



## **REPORT OF THE BOARD OF DIRECTORS ON THE SECOND ITEM ON THE AGENDA OF THE ORDINARY MEETING**

### **Allocation of the annual net income and distribution of available reserves**

Dear Shareholders,

we remind you that the new dividend policy – announced in March 2015 and confirmed in November 2015 during the presentation to the financial market of the Strategic Plan 2016-2019 – provides with specific regard to the results of 2015 for the payment to the Shareholders of an amount equal to the higher between Euro 0.16 per share and the 50% of the Group's ordinary net income realized in the same financial year.

Given that the Group's ordinary net income for 2015 amounts to approximately Euro 2,887 million (against the Group's total net results of approximately Euro 2,196 million), in accordance with the aforesaid dividend policy, the Board of Directors proposes to distribute a dividend amounting to Euro 0.16 per share (for a total amount of approximately Euro 1,626.7 million), to be paid in June 2016.

Moreover, taking into account that (i) Enel S.p.A.'s net income for 2015 amounts to approximately Euro 1,010.7 million, and (ii) considering the recent share capital increase equal to Euro 763,322,151, in the context of the partial non-proportional demerger of Enel Green Power S.p.A. in favor of Enel S.p.A., implemented in the first quarter of 2016, a part of the aforesaid income, for an overall amount equal to approximately Euro 152.7 million, has to be destined to the statutory reserve to bring the amount of the aforesaid reserve up to one-fifth of the share capital, as specified by article 2430, paragraph 1, of the Civil Code, in order to allow the distribution of the aforesaid dividend equal to Euro 0.16 per share it is envisaged that a part of the available reserve named "retained earnings" (currently amounting to approximately Euro 5,303 million overall) will be used in addition to Enel S.p.A.'s net income.



It has to be noted that the aforesaid dividend will also be paid to the no. 763,322,151 shares, having regular entitlement, issued in the context of the aforesaid share capital increase.

In light of the foregoing, we therefore submit for your approval the following

### **Agenda**

The Shareholders' Meeting of Enel S.p.A., having examined the explanatory report of the Board of Directors,

### **resolves**

1. to earmark Enel S.p.A.'s net income for the year 2015, amounting to Euro 1,010,654,499.31, as follows:
  - for distribution to the Shareholders, as dividend, Euro 0.08 for each of the 10,166,679,946 ordinary shares in circulation on June 20, 2016, the scheduled ex-dividend date, for an overall amount of Euro 813,334,395.68;
  - for the statutory reserve the part of the aforesaid net income necessary to bring the amount of the aforesaid reserve up to one-fifth of the share capital, as specified by article 2430, paragraph 1, of the Civil Code, amounting to a total of Euro 152,664,430.20;
  - for "retained earnings" the remaining part of the net income, equal to Euro 44,655,673.43;
2. to earmark for the distribution to the Shareholders also a part of the available reserve named "retained earnings" allocated in the financial statements of Enel S.p.A. (amounting as of December 31, 2015 to Euro 5,303,025,796.26 overall), for an amount of Euro 0.08 for each of the 10,166,679,946 ordinary shares in circulation on June 20, 2016, the scheduled ex-dividend date, for an overall amount of Euro 813,334,395.68;
3. to pay, before withholding tax, if any, an overall dividend of Euro 0.16 per ordinary share – of which Euro 0.08 as distribution of the 2015 net income and Euro 0.08 as partial distribution of the available reserve named "retained earnings" – as from June 22, 2016, with the ex-dividend date of coupon no. 24 falling on June 20, 2016 and the "record date" (*i.e.* the date of the title to the



payment of the dividend, pursuant to Article 83-*terdecies* of the Legislative Decree no. 58 of February 24, 1998 and to Article 2.6.6, paragraph 2, of the Rules of the Markets organized and managed by Borsa Italiana S.p.A.) coinciding with June 21, 2016.