PRESS RELEASE

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ENEL POSTED A 18.9% NET INCOME INCREASE IN 1Q 2018

- **Revenues:** 18,946 million euros (19,366 million euros in the first quarter of 2017, -2.2%)
  - *the decrease is mainly attributable to adverse exchange rate developments, particularly in South America*
- **EBITDA:** 4,037 million euros (3,914 million euros in the first quarter of 2017, +3.1%)
  - *the increase is mainly due to the expansion of renewables and distribution, as well as the improvement in margins on end-user markets in Iberia, factors that more than offset the negative impact of exchange rate developments*
- **Ordinary EBITDA:** 3,909 million euros (3,763 million euros in the first quarter of 2017, +3.9%)
- **EBIT:** 2,538 million euros (2,525 million euros in the first quarter of 2017, +0.5%)
  - *the slight improvement occurred despite the increase in depreciation and amortisation attributable to the application of IFRS 15 and writedowns of trade receivables*
- **Group net income:** 1,169 million euros (983 million euros in the first quarter of 2017, +18.9%)
  - *the increase is attributable to the improvement in EBIT, a decline in net financial expenses from the efficient management of financial liabilities and lower taxes, especially in Italy*
- **Group net ordinary income:** 1,041 million euros (943 million euros in the first quarter of 2017, +10.4%)
- **Net financial debt:** 37,871 million euros (37,410 million euros at the end of 2017, +1.2%)
  - *the growth reflects the payment of the interim dividend for 2017 and investment for the period, which more than offset operating cash flow*

Francesco Starace, Enel CEO and General Manager, said "*The Enel Group posted excellent results in the first quarter of 2018, with a double-digit increase in net income driven mainly by renewables and networks, the two key areas of focus for industrial growth in our Strategic Plan. During this quarter, we have continued to work hard on further improving our operational efficiency, which allowed us to achieve flat cash costs in nominal terms and a 2.6% reduction in operational expenses. In the first three months of the year, we also achieved a significant milestone in Group Simplification, successfully completing the reorganisation of our assets in Chile, where we now have a cleaner corporate structure covering the entire value chain, from renewable and conventional generation to distribution and retail. The results achieved and progress delivered so far in the implementation of our 2018-2020 Strategic Plan allow us to confirm our financial targets for 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.

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Rome, May 9th, 2018 – The Board of Directors of Enel S.p.A. ("Enel"), chaired by Patrizia Grieco, examined and approved the interim financial report as of March 31st, 2018.

Consolidated financial highlights for the first quarter of 2018

REVENUES

The following table provides a breakdown of revenues by **region/country**:

Revenue (millions of euros)	1Q 2018	1Q 2017	Change
Italy	10,109	10,293	-1.8%
Iberia	5,092	5,210	-2.3%
South America	3,086	3,247	-5.0%
Europe and North Africa	602	642	-6.2%
North and Central America	234	177	32.2%
Sub-Saharan Africa and Asia	24	21	14.3%
Other, eliminations and adjustments	(201)	(224)	10.3%
TOTAL	**18,946**	**19,366**	**-2.2%**

- **Revenues in the first quarter of 2018** amounted to 18,946 million euros, a decrease of 420 million euros (-2.2%) on the same period of 2017, mainly reflecting the impact of adverse exchange rate developments, especially in South America.

- Revenues in **the first quarter of 2018** include, as **extraordinary items**, the 128 million euros consideration provided for in the agreement of e-distribuzione with F2i and 2i Rete Gas on the early all-inclusive settlement of the earn-out connected with the sale in 2009 of e-distribuzione's interest in Enel Rete Gas. Revenues in **the first quarter of 2017** included, as **extraordinary items**, the gain on the sale of the interest in the Chilean company Electrogas for 151 million euros.

EBITDA

The following table provides a breakdown of EBITDA by **region/country**:

EBITDA (millions of euros)	1Q 2018	1Q 2017	Change
Italy	1,943	1,947	-0.2%
Iberia	859	694	23.8%
South America	1,012	1,087	-6.9%
Europe and North Africa	126	144	-12.5%
North and Central America	121	113	7.1%
Sub-Saharan Africa and Asia	13	12	8.3%
Other, eliminations and adjustments	(37)	(83)	55.4%
TOTAL	**4,037**	**3,914**	**3.1%**

- **EBITDA in the first quarter of 2018** amounted to 4,037 million euros, an increase of 123 million euros (+3.1%) on the same period of 2017. This positive change reflected:
  - the organic growth in renewables and distribution, especially in Brazil and Argentina;
  - the improvement in margins in end-user markets in Iberia, primarily the result of a decline in average provisioning costs for electricity and gas;
  - a constant focus on reducing operating expenses;
  - the impact in Italy, Spain and Romania of capitalisation of incremental customer acquisition costs ("contract costs") in application of IFRS 15 as of January 1st, 2018.

  This improvement more than offset the reduction in margins in South America owing to the significant impact of adverse exchange rate developments.

ORDINARY EBITDA

The following table provides a breakdown of ordinary EBITDA by **region/country**:

Ordinary EBITDA (millions of euros)	1Q 2018	1Q 2017	Change
Italy	1,815	1,947	-6.8%
Iberia	859	694	23.8%
South America	1,012	936	8.1%
Europe and North Africa	126	144	-12.5%
North and Central America	121	113	7.1%
Sub-Saharan Africa and Asia	13	12	8.3%
Other, eliminations and adjustments	(37)	(83)	55.4%
TOTAL	**3,909**	**3,763**	**3.9%**

Ordinary EBITDA amounted to 3,909 million euros, an increase of 146 million euros on the first three months of 2017 (+3.9%). **Extraordinary items in the first three months of 2018 and 2017 are the same as those mentioned in the section on revenues.**

EBIT

The following table provides a breakdown of EBIT by **region/country**:

EBIT (millions of euros)	**1Q 2018**	**1Q 2017**	**Change**
Italy	1,308	1,404	-6.8%
Iberia	434	278	56.1%
South America	708	775	-8.6%
Europe and North Africa	73	91	-19.8%
North and Central America	59	62	-4.8%
Sub-Saharan Africa and Asia	-	2	-
Other, eliminations and adjustments	(44)	(87)	49.4%
TOTAL	**2,538**	**2,525**	**0.5%**

EBIT in the first quarter of 2018 amounted to 2,538 million euros. The increase of 13 million euros (+0.5%) on the same period of 2017 benefitted from EBITDA growth, despite an increase of 110 million euros in depreciation and amortisation. The latter reflected the amortisation charge (34 million euros) for the abovementioned capitalised contract costs following the application of IFRS 15 and an increase in writedowns of trade receivables.

GROUP NET INCOME

In the first quarter of 2018, Group net income amounted to **1,169 million euros**, compared with 983 million euros in the same period of the previous year, representing **an increase of 186 million euros (+18.9%)**. This increase reflected:

- the improvement in EBIT;
- the decline in net financial expenses, in particular the reduction in interest expenses on bonds, which was mainly the result of the efficient management of financial liabilities;
- a decrease in taxes in Italy, as a result of the recognition of prepaid taxes on prior-year losses of 3SUN, made possible by the merger of that company in Enel Green Power S.p.A. as of January 1st, 2018, and the substantial tax exemption of the gain from the earn-out connected with the sale of Enel Rete Gas amounting to 128 million euros following the application of the participation exemption mechanism (PEX).

GROUP NET ORDINARY INCOME

Net of the extraordinary items mentioned in the above section on revenues, **Group net ordinary income** for the first three months of 2018 amounted to 1,041 million euros, an increase of 98 million euros

(+10.4%) on the 943 million euros posted in the same period of 2017. Extraordinary items had a negative impact (net of taxes and non-controlling interests) on the Group's net ordinary income of 128 million euros in the first quarter of 2018 and 40 million euros in the same period of 2017.

FINANCIAL POSITION

The financial position shows **net capital employed** as of March 31st, 2018 of **86,703 million euros** (89,571 million euros as of December 31st, 2017), funded by **equity** pertaining to shareholders of the Parent Company and non-controlling interests of **48,832 million euros** (52,161 million euros as of December 31st, 2017) and **net financial debt** of **37,871 million euros** (37,410 million euros as of December 31st, 2017). More specifically, the change in equity reflects the adverse impact of the first application as of January 1st, 2018, of accounting standard IFRS 15 and, to a lesser extent, IFRS 9.

Net financial debt increased by 461 million euros (+1.2%) due to the funding requirement generated by investments in the period and by the payment of the interim dividend for 2017 (0.105 euros per share for a total of 1,068 million euros), approved by the Board of Directors on November 8th, 2017. The above factors were partly offset by operating cash flow, which increased compared with the first quarter of 2017 (+9.1%).

As of March 31st, 2018, the **debt/equity ratio** was **0.78** (0.72 as of December 31st, 2017).

CAPITAL EXPENDITURE

The following table provides a breakdown of capital expenditure by **region/country**:

Capital expenditure (millions of euros)	**1Q 2018**	**1Q 2017**	**Change**
Italy	408	314	29.9%
Iberia	181	144	25.7%
South America	321	566	-43.3%
Europe and North Africa	36	41	-12.2%
North and Central America	262	380	-31.1%
Sub-Saharan Africa and Asia	1	8	-87.5%
Other, eliminations and adjustments	20	-	-
TOTAL	**1,229**	**1,453**	**-15.4%**

- **Capital expenditure amounted to 1,229 million euros** in the first quarter of 2018, a decrease of 224 million euros on the same period of 2017 (-15.4%), essentially reflecting lower wind and solar investments in Brazil, the completion of wind and solar plants in North and Central America that were still under construction in the first quarter of 2017 and adverse exchange rate developments.

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OPERATIONAL HIGHLIGHTS IN THE FIRST QUARTER OF 2018

	1Q 2018	1Q 2017	Change
Electricity sales (TWh)	**72.3**	71.3	1.4%
Gas sales (billions of m³)	**4.1**	4.2	-2.4%
Electricity generated (TWh)	**62.2**	63.3	-1.7%
Electricity distributed (TWh)	**111.9**	109.9(1)	1.8%
Employees (no.)	**62,633**	62,900(2)	-0.4%

(1) Figure recalculated following a more accurate measurement of quantities transported.

(2) As of December 31st, 2017.

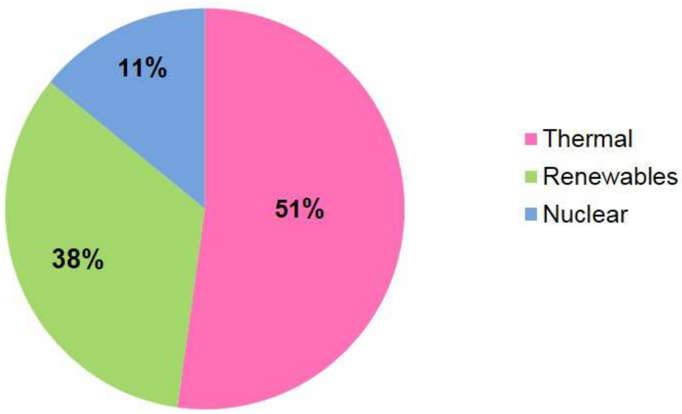
Electricity and gas sales

- **Electricity** sold in the first quarter of 2018 amounted to **72.3 TWh,** an increase of 1 TWh (+1.4%) on the first quarter of 2017, reflecting:
  - an increase in quantities sold in Italy (+1.2 TWh) and Romania (+0.3 TWh)
  - a decrease in sales in South America (-0.4 TWh) and Spain (-0.2 TWh)
- **Natural gas** sold to end users amounted to **4.1 billion cubic metres**, a slight 0.1 billion cubic metre decrease on the same period of 2017.

Electricity generated

- Net electricity generated by Enel in the first quarter of 2018 amounted to **62.2 TWh**, a decrease of 1.1 TWh on the first quarter of 2017 (-1.7%), mainly attributable to a contraction in output in Italy. More specifically, this change reflected:
  - a decrease in thermal generation (-3.9 TWh);
  - an increase in renewables generation (+2.8 TWh), mainly due to the increase in installed capacity (+1.7 GW for solar, +1.2 GW for wind and +0.4 GW for hydro) as well as greater water availability.
- Enel's CO_2 emission-free technologies represent 49% of the Group's generation mix. This is a remarkable result, driven by the growth in renewable generation, to which solar and wind power made a significant contribution compared with the first quarter of 2017.

Generation mix of Enel Group plants:



The Enel Group confirms its long-term objective for "**mix decarbonisation**" by 2050. It is expected that renewable energy will contribute about half of the Group's total estimated capacity of 83 GW in 2019.

The Shareholders' Meeting called for May 24th, 2018, will resolve on the adoption of the 2018 Long-Term Incentive Plan, which introduces a performance target related to emissions of grams of CO_2 per KWh equivalent produced by the Group's plants in 2020. The introduction of that objective is intended to strengthen the correlation between the long-term variable remuneration of top management and the 2018-2020 Strategic Plan, which promotes the implementation of a business model that is sustainable in the long term. The performance target will have a weighting of 10% and reflects the ever greater attention paid in recent years to sustainability, with a particular focus on countering climate change.

Electricity distributed

- **Electricity transported** on the Enel Group distribution network in the first quarter of 2018 amounted to 111.9 TWh of which 56.7 TWh in Italy and 55.2 TWh abroad.
- The volume of **electricity distributed in Italy** was in line with the amounts registered in the first quarter of 2017:
  - with a slight deterioration compared with electricity demand on the national grid, which increased by +1.8%. The percentage change in demand in Italy amounted to +1.9% in the North, +2.4% in the Centre, +0.9% in the Islands and +0.4% in the South. The South and the Islands are mainly served by e-distribuzione; the main other distributors operate in the Centre and North, distributing a total of about 15% of electricity volumes.
- **Electricity distributed abroad** amounted to 55.2 TWh, an increase of 2 TWh (+3.8%) on the same period of 2017, mainly in Brazil (+1.2 TWh) and Spain (+0.7 TWh).

EMPLOYEES

As of March 31st, 2018, **Enel Group employees numbered 62,633** (62,900 as of December 31st, 2017). The change in the quarter (-267) is entirely accounted for by the negative balance of new hires and terminations.

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OUTLOOK

Enel Group's 2018-2020 Strategic Plan, presented in November 2017, confirms that digitisation and customer focus remain major enabling factors for the Group's strategy. The Strategic Plan envisages:

- **5.3 billion euro investment to digitise** the Enel Group's asset base, operations and processes and enhance the Group's connectivity;
- **a strong customer focus,** leveraging, in the retail sector and in the new services offered by Enel X, 67 million final customers, of which about 35 million free power and gas customers forecast for 2020;
- **a continuing effort to boost operational efficiency,** driven in part by investments in digitisation;
- **sustainable long-term industrial growth**, leveraging the flexible reallocation of incremental capital towards mature economies;
- **Group simplification,** with the rationalisation of the operating companies in South America and the streamlining of the ownership structure of subsidiaries, and **active portfolio management,** with a renewed focus on minority buy-outs. **Share buybacks of up to 2 billion euros remain an option.**
- **Creating sustainable long-term value**, with the Group's strengthened commitment to SDG 4 (quality education) and SDG 8 (decent work and economic growth) and confirmed targets for SDG 7 (clean and accessible energy) and SDG 13 (climate action).

In 2018, the Enel Group expects:

- the continuation of investments in **digitisation**, supported by the continuation of the installation of second-generation smart meters in Italy and completion of the installation of smart meters in Iberia. The roll-out of the optical fibre network undertaken by OpEn Fiber will also be accelerated;
- a contribution from the **customer focus** strategy on a global scale and the acceleration of Enel X's activity in the flexibility and electric mobility businesses;
- significant progress in **operational efficiency**, supported by digitisation;
- the contribution from **industrial growth**, focused on networks and renewables;
- additional progress in **Group simplification and active portfolio management**.

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ISSUE OF HYBRID BONDS

The Board of Directors has authorised the issue by Enel, by December 31st, 2019, of one or more new hybrid non-convertible subordinated bonds, for a maximum amount of 3.5 billion euros, to be placed with EU and non-EU institutional investors, including through private placements.
The issue is intended to refinance hybrid bonds previously issued by Enel for which early repurchase options may be exercised in the next few years, thus falling within the scope of actions aimed at ensuring

that the Enel Group's financial structure remains consistent with the assessment criteria of rating agencies and at actively managing maturities and the cost of Group's debt.
The Board of Directors has also delegated the Chief Executive Officer with the task of deciding the issue of the bonds and of establishing their essential elements, taking account of developments in market conditions, as well as determining the characteristics and conditions of the bonds themselves, setting their amounts, currencies, interest rate and other terms and conditions, as well as deciding placement methods and any listing on regulated markets or multilateral trading facilities.

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RECENT KEY EVENTS

March 26th, 2018: Enel announced that the last of the conditions precedent for the reorganisation of the Enel Group's shareholdings in Chile (the "Transaction"), approved by the Extraordinary Shareholders' Meeting of the subsidiaries Enel Chile S.A. ("Enel Chile") and Enel Generación Chile S.A. ("Enel Generación Chile") on December 20th, 2017, had been met.
More specifically, the public tender offer (the "Offer") launched by Enel Chile for all of the shares of the subsidiary Enel Generación Chile held by the non-controlling shareholders of the latter was successfully completed. The effectiveness of the Offer was subject to the acquisition of a total number of shares that would enable Enel Chile to increase its stake in Enel Generación Chile to more than 75% of share capital from around 60% held before the Transaction. The Offer was accepted by holders of shares equal to about 33.6% of the share capital of Enel Generación Chile, thereby enabling Enel Chile to increase its interest in Enel Generación Chile to 93.55% of the share capital. Additionally, the amendment of the bylaws of Enel Generación Chile that removed the limits on share ownership in the company, which did not previously permit any single shareholder to own more than 65% of the company's share capital, also took effect. Finally, the merger by incorporation of the renewable company Enel Green Power Latin America S.A. into Enel Chile and the capital increase of the latter in support of the merger took effect as from April 2nd, 2018.
Following the reorganisation described above, Enel's direct and indirect stake in Enel Chile is equal to about 62% of the share capital of the latter, compared with the previously held 60.6%.

April 6th, 2018: Enel announced that, acting through its subsidiary BLP Energy Private Limited, it had won the first renewable energy auction in India, earning the right to sign a contract for the supply of the electricity generated by a wind farm in the state of Gujarat, for a total of 285 MW of new capacity, as part of the fourth phase of the national tender for 2 GW of wind capacity announced by the public company Solar Energy Corporation of India ("SECI").
The Enel Group is expected to invest over 290 million US dollars in the construction of the plant, which will be supported by a 25-year contract that provides for the sale of specified amounts of the power generated to SECI. The wind farm is expected to enter into service in the second half of 2019 and, once fully operational, will be able to generate over 1,000 GWh of renewable energy per year.

April 9th, 2018: Enel announced that, acting through its US renewable company Enel Green Power North America, Inc., it had started construction of the 185 MW HillTopper, its first wind farm in the US state of Illinois, located in Logan county. The new plant will be supported by two long-term power purchase agreements (PPAs) to sell part of its power to Bloomberg LP and General Motors.
The Enel Group's investment in the construction of HillTopper is expected to total approximately 325 million US dollars. The wind farm is due to enter into service by the end of 2018 and once fully operational will be able to generate around 570 GWh of renewable energy annually.

April 17th, 2018: Enel announced that Enel Brasil Investimentos Sudeste, S.A. ("Enel Sudeste"), a company fully owned by Enel's Brazilian subsidiary Enel Brasil S.A., had launched a voluntary tender offer (the "Offer") for the acquisition of the entire share capital of the Brazilian power distribution company Eletropaulo Metropolitana Eletricidade de São Paulo S.A. ("Eletropaulo"), for a price per share of 28.0 Brazilian reais, subject, among others, to the acquisition of a total number of shares representing more than 50% of the company's share capital.
Taking account of the existence of competing offers, Enel Sudeste subsequently modified (most recently on **April 26th, 2018**) the terms and conditions of the Offer, increasing the offer price to 32.2 Brazilian reais per share. Under the improved Offer terms, the overall investment is expected to total up to 5.4 billion Brazilian reais, equal to about 1.3 billion euros at the current exchange rate. Enel Sudeste also undertook to subscribe a subsequent capital increase of Eletropaulo of at least 1.5 billion Brazilian reais (the equivalent of about 355 million euros at the current exchange rate), both in the case Enel's Offer is successful or if none of the offers for Eletropaulo is accepted.
The exercise of the voting rights of any shares acquired by Enel Sudeste in the Offer is subject to the approval of the Brazilian antitrust authority (the Conselho Administrativo de Defesa Econômica or "CADE"), while the exercise by Enel Sudeste of control over Eletropaulo is subject to the approval of the Brazilian energy regulator (Agência Nacional de Energia Elétrica or "ANEEL").

More information on these events is available in the associated press releases published in the Enel website at the following address: https://www.enel.com/en/media.html#0

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NOTES

At 6:00 p.m. CET, on May 9th, 2018, a conference call will be held to present the results for the first quarter 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 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

As of January 1st, 2018 new IASB[1]-revised and amended accounting standards were applied for the first time: IFRS 9 and IFRS 15. First-time retrospective application 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 application. The overall impact on Group shareholders' equity was a negative 3,696 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 – whose negative effects were only partly offset by the capitalisation of the costs of acquiring new customer contracts ("contract costs").

Unless otherwise specified, the balance sheet figures as of March 31st, 2018, exclude assets and liabilities held for sale under the Build Sell and Operate (BSO) model, involving the Mexican renewables companies, and other residual assets that, 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 Communication no. 0092543 of December 3rd, 2015 and 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 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

[1] International Accounting Standards Board.

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",[2] "Net current assets"[3] and "Provisions for risks and charges", "Deferred tax liabilities", "Deferred tax assets" and "Net assets held for sale";[4]
- **Group net ordinary income**: defined as that part of "Group net income" generated from ordinary business operations.

[2] 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".

[3] 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".

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

Condensed Consolidated Income Statement

Millions of euro	1st Quarter	
	2018	2017
Total revenues	18,946	19,366
Total costs	16,444	17,091
Net income/(expense) from commodity contracts measured at fair value	36	250
Operating income	**2,538**	**2,525**
Financial income	1,045	569
Financial expense	1,611	1,233
Total financial income/(expense)	**(566)**	**(664)**
Share of gains/(losses) on investments accounted for using the equity method	**37**	**39**
Income before taxes	**2,009**	**1,900**
Income taxes	481	596
Income from continuing operations	**1,528**	**1,304**
Net income from discontinued operations	**-**	**-**
Net income for the period (shareholders of the Parent Company and non-controlling interests)	**1,528**	**1,304**
Attributable to shareholders of the Parent Company	1,169	983
Attributable to non-controlling interests	359	321
Net earnings attributable to shareholders of the Parent Company per share (euro) [1]	*0.11*	*0.10*

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

Statement of Consolidated Comprehensive Income

Millions of euro	1st Quarter	
	2018	2017
Net income for the period	**1,528**	**1,304**
Other comprehensive income recyclable to profit or loss (net of taxes):		
Effective portion of change in the fair value of cash flow hedges	(145)	159
Income recognized in equity by companies accounted for using the equity method	2	(2)
Change in the fair value of financial investments available for sale	-	22
Change in translation reserve	(293)	50
Income/(Loss) recognized directly in equity	**(436)**	**229**
Comprehensive income for the period	**1,092**	**1,533**
Attributable to:		
- shareholders of the Parent Company	755	1,128
- non-controlling interests	337	405

Condensed Consolidated Balance Sheet

Millions of euro

	at Mar. 31, 2018	at Dec. 31, 2017
ASSETS		
Non-current assets		
- Property, plant and equipment and intangible assets	91,647	91,738
- Goodwill	13,736	13,746
- Equity investments accounted for using the equity method	1,622	1,598
- Other non-current assets (1)	13,432	12,122
Total non-current assets	**120,437**	**119,204**
Current assets		
- Inventories	2,587	2,722
- Trade receivables	14,490	14,529
- Cash and cash equivalents	4,984	7,021
- Other current assets (2)	12,859	10,195
Total current assets	**34,920**	**34,467**
Assets held for sale	**2,088**	**1,970**
TOTAL ASSETS	**157,445**	**155,641**
LIABILITIES AND SHAREHOLDERS' EQUITY		
- Equity attributable to the shareholders of the Parent Company	31,854	34,795
- Equity attributable to non-controlling interests	16,978	17,366
Total shareholders' equity	**48,832**	**52,161**
Non-current liabilities		
- Long-term loans	43,067	42,439
- Provisions and deferred tax liabilities	14,859	15,576
- Other non-current liabilities	11,533	5,001
Total non-current liabilities	**69,459**	**63,016**
Current liabilities		
- Short-term loans and current portion of long-term loans	9,098	8,894
- Trade payables	10,664	12,671
- Other current liabilities	17,645	17,170
Total current liabilities	**37,407**	**38,735**
Liabilities held for sale	**1,747**	**1,729**
TOTAL LIABILITIES	**108,613**	**103,480**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**157,445**	**155,641**

(1) Of which long-term financial receivables and other securities at March 31, 2018 for €2,044 million (€2,062 million at December 31, 2017) and €381 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 March 31, 2018 for €1,313 million (€1,095 million at December 31, 2017), €5,507 million (€3,295 million at December 31, 2017) and €64 million (€69 million at December 31, 2017), respectively.

Condensed Consolidated Statement of Cash Flows

Millions of euro	1st Quarter	
	2018	2017
Income before taxes	**2,009**	**1,900**
Adjustments for:		
Depreciation, amortization and impairment losses	1,499	1,389
Financial (income)/expense	566	664
Net income of equity investments accounting for using the equity method	(37)	(39)
Changes in net working capital:		
- Inventories	*122*	*(54)*
- Trade receivables	*(484)*	*286*
- Trade payables	*(1,984)*	*(1,099)*
- Other activities and liabilities	*815*	*(313)*
Interest and other income/expense financial paid and collected	(445)	(649)
Other changes	(163)	(345)
Cash flows from operating activities (a)	**1,898**	**1,740**
Investments in property, plant and equipment and in intangible assets	(1,379)	(1,453)
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	28	-
(Increase)/Decrease in other investing activities	(13)	165
Cash flows from investing/disinvesting activities (b)	**(1,364)**	**(1,967)**
Financial debt (new long-term borrowing)	3,132	2,075
Financial debt (repayments and other net changes)	(4,240)	(3,233)
Operations on non-controlling interest	-	(2)
Dividends and interim dividends paid	(1,390)	(1,289)
Cash flows from financing activities (c)	**(2,498)**	**(2,449)**
Impact of exchange rate fluctuations on cash and cash equivalents (d)	**(43)**	**(3)**
Increase/(Decrease) in cash and cash equivalents (a+b+c+d)	**(2,007)**	**(2,679)**
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)]	5,114	5,647

(1) Of which cash and 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 cash and cash equivalents equal to €4,984 million at March 31, 2018 (€5,602 million at March 31, 2017), short-term securities equal to €58 million at March 31, 2018 (€45 million at March 31, 2017) and cash and cash equivalents pertaining to "Assets held for sale" in the amount of €72 million at March 31, 2018.