amounted to 349.2 TWh
  - of which 169.9 TWh in Italy and 179.3 TWh in other countries.
- The volume of **electricity distributed in Italy** decreased by 1.4 TWh (-0.8%) on the volume registered in the first nine months of 2017:
  - with a slight deterioration compared with electricity demand on the national power grid (+0.6%). The percentage change in demand on the national market amounted to +1% in the North, +1.6% in the Centre, -0.7% in the Islands and -1.8% in the South. The South and the Islands are mainly served by e-distribuzione; in the Centre and North, the other major operators account for a total of about 15% of volumes distributed.
- **Electricity distributed outside of Italy** amounted to 179.3 TWh, an increase of 15.6 TWh (+9.5%) on the same period of 2017:
  - mainly in Brazil (+15.4 TWh, of which +13.9 TWh from Eletropaulo).

EMPLOYEES

As of September 30th, 2018, Enel Group employees numbered 69,909 (62,900 as of December 31st, 2017), of whom about 56.1% employed in Group companies headquartered outside Italy. The increase of 7,009 mainly reflected the changes in the scope of consolidation (+7,706), mainly associated with the acquisition of Eletropaulo in Brazil, only partly offset by the negative balance between new hires and terminations (-697).

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OUTLOOK

In the first nine months of 2018, the Enel Group's solid performance more than offset the adverse impact of the unfavourable macroeconomic environment. Performance for the period was driven by renewables, which remain the engine of Group growth, as well as by investment in grids and the improvement in retail margins.

For the remainder of the year, in line with Plan targets, the following developments are expected:

- the completion of 2018 investments in **digitisation**, which are mainly related to the installation of **smart meters** in Italy and Iberia;
- benefits associated with the **customer** focus strategy, also supported by the activities of Enel X;
- an acceleration in **industrial growth** through investments carried out in renewables and networks;
- significant progress in the **operational efficiency** programme;
- further progress in the process of corporate **simplification** and **portfolio management.**

The targets for EBITDA and net income for 2018 are therefore confirmed, despite the negative impact mainly attributable to exchange rate developments.

Net financial debt for full year 2018 is estimated between 41 and 42 billion euros, e.g. 1 to 2 billion euros higher than the 2018-2020 Strategic Plan target. Compared with the initial forecasts, debt evolution will benefit from an improvement of cash flow, partially compensating (i) the expected acceleration of organic growth, (ii) the negative impact of exchange rates, and (iii) the different profile of active portfolio management, which was characterised by an acceleration of acquisitions.

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2018 INTERIM DIVIDEND

The 2018-2020 Strategic Plan, whose guidelines were presented to the financial community in November 2017, confirmed, among the measures to optimise shareholder returns, the reintroduction of the payment of an interim dividend as of 2016 results. Dividends will be paid to shareholders in two instalments each year, in January as interim dividend and in July as balance dividend.

Bearing the above in mind and the fact that in the first nine months of 2018 the Parent Company posted net income for the period of 2,424 million euros, the Board of Directors, taking account of the outlook for the final quarter of the year, has approved the distribution of an interim dividend of 0.14 euros per share. The interim dividend, gross of any withholding tax, will be paid starting from January 23rd, 2019, with an ex-dividend date for coupon no. 29 of January 21st, 2019 and a record date of January 22nd, 2019.

The amount of the interim dividend in question is consistent with the dividend policy envisaged in the 2018-2020 Strategic Plan, which provides for the payment of an overall dividend on 2018 net income equal to the value of whichever is higher: either 0.28 euros per share or 70% of the net ordinary income of the Enel Group.

The opinion of the audit firm EY S.p.A. provided for under Article 2433-bis of the Italian Civil Code was issued today.

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RECENT KEY EVENTS

August 1st, 2018: Enel Green Power S.p.A. ("EGP") announced that its subsidiary Enel Green Power RSA signed with two lenders, Nedbank Limited and Absa, project finance agreements for up to 950 million euros, i.e. up to 80% of the overall investment of around 1.2 billion euros in a portfolio of five new wind projects in South Africa with a total of about 700 MW of capacity. The five facilities - Nxuba, Oyster Bay, Garob, Karusa and Soetwater - have a capacity of around 140 MW each. The Enel Group is contributing around 230 million euros of capital for the construction of the five wind farms.
By 2021, all five new wind farms are due to be in service. Once operational, the five projects are expected to produce around 2.6 TWh of power each year.

September 4th, 2018: Enel announced that its subsidiary Enel Produzione S.p.A. ("Enel Produzione") and the Czech company Energetický a průmyslový holding a.s. ("EPH") signed an agreement that makes a number of changes to the terms and conditions of the contract (the "Contract") signed on December 18th, 2015 between Enel Produzione and EP Slovakia BV ("EP Slovakia"), a subsidiary of EPH, regarding the sale of the stake held by Enel Produzione in Slovenské elektrárne a.s. ("Slovenské elektrárne"), in line with the Term Sheet signed by the parties in May 2017.
The Contract provided for the contribution to the newly established company Slovak Power Holding BV (the "HoldCo") of the entire stake held by Enel Produzione in Slovenské elektrárne, equal to 66% of the

latter's capital. The Contract also defined the subsequent two-stage sale of 100% of HoldCo to EP Slovakia[2] for a total of 750 million euros, subject to adjustment based on a set of criteria.
As a result of the amendments agreed between Enel Produzione and EPH, the Contract also governs relations between the parties with regard to their financial support to Slovenské elektrárne for the completion of units 3 and 4 of the Mochovce nuclear power plant. Specifically, the Contract provides that Enel Produzione will grant, directly or through another company of the Enel Group, a subordinated loan to the HoldCo, which in turn will make it available to Slovenské elektrárne, for a total of up to 700 million euros falling due in January 2027 (the "Loan").
The Contract – which provides for the sale by Enel Produzione to EP Slovakia of its remaining 50% stake in the HoldCo through the exercise of put or call options by the respective parties – was also updated to include the early repayment of the Loan (or its final maturity date) as an additional condition for the exercise of the abovementioned options. This update means that the exercise date of said options can take place at the earlier of a) 12 months after obtaining the Trial Operation Permit for unit 4 of the Mochovce nuclear power plant; or b) upon reaching the Long Stop Date,[3] and, in either case, only once the additional condition above is satisfied.
On the basis of the current work programme and in line with the amendments to the Contract, the put and call options are expected to become exercisable by the first half of 2021. In addition, the Long Stop Date, initially set for June 30th, 2022, has been postponed by 12 months from the original deadline.
Finally, under the Contract, the envisaged mechanism for adjusting the total price of the two phases of the transaction, which will be applied upon the close of the second phase based on various criteria, is now complemented by an additional mechanism that ensures the offsetting of any amount due from Enel Produzione to EP Slovakia with any amount due from EP Slovakia or EPH to Enel Group companies in respect of principal and/or interest in the case in which EP Slovakia or EPH take over the Loan on the closing date of the second phase.

September 12th, 2018: Enel announced that its subsidiary Enel Finance International NV placed a multi-tranche bond for institutional investors on the US and international markets totalling 4 billion US dollars, equal to about 3.5 billion euros. The issue, which is guaranteed by Enel, is structured in the following tranches: (i) 1,250 million US dollars at 4.250% fixed rate maturing in 2023; (ii) 1,500 million US dollars at 4.625% fixed rate maturing in 2025; and (iii) 1,250 million US dollars at 4.875% fixed rate maturing in 2029. The bond issue – the third carried out on the US market by the Enel Group since 2017 - is part of the Group's strategy to refinance its maturing consolidated debt.

September 28th, 2018: Enel announced that its renewable subsidiary EGP closed a deal with the Caisse de dépot et placement du Québec ("CDPQ"), a long-term institutional investor, and the investment vehicle of the leading Mexican pension funds CKD Infraestructura México S.A. de C.V. ("CKD IM") for the sale of 80% of the share capital of eight project companies which own eight plants in operation and under construction in Mexico with a total capacity of 1.8 GW.
Following the closing of the deal, EGP and CDPQ own a 20% and a 40.8% stake respectively in the project companies through a newly-formed holding company (Kino Holding), while CKD IM owns a 39.2% stake in the same companies, through newly-formed sub-holdings (Mini HoldCos).
EGP will continue to operate the plants owned by the project companies and will complete those still under construction through two newly-formed subsidiaries. In addition, starting from January 1st, 2020, EGP may contribute or transfer additional projects, increasing its indirect interest in the project companies and becoming majority shareholder.
The enterprise value of 100% of the project companies is equal to about 2.6 billion US dollars, with an equity value of about 0.3 billion US dollars, project financing of about 0.8 billion US dollars and related-party loans totalling 1.5 billion US dollars. As a result of the closing of the transaction, which enables the Enel Group to reduce its consolidated net debt by about 2.4 billion US dollars, CDPQ and CKD IM paid 1.4 billion US dollars.

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[2] The first phase of the transaction closed on July 28th, 2016, with the sale to EP Slovakia of 50% of the interest held by Enel Produzione in HoldCo.
[3] The date as of which Enel Produzione and EP Slovakia can exercise their put and call options respectively, regardless of the completion of units 3 and 4 of Mochovce nuclear power plant.

The eight project companies own a portfolio consisting of three plants already in full operation (a total of 429 MW), three recently-connected plants (a total of 1,089 MW), and two projects under construction (a total of 300 MW), for an overall total of about 1.8 GW.
The transaction was carried out using the Build, Sell and Operate ("BSO") model, in line with the Group's Strategic Plan.

October 16th, 2018: Enel announced that it had entered into two share swap transactions (the "Share Swap Transactions") with a financial institution to increase its equity stake in its listed Chilean subsidiary Enel Américas SA ("Enel Américas"). Based on these Share Swap Transactions, Enel may acquire, on dates that are expected to occur no later than the fourth quarter of 2019: (i) up to 1,895,936,970 shares of Enel Américas' common stock, and (ii) up to 19,533,894 of Enel Américas' American Depositary Shares ("ADSs"), each representing 50 shares of Enel Americas' common stock.
The above shares total up to 5.0% of Enel Américas' entire stock capital.
The overall number of shares of Enel Américas' common stock and Enel Américas' ADSs actually acquired by Enel pursuant to the Share Swap Transactions will depend on the ability of the financial institution acting as the counterparty to establish its hedge positions as part of the transactions.
The increase in Enel's interest in Enel Américas is in line with Enel Group's 2018-2020 Strategic Plan, which remains focused on reducing minority shareholders in the Group company's operating in South America.

More details on these developments can be found in the associated press releases published on the Enel website at: https://www.enel.com/media/allpressreleases.

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NOTES

At 6pm CET on November 6th, 2018, a conference call will be held to present the results for the third quarter and first nine months of 2018 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 are attached below. A descriptive summary of the alternative performance indicators used in this press release 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, which 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

As of January 1st, 2018 new IASB[4]-revised and amended accounting standards were applied for the first time: IFRS 9 and IFRS 15. First-time retrospective adoption involved the restatement of certain balances in the balance sheet as of January 1st, 2018, as Enel has opted to apply the simplification permitted by those standards on first-time adoption. The overall net impact on Group shareholders' equity was a negative 3,688 million euros. This decrease is essentially due to the application of IFRS 15, in particular the changes in the accounting treatment of revenues from connection fees – which are allocated on the basis of the nature of the obligation with customers rather than recognised at the time of connection –

[4] International Accounting Standards Board.

whose negative effects were only partly offset by the capitalisation of the costs of acquiring new customer contracts (“contract costs”).

As of July 1st, 2018, Argentina has been declared a hyperinflationary country, as in the last three years its cumulative inflation rate has exceeded 100%.
Consequently, the financial statements of the subsidiaries in Argentina used in preparing the Enel Group’s Interim Financial Report have been prepared in accordance with the provisions of IAS 29 (*Financial reporting in hyperinflationary economies*). The overall impact on Group equity as of January 1st, 2018 was a positive 188 million euros, while the impact on Group net income as of September 30th, 2018 amounted to a negative 1 million euros. Group net income was impacted by the already discussed effects on EBITDA and financial gains, as well as by higher financial expenses, the application of the exchange rate as of the end of the period instead of an average exchange rate for the period and by the partition between Group and third party interests.

Unless otherwise specified, the balance sheet figures as of September 30th, 2018, exclude assets and liabilities held for sale in respect of Finale Emilia, a company operating in the biomass sector, and other minor disposals which, on the basis of the state of progress of negotiations for their sale to third parties, fall within the scope of IFRS 5.

The representation of performance by business area presented here is based on the approach used by management in monitoring Group performance for the two periods under review, taking account of the operational model adopted by the Group.

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KEY PERFORMANCE INDICATORS

This press release uses a number of "alternative performance indicators" not envisaged in the IFRS-EU accounting standards, but which management feels can facilitate the assessment and monitoring of the Group's performance and financial position. In line with CONSOB Notice no. 0092543 of December 3rd, 2016 and with 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 Enel 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 for the definition of the net financial position, net of financial receivables and long-term securities.
- **Net capital employed**: calculated as the algebraic sum of "Net non-current assets",[5] "Net current assets"[6] and "Provisions for risks and charges", "Deferred tax liabilities", "Deferred tax assets" and "Net assets held for sale";[7]
- **Group net ordinary income**: defined as that part of "Group net income" generated from ordinary business operations.

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[5] 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".

[6] 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".

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

Condensed Consolidated Income Statement

Millions of euro	First nine months	
	2018	2017
Total revenues	55,246	54,188
Total costs	48,010	47,354
Net income/(expense) from commodity contracts measured at fair value	202	383
Operating income	**7,438**	**7,217**
Financial income	2,694	2,877
Financial expense	4,566	5,040
Net financial income/(expense) by hyperinflation	100	-
Total financial income/(expense)	**(1,772)**	**(2,163)**
Share of gains/(losses) on investments accounted for using the equity method	**54**	**114**
Income before taxes	**5,720**	**5,168**
Income taxes	1,686	1,505
Income from continuing operations	**4,034**	**3,663**
Net income from discontinued operations	-	**-**
Net income for the period (shareholders of the Parent Company and non-controlling interests)	**4,034**	**3,663**
Attributable to shareholders of the Parent Company	3,016	2,621
Attributable to non-controlling interests	1,018	1,042
Net earnings attributable to shareholders of the Parent Company per share (euro) [1]	0.30	*0.26*

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

Statement of Consolidated Comprehensive Income

Millions of euro	First nine months	
	2018	2017 restated[1]
Net income for the period	**4,034**	**3,663**
Other comprehensive income recyclable to profit or loss (net of taxes):		
Effective portion of change in the fair value of cash flow hedges	(50)	(136)
Change of fair value of hedging costs	(40)	117
Share of the other comprehensive income of equity investments accounted for using the equity method	6	9
Change in the fair value of financial assets at FVOCI	(3)	(7)
Chance in translation reserve	(1,164)	(2,120)
Other comprehensive income not recyclable to profit or loss (net of taxes):		
Remeasurement of net employee benefit liabilities/(assets)	-	-
Change in fair value on other equity investments at FVOCI	1	(13)
Income/(Loss) recognized directly in equity	**(1,250)**	**(2,150)**
Comprehensive income for the period	**2,784**	**1,513**
Attributable to:		
- shareholders of the Parent Company	2,257	1,353
- non-controlling interests	527	160

[1] Figures restated to improve the presentation of items following first-time adoption of IFRS 9

Condensed Consolidated Balance Sheet

Millions of euro

	at Sep. 30, 2018	at Dec. 31, 2017
ASSETS		
Non-current assets		
- Property, plant and equipment and intangible assets	93,789	91,738
- Goodwill	14,989	13,746
- Equity investments accounted for using the equity method	1,880	1,598
- Other non-current assets [1]	15,291	12,122
Total non-current assets	**125,949**	**119,204**
Current assets		
- Inventories	3,240	2,722
- Trade receivables	13,860	14,529
- Cash and cash equivalents	9,598	7,021
- Other current assets [2]	17,241	10,195
Total current assets	**43,939**	**34,467**
Assets held for sale	**85**	**1,970**
TOTAL ASSETS	**169,973**	**155,641**
LIABILITIES AND SHAREHOLDERS' EQUITY		
- Equity attributable to the shareholders of the Parent Company	31,717	34,795
- Equity attributable to non-controlling interests	16,384	17,366
Total shareholders'equity	**48,101**	**52,161**
Non-current liabilities		
- Long-term loans	50,476	42,439
- Provisions and deferred tax liabilities	16,268	15,576
- Other non-current liabilities	11,257	5,001
Total non-current liabilities	**78,001**	**63,016**
Current liabilities		
- Short-term loans and current portion of long-term loans	10,535	8,894
- Trade payables	11,219	12,671
- Other current liabilities	22,113	17,170
Total current liabilities	**43,867**	**38,735**
Liabilities held for sale	**4**	**1,729**
TOTAL LIABILITIES	**121,872**	**103,480**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**169,973**	**155,641**

(1) Of which long-term financial receivables and other securities at September 30, 2018 for €2,301 million (€2,062 million at December 31, 2017) and €369 million (€382 million at December 31, 2017), respectively.
(2) Of which current portion of long-term financial receivables, short-term financial receivables and other securities at September 30, 2018 for €1,770 million (€1,094 million at December 31, 2017), €3,812 million (€3,295 million at December 31, 2017) and €62 million (€69 million at December 31, 2017), respectively.

Condensed Consolidated Statement of Cash Flows

Milioni di euro	First nine months	
	2018	2017
Income before taxes	**5,720**	**5,168**
Adjustments for:		
Depreciation, amortization and impairment losses	4,696	4,233
Financial (income)/expense	1,772	2,163
Net income of equity investments accounting for using the equity method	(54)	(114)
Changes in net working capital:		
- *Inventories*	(509)	(373)
- *Trade receivables*	637	(70)
- *Trade payables*	(1,519)	(1,588)
- *Other activities and liabilities*	(184)	283
Interest and other income/expense financial paid and collected	(1,919)	(1,144)
Other changes	(1,520)	(1,397)
Cash flows from operating activities (a)	**7,120**	**7,161**
Investments in property, plant and equipment and in intangible assets	(5,537)	(5,547)
Investments in entities (or business units) less cash and cash equivalents acquired	(1,465)	(864)
Disposals of entities (or business unit) less cash and cash equivalents sold	264	19
(Increase)/Decrease in other investing activities	(217)	155
Cash flows from investing/disinvesting activities (b)	**(6,955)**	**(6,237)**
Financial debt (new long-term borrowing)	12,170	8,208
Financial debt (repayments and other net changes)	(4,828)	(8,765)
Operations on non-controlling interest	(1,413)	(408)
Dividends and interim dividends paid	(3,371)	(2,782)
Cash flows from financing activities (c)	**2,558**	**(3,747)**
Impact of exchange rate fluctuations on cash and cash equivalents (d)	**(176)**	**(295)**
Increase/(Decrease) in cash and cash equivalents (a+b+c+d)	**2,547**	**(3,118)**
Cash and cash equivalents at beginning of the period (1)	7,121	8,326
Cash and cash equivalents at the end of the period (2)	9,668	5,208

(1) Of which cash equivalents equal to €7,021 million at January 1, 2018 (€8,290 million at January 1, 2017), short-term securities equal to €69 million at January 1, 2018 (€36 million at January 1, 2017) and cash and cash equivalents pertaining to "Assets held for sale" in the amount of €31 million at January 1, 2018.

(2) Of which which cash and cash equivalents equal to €9,598 million at September 30, 2018 (€5,127 million at September 30, 2017), short-term securities equal to €62 million at September 30, 2018 (€67 million at September 30, 2017) and cash and cash equivalents pertaining to "Assets held for sale" in the amount of €8 million at September 30, 2018 (€14 million at September 30, 2017).