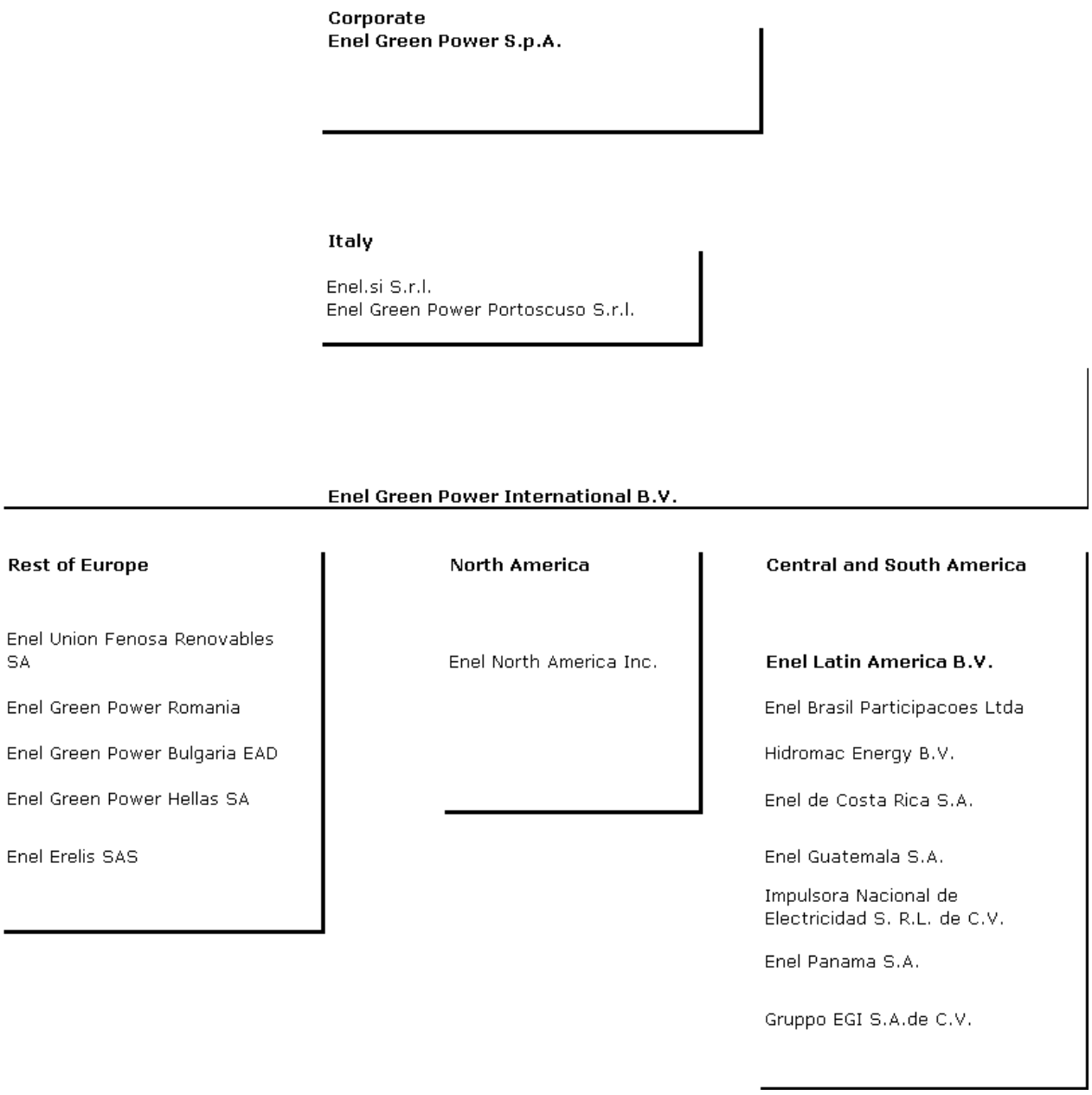
2009 Enel Green Power Annual Report

INDEX

REPORT ON OPERATIONS

Structure of the Enel Green Power Group in 2009



Corporate boards

Board of Directors

Chairman

Francesco Starace

Directors

Andrea Brentan
Massimo Cioffi
Luigi Ferraris
Claudio Machetti
Giovanni Mancini
Carlo Tamburi

Board of Statutory Auditors

Chairman

Leonardo Perrone

Regular auditors

Giuseppe Ascoli
Giuseppe Mariani

Alternate auditors
Giulio Monti
Francesco Rocco

External Auditor

KPMG S.p.A.

Powers

Board of Directors

The Board is vested by the bylaws with the broadest powers for the ordinary and extraordinary management of the Company, and specifically has the power to carry out all the actions it deems advisable to implement and attain the corporate purpose.

Chairman of the Board of Directors

The Chairman is vested by the bylaws and the law with powers concerning the running of the administrative bodies (Shareholders' Meeting and Board of Directors) and the legal representation of the Company in dealings with public and economic authorities, in Italy and abroad, including all relations with credit institutions, financing bodies, financial authorities and credit insurance agencies.
The Chairman was also vested with a number of additional powers pursuant to a Board resolution of April 17, 2009.

Summary of results

Economic data

Millions of euros	
	2009
Revenues	1,777
Gross operating margin	1,207
Operating income	791
Net group and minority income	439
Net group income	418

Revenues for 2009, which totaled €1,777 million, related mainly to electricity production and sales (€1,508 million, taking into account incentives), sales of photovoltaic material and the construction of photovoltaic plants (€114 million), and sales of white certificates (€48 million).

The *gross operating margin*, which totaled €1,207 million, included the impact of net income from commodity risk management worth €118 million, other revenues amounting to €44 million and other operating costs totaling €60 million.

Operating income amounted to €791 million, taking into account €416 million of depreciation and amortization relating mainly to property, plant and equipment.

Net Group income totaled €418 million, net of €135 million of net financial expense and taxes of €219

million.

Balance sheet data

Millions of euros

	2009
Net invested capital	7,909
Enel Green Power net financial debt	5,345
Shareholders' equity (including minority interests)	2,564
Cash flow from operating activities	897
Investments (before grants)	744

Net invested capital totaled €7,909 million and is funded by shareholders' equity attributable to shareholders of the Parent Company and minority interests in the amount of €2,564 million and net financial debt of €5,345 million.

On March 17, 2010 the Parent Company, Enel S.p.A., wrote off €3,700 million of this debt to be allocated to other available reserves (see Note 42).

Net financial debt totaled €5,345 million, with a debt-to-equity ratio of 2.08.

Net capital expenditure on property, plant and equipment and intangible assets, totaling €744 million, was recorded inclusive of grants (worth €44 million).

Operations

The table below shows key data concerning operations, broken down between operations in Italy and abroad and by workforce size:

	Italy	Abroad	**Total**
		2009	
Net electricity generation (millions of kWh)	11,733	7,170	**18,903**
Net installed capacity (MW)	2,637	2,171	**4,808**
Workforce (employees)	1,756	929	**2,685**

The Group's *net electricity generation* in 2009 was 18,903 million kWh, of which 62% was generated in Italy (installed capacity of 2,637 MW) and the remaining 38% abroad (installed capacity of 2,171 MW).

Economic and financial data by geographical area

The following table shows the economic figures broken down by geographical area:

Millions of euros	2009		
	Revenues	Gross operating margin (EBITDA)	Operating income
Italy	1,265	884	578
Rest of Europe	123	77	39
Central and South America	262	156	125
North America	144	90	49
Eliminations and adjustments	(17)	0	0
Total	**1,777**	**1,207**	**791**

The table below shows the financial figures broken down by geographical area:

Millions of euros	2009		
	Operating assets	Operating liabilities	Investments
Italy	5,298	472	344
Rest of Europe	1,165	164	256
Central and South America	855	53	108
North America	857	47	36
Eliminations and adjustments	(20)	(20)	0
Total	**8,155**	**716**	**744**

Investments were recorded inclusive of grants (worth €44 million).

The following table shows details of the workforce size by geographical area:

no. of employees	
	2009
Italy	1,756
Rest of Europe	140
Central and South America	509
North America	280
Total	**2,685**

Significant events in 2009

January

Acquisition of Enel.si S.r.l. and Enel Green Power International B.V.

On December 23, 2008 the Parent Company, Enel Green Power S.p.A., signed a contract, effective on January 1, 2009, to purchase 100% of the stake held by Enel Investment Holding B.V. in Enel Green Power International B.V. for a total of €1,690 million, as well as 100% of the stake held by Enel S.p.A. in Enel.si S.r.l. for €9.2 million, as part of the restructuring and regrouping of the Enel Group's renewables operations.
Following the corporate transactions carried out in 2008, Enel Green Power International B.V. controls, directly and/or indirectly, all the companies within the Enel Group that operate in the renewable energies sector abroad (except for those that fall within the scope of Endesa).

Acquisition of exploration rights for development of geothermal projects

On January 9 Enel North America acquired the exploration rights for five pieces of land in Millard County, Utah, covering a total of 13,262 hectares, from the Bureau of Land Management, the agency of the United States Department of the Interior that manages public land, for the development of geothermal projects.

Entry into service of wind plants with a capacity of 39 MW in Italy

On January 7 the Acquaspruzza 2 and Monterosso wind plants, both located in Molise, entered into service. The new plants comprise 42 wind turbines, with a total installed capacity of 39 MW. They are expected to generate around 88 million kWh per year.

April

Smoky Hill II loan

On April 1, 2009, the Company signed a tax partnership agreement relating to the Smoky Hill II plant. The transaction involves the provision of loans for a total of around $130 million (around €93 million) from financial investors, in exchange for the transfer to these investors of the benefits deriving from production tax credits (PTC), the tax credits offered as an incentive for renewable generation in the United States for each kWh sold, and the deferred tax assets deriving from the accelerated depreciation (NOLs – net operating losses) of ENA which the latter cannot take advantage of, since it does not have a sufficient tax base.

Completion of Leign Ar Gasprenn wind farm

April 2 saw the completion of the Leign Ar Gasprenn wind farm, located in the municipality of Colorec, which has a total installed capacity of 8 MW.

International Wind Park of Rhodes

The acquisition of the Koutsoutis wind farm was completed on April 22, 2009, representing an investment of €32 million. The wind park has an installed capacity of 11.7 MW. It is expected to generate around 102 million kWh per year.

Acquisition of shares in Enel Fortuna S.A.

Between April 21 and 27, 2009, Americas Generation Corporation (AGC) bought 1,055,171 shares in Enel Fortuna S.A., taking its stake in the Company to 50.06%.

Injuber agreement for the development of thermosolar plants

Enel Union Fenosa S.A., via its subsidiary, Energias Especiales de Andalucía, signed an agreement with Injuber, a company that operates in the electricity and electronic engineering sector, for the joint development of four thermosolar plants in the provinces of Huelva, Córdoba and Jaén, with a potential capacity of 200 MW.

May

Glafkos Hydroelectric Station

On May 18, 2009, the Company acquired the Glafkos Hydroelectric Station mini-plant, which has an installed capacity of 5.5 MW, in a deal worth €18 million. It is expected to generate around 48 million kWh per year.

June

Entry into service of wind plants with a capacity of 86 MW in Spain

Three wind plants entered into service in Castilla-La Mancha: Loma Gorda, with a capacity of 50 MW, San Gil, which has a capacity of 36 MW, and Pena del Gato, with a capacity of 16 MW.

International Wind Park of Achaia

The acquisition of the Lithos wind plant was completed on June 23, 2009, representing an investment of €28 million. The wind park has a total net installed capacity of 18.9 MW. It is expected to generate around 166 million kWh per year.

Completion of the Les Eparmonts wind farm

The Les Eparmonts wind farm, located in Haute Marne, was completed on June 19, 2009. The new plant, which comprises 8 turbines with a capacity of 1.5 MW each, is expected to generate around 24 million kWh per year. The entry into service of the new wind farm raised the Company's installed wind capacity in France to over 28 MW, with another 40 MW under construction as part of a development pipeline of more than 500 MW.

July

Entry into service of wind plants with a capacity of 23 MW in Italy

The Littigheddu wind plant in Sardinia entered into service on July 23. It comprises seven 1.5 MW aerogenerators, in addition to the 36 already in operation at the site. The plant has a total capacity of 65 MW and is capable of producing around 90 million kWh per year, enough to supply more than 33,000 local households, saving 70 thousand tons of CO_2 emissions each year.

August

Entry into service of wind plants with a capacity of 55 MW in Spain

The Peña I, Peña II (in Castilla) and Coto de Codesas (in Galicia) wind plants entered into service, with installed capacities of 16 MW, 18 MW and 21 MW respectively.

September

Acquisition of rights for the development of wind projects in Mexico

On September 9, 2009 Enel Latin America B.V. signed an agreement with Energia Renovables Termica e Hidraulica de Mexico, S.A. de C.V. ("Enerthi Mexico") and Energia Renovables Termica Hidraulica S.L. ("Enerthi Spain") for the development of wind projects in Mexico with a total capacity of up to 1,000 MW. Through this agreement Enel acquired the exclusive right, but not the obligation, to acquire the projects developed by Enerthi when these projects reach the buildable stage, at a predetermined price. The projects have a preliminary capacity of between 40 and 200 MW and are located in the states of Baja California, Zacatecas and Oaxaca.

Grants for concessions

On September 23, 2009, Enel North America Inc. received a $61.5 million (€44 million) grant from the American government by way of a repayment of 30% of the construction costs of the Stillwater and Salt Wells geothermal plants.

First wind park in Canada

September 28, 2009 saw the inauguration of the Company's first wind plant in St. Lawrence, on the island of Newfoundland, with an installed capacity of 27 MW generated by nine 3 MW turbines supplied by Vestas. The electricity generated will be sold to Nalcor Energy via Newfoundland Power and the grid system of Newfoundland and Labrador. The Canadian government has also announced its intention to contribute $8.3 million (around €6 million) in funds to the project via the ecoenergy program for the promotion of renewable energy sources.

Entry into service of wind plants with a capacity of 14 MW in Spain

The Picazo wind plant in Castilla-La Mancha entered into service, with an installed capacity of 14 MW.

Completion of the Pannecé Beausejour park

On September 24, 2009 the Pannecé Beausejour wind park, located in the communes of Pannecé and Bonnoeuvre, was completed, with an installed capacity of 10 MW.

October

Entry into service of the Sasso II geothermal plant

The Sasso II geothermal plant entered into service on October 15, with a capacity of 20 MW. The plant is capable of producing 130 million kWh, enough to supply 50,000 households.

Acquisition of wind farms in Bulgaria

Enel Green Power completed the acquisition of two wind plants – Kamen Bryag and Shabla – with a total installed capacity of 42 MW, located in the areas with the largest wind power potential in the country (2,600-2,700 equivalent hours). The project involved the acquisition by Enel Green Power Bulgaria E.A.D. of 100% of the seven ad hoc companies relating to the Kamen Bryag project, 100% of the wind park owned by the seven ad hoc companies relating to the Shabla project, and a right of first refusal over another nine turbines in these two areas.

Renewables in Greece

On October 23, 2009 Enel Green Power completed the significant acquisition of five companies controlled by Domiki Crete S.A., a company listed on the Athens stock exchange, and by ATESE S.A.. In addition to the recently constructed 6 MW plant that they own, now in service, these five companies are developing a pipeline of wind projects for a total of 272 MW, which are expected to enter into service between 2011 and 2015.

The transaction involved the acquisition by Enel Green Power of a wind plant in service (6 MW), a wind project under development (7 MW), a hybrid project (wind plant and hydroelectric pumping plant) with a capacity of 12 MW and a 5 MW wind farm, located on the island of Crete.

The total cost paid to acquire these companies was €14 million.

A development agreement was also signed, giving Enel Green Power an option to acquire a controlling stake in or 100% of the share capital of three ad hoc companies which have a pipeline of projects in Macedonia and the Peloponnese area, with a total capacity of 248 MW. Enel may exercise the option once these companies have obtained construction permits for the wind parks.

The transaction was worth a total of €14 million.

New wind farms in France

On October 21, 2009 Enel Green Power S.p.A. brought two wind farms into service, comprising six 2 MW turbines at the Le Nouret site and three 2 MW turbines at the Le Noyer site, with a total installed capacity of 18 MW. Both wind parks are located in the Vallée d'Arce, in the Champagne-Ardenne region, and are part of a wider project that will eventually have a capacity of 30 MW, becoming Enel Green Power's main wind power site in France.

The Diamond

After three years of research, the Diamond was inaugurated on October 23, 2009. The Diamond is an integrated photovoltaic production system capable of storing the electricity produced by photovoltaic panels during the day and releasing it at night.

November

Development agreements in Mexico

On November 26, 2009, Enel Latin America B.V. signed an agreement with SoWiTec Operation GmbH ("SoWiTec Germany") and SoWiTec de México Energías Renovables S. de R.L. de C.V. ("SoWiTec Mexico") for the development of wind projects in Mexico, for a total capacity of up to 1,000 MW. Through this agreement Enel acquired the exclusive right, but not the obligation, to acquire the projects developed by SoWiTec when these projects reach the buildable stage, at a predetermined price. The projects have a preliminary capacity of between 100 and 200 MW and are located in northern Mexico, the Gulf of Mexico and the continental regions.

Renovables de Guatemala

Via Renovables de Guatemala S.A. (hereafter "*RdG*"), a company wholly controlled by the Enel Group via Enel Latin America B.V. (99.999%) and ENEL Guatemala S.A. (0.001%), Enel Green Power developed the Palo Viejo project, which involves the construction and operation of a new hydroelectric plant located in the municipality of San Juan Quetzal (Guatemala), with an installed capacity of 84 MW. Total investment in the project will be around €180 million. The project is eligible for incentives pursuant to Law 100 of 1990, "Creation of companies in countries outside the European Union", which involves two forms of incentives: investment in the share capital of the foreign company of Simest (up to a maximum of 25% of the share capital of the foreign company and 49% in total if the venture capital fund of the Ministry of Economic Development is also used), and an interest subsidy for a maximum (in the calendar year) of €40 million in loans per company and €80 million in loans per economic group. The maximum term of the loans is eight years, starting from the date on which the first funds are granted.

Geronimo Wind Energy L.L.C.

On November 26, via its subsidiary, Enel North America Inc., Enel Green Power signed an agreement with Geronimo Wind Energy L.L.C., a Minnesota-based utility that develops wind plants, to acquire a stake in its share capital and form a strategic partnership. The two companies will work together to develop a wind power pipeline with an installed capacity of 4,000 MW in the northern Midwest and potentially in other regions of the United States.

Entry into service of wind plants with a capacity of 30 MW in Spain

The Valdelacasa and Espina wind plants, located in Castilla-La Mancha and Castilla y León respectively, entered into service. Valdelacasa has an installed capacity of 12 MW, compared with 18 MW for Espina.

December

Enel Green Power Hellas

December saw the creation of Greek-registered company Enel Green Power Hellas S.A., to which the Company's stakes in Greek companies Wind Parks of Thrace, International Wind of Thrace, International Wind Power and Hydro Constructional were assigned. The other Greek companies will be transferred in 2010.

The contribution of renewable energy to sustainability

Value creation for sustainable development

As part of the Enel Group, Enel Green Power is committed to carrying out its business in a stakeholder-oriented manner, paying considerable attention to the needs of the interested parties surrounding it. It is for this reason that Enel implements CSR (corporate social responsibility) practices in all its operations, which are recorded in detail every year in the Sustainability Report (for more information see www.enel.com/sostenibilità).

Renewable energy sources have enjoyed unprecedented growth in recent years thanks to technological advances and strong political support in a number of countries. At the end of 2008, their total global installed capacity was 1,150 GW. According to the most cautious estimates, this may grow by 700 GW by 2020, whereas more optimistic estimates suggest an increase of 1,900 GW, meaning the installed capacity would double in just 12 years. Europe has been the main driving force behind this development of renewables, but North America, thanks to President Obama's "New Green Deal", is looking to play a significant role in the near future.

It was in this promising context that Enel Green Power was created. In late 2008 the Company immediately confirmed its position on the international scene as a leader in the sector in terms of electricity generation, geographical presence and technological diversification.

Enel Green Power operates in Europe, North America, and Central and South America, with an installed capacity of around 4,500 MW from renewable sources. It therefore has an inherent commitment to the environment and future generations, with a view to contributing to a future in which a reduction in emissions can help to improve people's lives in a cleaner environment.

Its strength is based on a highly innovative growth model. Above all, it is based on the importance of a balanced mix of technologies: that is why it is capable of generating electricity from various different sources, including on-shore wind, photovoltaic solar, geothermal and hydroelectric power, as well as biomass.

So what lies ahead? Enel Green Power is committed to following the path of sustainable development that a number of countries have advocated on a global level, seeing the renewable energies sector as its main driving force. The renewables markets are expected to enjoy strong growth over the next 10 years, offering a host of important opportunities. Wind power will play a significant role, but there are also some very interesting possibilities on the horizon for all the main emerging technologies, such as solar energy, as well as more well-established technologies, such as hydroelectric and geothermal power.

Enel Green Power will gear its efforts towards developing a strong-growth sector and helping to make it sustainable, not only from an environmental and social point of view, but also in economic terms, making the abundant natural resources available accessible to an ever-increasing number of consumers.

However, the Company's commitment to sustainability does not refer to the environment alone. As part of the Enel Group, Enel Green Power is committed to being a good citizen in the countries in which it operates: its actions are guided by the Code of Ethics, applicable to the entire Group, which outlines the principles of good conduct that everyone must follow in order to act properly and transparently, above all respecting human rights. At the same time, corporate responsibility is put into practice

through concrete measures to support the areas in which the Company operates. In Latin America the Company is committed to developing cooperation and maintaining close relations with stakeholders through CSR initiatives involving the culture, education, health and wellbeing of the communities in which it works.

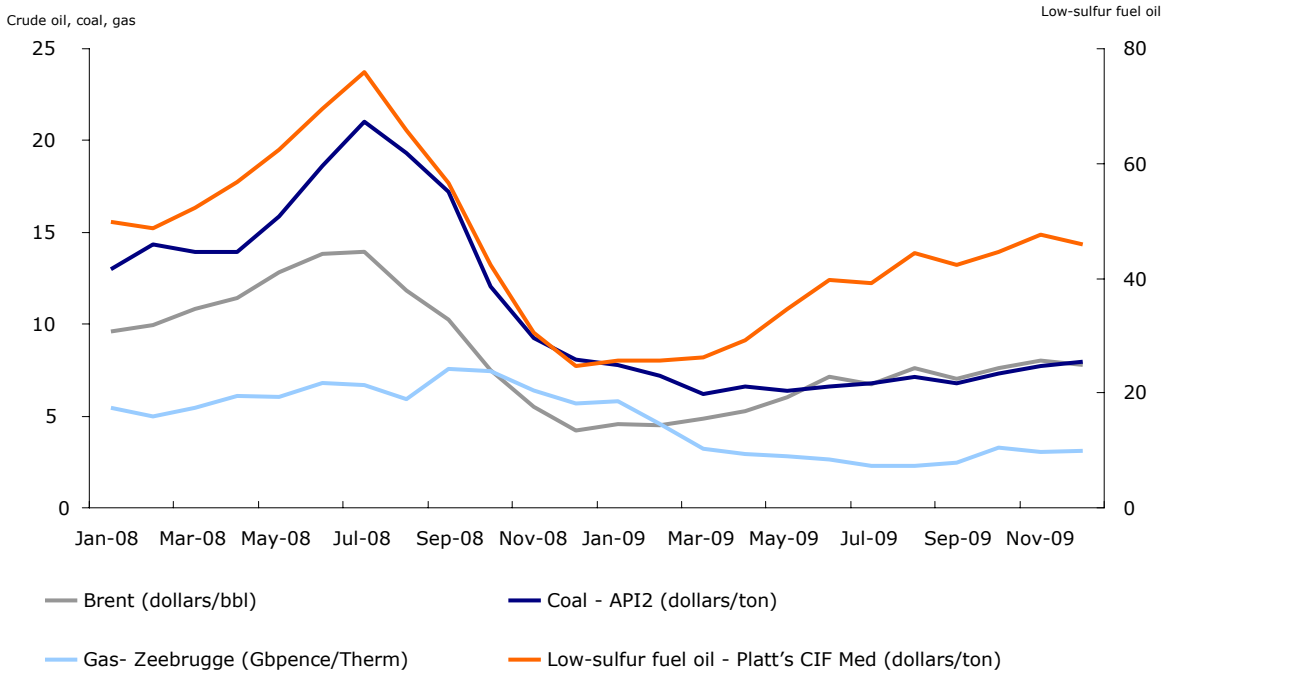
For example, Enel Costa Rica, which is part of Enel Green Power, proves that sustainability does not have to involve only "Enel citizens". Social responsibility initiatives are being launched via a Social Management Committee together with local communities, enabling them to play a leading role in their own development.

Economic and market context

Performance of the main market indicators

The following graphs show the performance of the main market indicators in 2008-2009.

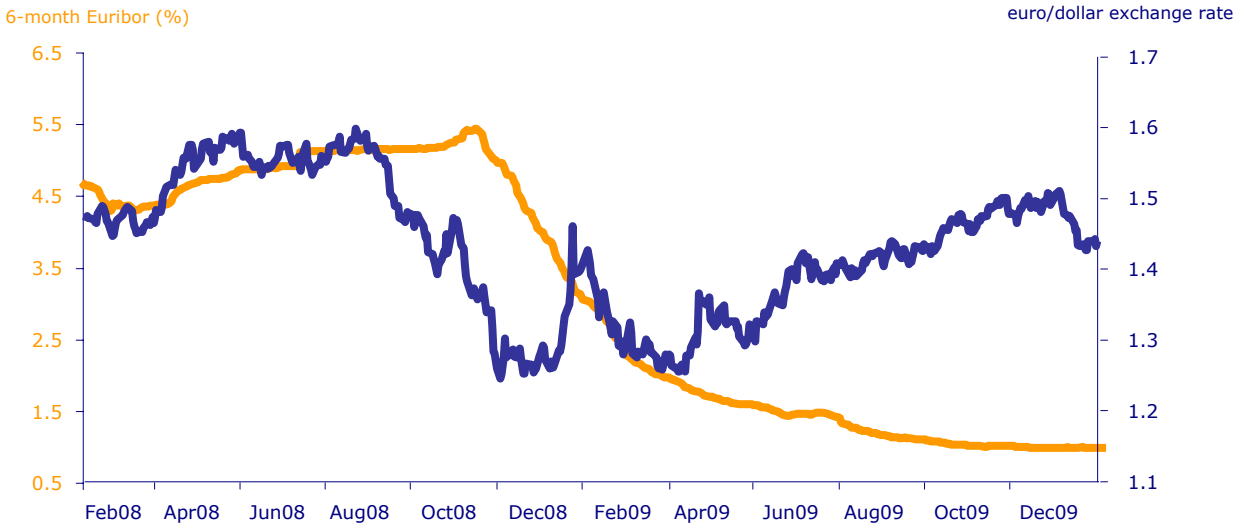
Fuel prices



In 2009 energy commodity prices gradually recovered from the lows reached at the end of 2008. This was due to operators' confidence in the recovery of the global economy, rather than an actual strengthening of market fundamentals.
After plunging more than 75% between July and December 2008, Brent prices remained depressed for the entire first quarter of 2009. It was only in the second quarter that a slow, difficult recovery began, with the commodity recording prices of more than $70 a barrel from August onwards. The average price of Brent fell by more than 30% in 2009 compared with the previous year, dropping from $97.7 to $62 a barrel.

Coal prices in 2009 performed similarly to crude oil prices. After peaking in summer 2008 ($224 a ton in early July), the price of CiF ARA (API2) coal rose again in the second half of 2009, from the year's low of $55 a ton (early March 2009) to $82 at the end of the year. The average price of CiF ARA coal fell by more than 50% in 2009 compared with 2008, plunging from $147.2 to $70.4 a ton.
The average price of natural gas at the European hub of Zeebrugge fell 48%, from 62.0 to 32.1 GB pence/therm.
Finally, the average price of low-sulfur fuel oil fell 30%, from $529.3 a ton in 2008 to $370.7 in 2009.

Money market



Money markets fluctuated in 2009 and 2008, mainly due to the crisis that struck financial markets. The euro/dollar exchange rate slid from an average of 1.47 in 2008 to an average of 1.39 in 2009, falling 5.4%. Meanwhile, the six-month Euribor rate fell from an average of 4.73% in 2008 to 1.43% in 2009, affected by a sharp drop in interest rates from the fourth quarter of 2008.

Economic performance of relevant countries

In 2009 the international economy was characterized by a deep recession, the worst since the Second World War, which began in late 2007 following the financial shock that erupted in the summer of the same year. The most acute phase of the recession took place in the first half of 2009. Thanks to the monetary and fiscal policy measures implemented by governments on a global level, the second quarter of 2009 saw a recovery from the low point of the economic cycle, while almost all national economies began to grow again in the third quarter.
Commodity prices also reflected the end of the most acute phase of the crisis in the second half of 2009, enjoying a recovery compared with the first few months of the year: the price of Brent closed 2009 at $77 a barrel (compared with $40 a barrel in February), returning to 2007 levels.
As regards currency, the euro closed 2009 at 1.44/US dollar, thanks to the recovery in the second half of the year as investors returned to high-risk markets (1.45/US dollar in the second half, compared with 1.33 in the first half).

Global GDP shrank by 2.1% in 2009, compared with growth of 2.0% recorded in 2008.
In 2009 the fall in GDP in the United States (-2.4% in 2009, compared with +0.4% in 2008) and the euro area (-4.1% in 2009, compared with +0.6% in 2008) was mainly caused by lower investments due to reduced credit availability and a fall in international demand. Household consumption, which suffered from the decline in stock market indices and rising unemployment, nevertheless maintained its level thanks to the stability of purchasing power, which was sustained by the drop in inflation and the impact of fiscal stimulus measures.
Public expenditure limited the fall in domestic demand and laid the foundations for the recovery of the economy from 2009 onwards. Public debt suffered the consequences of these measures, rising considerably in both the United States and the euro area.
The recession hit with varying levels of intensity in the different countries of the euro area, depending on the type of government intervention adopted and the different development models used. The German economy suffered more than other countries from the sharp slowdown in global trade, while in Spain the property market crisis had a significant impact on domestic demand and the job market.
The Italian economy underwent a period of deep crisis in 2009, with GDP shrinking 5.0%, despite the recovery that began in the third and fourth quarters, thanks mainly to the stabilization of domestic demand. The economic context in Italy was worsened by the public finance figures, with a public sector deficit almost double that of 2008.
In 2009 the countries of eastern Europe and Russia (GDP -7.9%) suffered a deep recession caused by a fall in investments (which were affected by reduced flows of foreign capital and difficult credit conditions) and exports.
The economies of Latin America also shrank (GDP -0.5%) following the high growth rates recorded in previous years (GDP 2008 +4.8%; 2007 +6.0%).
The following table shows GDP growth trends in the main countries in which Enel operates.

Annual GDP increase in real terms

%

	2009	2008
Italy	**(5.0)**	**(1.3)**
Spain	(3.6)	0.9
Portugal	(2.8)	(0)
Greece	(2.0)	2.0
France	(2.2)	0.3
Bulgaria	(5.1)	6.0
Romania	(7.2)	7.1
Brazil	(0.2)	5.1
Chile	(1.7)	2.9
Mexico	(6.4)	1.4
Canada	(2.5)	0.4
USA	(2.4)	0.4

Source: National statistics institute and Enel based on data from Global Insight, EUROSTAT, IMF, OECD, Barclays, Credit Suisse, Morgan Stanley, Goldman Sachs, UBS and HSBC.

Energy markets

Italy

According to the latest definitive data available (from Terna S.p.A.), in 2009 electricity consumption in Italy totaled 316,852 million kWh, down 7% compared with 2008.
In connection with this fall in consumption, net national production decreased (-28,935 million kWh or 9%), while net imports increased (+4,415 million kWh or 11%).
The following table shows electricity flows in Italy and the contribution of the various sources in the period in question:

Millions of kWh

	2009	2008	Change	
Gross electricity generation:				%
thermal	225,987	261,328	(35,341)	(14%)
hydroelectric	51,743	47,227	4,516	10%
geothermal	5,347	5,520	(173)	(3%)
wind	6,087	5,055	1,032	20%
Total gross electricity generation	**289,164**	**319,130**	**(29,966)**	**(9%)**
Auxiliary services consumption	(11,034)	(12,065)	1,031	(9%)
Net electricity generation	**278,130**	**307,065**	**(28,935)**	**(9%)**
Net electricity imports	**44,449**	**40,034**	**4,415**	**11%**
Consumption for pumping	**(5,727)**	**(7,618)**	**1,891**	**(25%)**
Electricity demand	**316,852**	**339,481**	**(22,629)**	**(7%)**

NB: Data source: Terna - Rete Elettrica Nazionale (monthly report - December 2009)

In 2009 national net electricity generation covered 87.8% of demand, against 90.5% in 2008. The remaining 13.2% (10.5% in 2008) of electricity demand was supplied by imports.
Of the total national electricity generation, thermal power represented 81.3% (85.1% in 2008) and hydroelectric power 18.6% (15.4% in 2008), while the remaining 4.1% was supplied by geothermal and wind sources (3.4% in 2008).

The first year-end estimates, which the Department of Energy of the Ministry of Economic Development prepared by using the results of both the dispatching activities carried out by Terna and the process of approving plants to qualify for incentives carried out by *Gestore dei Servizi Energetici* (the Electricity Services Operator), show that electricity generation from renewable sources increased by 13% compared with 2008, rising from 58.16 TWh at the end of 2008 to around 66 TWh at the end of 2009.

Solar energy generation from photovoltaic plants enjoyed the sharpest increase of the renewable sources, rising from 193 GWh in 2008 to around 1,000 GWh in 2009, an increase of more than 400%. Wind power also saw a notable increase, with production rising from 4,861 GWh in 2008 to around 6,600 GWh in 2009, an increase of 35%.

International

Electricity demand trend

TWh

	2009	2008	2009-2008
Spain	251	263	(4.6%)
Portugal	50	51	(2.0%)
France	486	494	(1.6%)
Greece	52	56	(7.1%)
Bulgaria	33	34	(2.9%)
Romania	50	55	(9.1%)
Brazil	445	453	(1.8%)
Chile (2)	41	41	-
Mexico (3)	198	208	(4.8%)
USA (3)	3,570	3,765	(5.2%)

(1) Europe/Urals.
(2) Data refer to the SIC – *Sistema Interconectado Central*.
(3) Excluding network losses.
Source: Enel based on data from TSO.

Regulatory and rate issues

Italy

For a number of years, public authorities at a European, national and local level have been making an effort to promote the use of renewable sources and energy efficiency. In Italy this has resulted in a number of incentive measures aimed at operators in the energy sector, as well as businesses and individuals.

Several public initiatives are in operation nationwide to encourage or facilitate the use of renewable sources, such as Green Certificates and White Certificates, the Energy Account, On-the-Spot Trading, Dedicated Withdrawal and the CIP 6 regime. Tax breaks are also offered to encourage energy efficiency in existing buildings, which are aimed at individuals, businesses and other entities.

Dedicated Withdrawal

The system of the sale of electricity via dedicated withdrawal by the Gestore Servizi Energetici (GSE) is a simplified procedure for producers to sell electricity fed into the grid to the GSE, instead of using bilateral contracts or selling directly on the Power Exchange.

For plants fueled by renewable sources with a nominal active capacity of up to 1 MW, this involves minimum prices which decrease as production increases.
Resolution no. 280/07 of the Authority for Electricity and Gas (AEG) provided for these prices to be differentiated for each source. The publication of guaranteed minimum prices for each source was initiated by the hydroelectric sector (Resolution no. 109/08 of the AEG), which led to subsequent provisions for the revision of guaranteed minimum prices for other sources.

On-the-Spot Trading

The on-the-spot trading service consists of generating a physical amount equal to the difference between the electricity fed into the grid and the electricity drawn on an annual basis (net metering). Plants fueled by renewable sources with a capacity of up to 20 kW and those fueled by renewable sources with a capacity of up to 200 kW (if they entered into service after December 31, 2007, pursuant to Ministerial Decree of December 18, 2008) are eligible for the on-the-spot trading service. The specific form of consumption by the network itself that is made possible by on-the-spot trading (offsetting of items with electricity of a different value) means that the interested party does not have to bear the supply cost related to the value of the electricity drawn up to the value of the electricity fed into the grid, because the electricity traded is equivalent to electricity produced and consumed by the network itself. On-the-spot trading requires a single connection point at the plant for withdrawal and production (bidirectional meter).
Since January 1, 2009 this service has been provided directly by the Electricity Services Operator, whereas it was previously provided by distribution companies. The service provided by the Electricity Services Operator entitles the applicant to receive an annual net metering subsidy expressed in euros, thereby offsetting the value associated with the electricity produced and fed into the grid against the value associated with the electricity drawn and consumed in a different period from that in which the production takes place.

Green certificates

The Green Certificates system, introduced in 2001 pursuant to article 11 of the Bersani Decree, obliges importers and producers of electricity from non-renewable sources to feed a certain quota of electricity generated by renewable sources into the national electricity grid in the following year. These operators may fulfill the obligation by purchasing, in full or in part, the equivalent quota or related rights from other producers, provided that these producers feed electricity from renewable sources into the national grid. Green Certificates are negotiable certificates that attest to the production of electricity from renewable sources.
From 2012 onwards the Green Certificates system will undergo profound changes, because the "obligation" will apply to holders of contracts for dispatching electricity being withdrawn, or to sellers. The Electricity Services Operator published the guaranteed withdrawal price (before June 2010) of the Green Certificates issued for electricity produced in 2007, 2008 and 2009, with the exception of production from cogeneration plants coupled with district heating: this price, equal to €88.91/MWh, corresponds to the weighted average price of Green Certificate contracts recorded on the market organized by the Electricity Market Operator between 2007 and 2009.

White Certificates

The incentive system known as “White Certificates” (the technical name for which is “Energy Efficiency Certificates”) has been in operation since 2005. It is a complex mechanism that involves “obligations”

for electricity and natural gas distributors, combined with "benefits" offered to operators that reduce and improve their final energy usage.
Specifically, electricity and natural gas distributors are required by law to save a certain quota of energy. The operators may do this by directly implementing energy efficiency measures with their customers and obtaining the corresponding White Certificates, or by purchasing a quantity of White Certificates corresponding to the quota not obtained.
One White Certificate represents a saving of 1 ton of oil equivalent, the conventional unit of measurement generally used in energy balances to express all sources of energy, taking into account their calorific value.

Fixed All-in Rate

The All-in Rate, as explained in more detail below, is a monetary incentive that is differentiated for each source and applied for net electricity fed into the grid as an alternative to Green Certificates. It is designed to promote small plants, simplifying procedures and guaranteeing a fixed, predictable return. The All-in Rate is applicable to all renewables (with the exception of solar power) and is granted for a period of 15 years.

Energy Account for photovoltaic plants

The Energy Account is an incentive designed to promote electricity production from photovoltaic plants. It consists of an incentive rate applied to all electricity produced from the plant and a choice between two regimes of production/utilization of the electricity generated, according to the size of the plant and its own convenience: On-the-Spot Trading and Dedicated Withdrawal.
As is well known, after December 31, 2010 the Energy Account rates will be subject to review. Ministers are already studying a new draft decree for the incentive regime for 2011 onwards.
The official document is pending publication.

CIP 6/92 Agreements

The acronym "CIP" refers to Interministerial Price Committee measure no. 6 of April 1992, which established the prices at which private operators could sell electricity produced from renewable or similar sources to Enel (now to the Electricity Services Operator) for more than the market price. The measure also classified true renewable sources and those that are similar (thermal energy generated using waste) as equal for incentive purposes.
The Ministerial Decree of December 2, 2009, "Mechanisms for the early termination of the CIP 6/92 agreements", governs the withdrawal of any type of plant from the CIP 6/92 regime, now considered "not very efficient in a liberalized market structure". Early termination must be voluntarily requested by the producer.
The price to which the producer is entitled consists of all incentives yet to accrue, revalued according to ISTAT (national statistics institute) data, related to the capacity and the number of equivalent hours/year for the remaining years of the agreement, all discounted by 6%.
To date the Group has only one plant that benefits from the CIP 6 regime, with the incentive due to expire on February 13, 2010.

Ministerial Decree of December 18, 2008

With the 2008 Finance Act (Law 244/2007), Parliament amended the mechanisms for incentivizing electricity generated by plants fueled by renewable sources which entered into service after December

31, 2007. The same law implemented the new regulations via a series of ministerial decrees. The first step was completed when the Minister of Economic Development approved the Ministerial Decree of December 18, 2008, "Incentives for the production of electricity from renewable sources, pursuant to article 2, paragraph 150, of law no. 244 of December 24, 2007".

When defining the incentive system, the 2008 Finance Act distinguishes between small plants, or those with a capacity of less than 1 MW (200 kW for wind plants), and bigger plants. When applying to qualify as a Plant Fueled by Renewable Resources (IAFR), small plants may choose between two incentive mechanisms: an All-in Rate paid for each kWh produced or participation in the Green Certificates market. Medium-large plants are not eligible for the All-in Rate and must participate in the Green Certificates market.

Both incentive mechanisms are differentiated according to source. The All-in Rate differs for the various renewable sources, whereas in the Green Certificates mechanism, the differentiation takes place in the determination of the number of certificates allocated to the plant for each MWh of renewable generation, and is implemented in practice through the definition of correction coefficients. These factors are used to calculate the relevant production for the purposes of issuing the certificates, using actual production.

The Ministerial Decree of December 18, 2008 partially defined the implementation procedures for the new mechanisms, introducing some changes to the rules in force. The changes include:

- the updating of the criteria and procedures for calculating the electricity eligible for Green Certificates or the All-in Rate, providing a new, more transparent definition of the annual energy output eligible for incentives;
- the classification of bioenergy sources and differentiation between incentives;
- the revision of some of the general rules of the system of promoting renewables. The Ministerial Decree of December 18, 2008, implementing the 2008 Finance Act, established the criteria for incompatibility between the various support instruments available in Italy. Electricity generated by plants fueled by renewable sources which has obtained White Certificates or exemption from excise duties or other national, regional, local or EU public incentives in the form of energy account incentives, capital grants or interest subsidies is therefore not eligible for Green Certificates or the All-in Rate. The decree provides a waiver only for plants fueled by biomass from the production process, for which Green Certificates and the All-in Rate can be used in conjunction with other public incentives not exceeding 40% of the cost of investment. In order to implement more than one incentive in conjunction, the use of biomass not from the production process is also permitted, up to a maximum of 20%.

Lastly, other changes concern:

- the exclusion of electricity generation from plants benefiting from the All-in Rate from the quantity of electricity subject to the renewable energy feed-in obligation pursuant to article 11 of Legislative Decree 79/99;
- the provision of an obligation for Green Certificates traded outside of the market organized by the Electricity Market Operator to be recorded and the price communicated. The Electricity Market Operator consequently expanded the system for recording bilateral trading (quantity, price and type of certificate);
- the possibility for plants that entered into service after December 31, 2007 and that have a maximum capacity of 200 kW to opt for the regulated On-the-Spot Trading mechanism as an alternative to the All-in Rate.

Law 99/09 (Development Act)

The main changes introduced by law 99 of July 23, 2009, "Provisions for the development and internationalization of companies and the energy sector", include:

- the possibility for municipalities with a population of less than 20,000 to use On-the-Spot Trading for plants with a maximum capacity of 200 kW, with exemption from the obligation to have a single point for both production and withdrawal;
- the possibility for municipalities to sell areas to private operators for the construction of photovoltaic plants for the allocation of Energy Account incentives and On-the-Spot Trading services;
- the transfer, as of 2011, of the obligation to feed renewable energy into the electricity grid or acquire a corresponding number of Green Certificates from producers to holders of certificates for dispatching electricity being withdrawn;
- the authorization for the Government to adopt measures to determine a new regulatory structure for geothermal energy;
- EIAs on non-thermal plants for the production of energy, steam and hot water with a capacity of greater than 1 MW and on wind plants with a capacity of greater than 1 MW;
- In relation to the transfer of the obligatory quota of Green Certificates from producers to sellers, it should be noted that Decree Law 135/2009, converted by Law 166 of November 20, 2009, provides under article 7 bis for this obligation to be postponed until 2012.

In relation to the restructuring of regulations on geothermal energy, the Ministry of Economic Development has prepared a draft decree confirming that, with regard to the expiration of concessions, the agreements already signed with the regions will be exempt. Enel Green Power has an agreement with the region of Tuscany that provides for geothermal concessions to expire in 2024.

Hydroelectric rent

With Resolution ARG/elt 63/09 of May 28, 2009, "*Determination of average fixed unit costs for the purposes of defining hydroelectric rent for AEM Torino S.p.A. (now Iride Energia S.p.A.), ACEA S.p.A. and Erga S.p.A. (now Enel Green Power S.p.A.) pursuant to article 35, paragraph 35.4, of Resolution 228/01*", the Authority for Electricity and Gas determined the level of fixed costs relating to seven plants owned by Enel Green Power following a request presented by Enel in 2001 for hydroelectric rent to be redetermined. In compliance with this resolution, CCSE paid Enel Green Power €3,433,807 million.

Guidelines for renewable sources

As is well known, article 12 of Legislative Decree 387/03 provides for the Minister of Economic Development, in collaboration with the Environment Minister and the Minister of Cultural Heritage and Activities, to obtain approval from the Unified State-Regions Conference for the guidelines for carrying out the authorization procedure for the construction and operation of electricity plants fueled by renewable sources. The guidelines are also aimed at ensuring that plants are properly integrated into the surrounding area, particularly with regard to wind farms.

The offices of the three Ministries, in collaboration with a representative of the regions, have prepared a draft series of guidelines. The draft, which has already been approved by the Ministry of Economic Development, is currently being examined by the other authorities involved (MIBAC, MATTM and Regions).

Rest of Europe

Spain

Royal Decree 1578/08

As provided for by Royal Decree 1578/08, in 2009 four *convocatorias* were issued for the presentation of applications for photovoltaic plants to enroll in the dedicated register for compensation. In total, plants with a combined capacity of 502 MW enrolled, of which 161 MW related to integrated installations and 341 MW to land-based installations. As regards the compensation allocated to the plants enrolled (which is subject to changes depending on the relationship between the capacity corresponding to the applications presented and the capacity ceiling relating to each *convocatoria*), the feed-in rates were kept constant for integrated installations (€340/MWh for plants with a capacity of 20 kW or less and €320/MWh for those with a capacity of more than 20 kW), while the feed-in rate for land-based installations of €320/MWh set out in the first *convocatoria* was lowered to €290.9/MWh for installations enrolled in the fourth *convocatoria*.

On December 7, 2009, the Ministry published the outcome of the fourth *convocatoria*. Based on the applications for enrollment received, the rates to be applied from the first quarter of 2010 were established as follows: €340/MWh for plants with a capacity of 20 kW or less (unchanged from the previous period) and €311.7/MWh for those with a capacity of over 20 kW for integrated installations, and €281/MWh for land-based installations.

Royal Decree Law 6/2009

Royal Decree Law 6/2009 introduced a new administrative register in which new installations under the special regime (except photovoltaic installations) must be enrolled in order to receive compensation pursuant to Royal Decree 661/2007. On the basis of this law:

- the register will remain open until 100% of the installed capacity targets defined by the law are achieved;
- installations will be enrolled on the basis of the date the application is submitted, up until the capacity target specified for each technology is achieved;
- when the enrolled capacity exceeds the target, the remuneration mechanism specified by Royal Decree 661/2007 will be eliminated, and a new one must be established by royal decree.

Resolution of the Ministry of Industry of November 19, 2009

Given the large number of applications to enroll in the administrative register for plants under the special regime provided in Royal Decree Law 6/2009 (which corresponds to a generation capacity level in excess of the targets set by Royal Decree 661/07), and after assessing the system's technical and financial absorption capacity, pursuant to Royal Decree Law 6/2009, the Ministry published the agreement of the Council of Ministers of November 13, 2009 which sets annual capacity ceilings for putting enrolled installations into operation.

France

Law for the promotion of renewable energy

In July 2009 Parliament approved the *Grenelle de l'Environnement* law, which was promulgated on August 3, 2009. The main energy commitments set out in the law relate to an increase in the energy efficiency of final consumption and the development of renewable energies, setting a target of 23% of energy consumption to come from renewable sources by 2020.

The "*Grenelle 2*" law, which will implement the provisions of the "*Grenelle 1*" law, amending previous legislation, was approved by the Senate on October 8, 2009 and is expected to be officially adopted by the first half of 2010. Some of the changes introduced by the "*Grenelle 2*" law directly affect the energy sector. These include the creation of regional plans on procedures for connecting renewable sources to the grid, the extension of energy efficiency obligations to fuel distributors, the preparation of a regulatory framework for CCS technology, the extension of the *obligation d'achat* benefit to local authorities and the establishment of a target of 25,000 MW for the development of wind power capacity by 2020 (on-shore wind power production in 2009 is currently subject to sales rates of around €86/MWh).

Greece

Law on investment incentives

On March 6, 2009 certain amendments were made to the law on investment incentives, providing, among other things, for the elimination of the possibility for photovoltaic plants with an installed capacity of over 2 MW to benefit from grants. Applications submitted to the competent authorities before the law entered into force are exempt, however.

Law for the promotion of renewable energies

As part of the Greek system of incentives for electricity generation from renewable sources (based on Law 2368/2006), which involves a mechanism of annually updated, differentiated feed-in rates for each source, a new regime was introduced for the production of solar photovoltaic energy (Law 3734/2009), defining new rates guaranteed for 20 years and allocated according to the date on which the plant entered into service. Photovoltaic projects for which contracts of sale were signed before this law came into force may take advantage of the new rate.

In June 2009 the Government adopted a series of specific measures relating to the incentive regime for residential photovoltaic systems. Specifically, photovoltaic systems installed on building roofs within the peninsula's system with a capacity of up to 10 kW will benefit from a rate of €550/MWh, guaranteed for 20 years and indexed to 25% of inflation. These systems will be eligible for incentives and tax exemptions applicable to energy sales.

In November the Government announced plans to define a new mechanism in 2010 for the promotion of renewable energy sources. It was also announced that a new regulatory framework would be drawn up to facilitate authorization procedures for plants that produce energy from renewable sources.

Romania

Law for the promotion of renewable energies

In November 2008 a new law was approved for the promotion of energy generation from renewable sources, confirming the support mechanisms for renewable energies introduced by the 2005 law (quantitative obligation for electricity suppliers and the system of transferable certificates, which may be sold bilaterally or on a dedicated market). Renewable energy plants deemed suitable will benefit from the Green Certificate for 15 years. Two certificates will be granted for each MWh produced by wind farms until 2015, with the minimum and maximum values of the Green Certificate fixed at €27/MWh and €55/MWh respectively.

The Ministry of the Economy implemented the Commission notification procedure regarding the version of the law currently in force.

Bulgaria

Law on renewable energy incentives

The law on renewable and alternative energy sources and biofuels in Bulgaria introduced an incentive regime based on guaranteed feed-in rates specific to each source and the signing of Power Purchase Agreements, with a duration of 15 years for wind power and up to 25 years for solar energy, with *Natsionalna Elektricheska Kompania* (NEK). At the end of March 2009 rates for renewable wind farms were published, fixed at around €97/MWh for the first 2,250 hours of production (1.6% higher than the previous year) and around €88/MWh for subsequent hours (2.4% higher than the previous year).

Central and South America

Panama

Resolución de Gabinete 101

On August 23, 2009, *Resolución de Gabinete 101* was approved, under which ANAM (*Autoridad Nacional del Ambiente*) will have the power to update the rates for the use of hydroelectric resources to generate electricity, setting a level of at least $20/MWh. The amount collected through this measure will help to finance a discount (of between 16% and 25%) for customers that consume less than 500 kWh a month, which distribution companies Electra Noreste, Edemet and Edechi must grant for consumption between September and December 2009.

Resolution no. 101 may also open the door to revising the regulation of the electricity sector by permitting the Energy Secretary and the regulator, ASEP, to completely review Law 6 of 1997 (currently in effect) and by requiring the antitrust authority to monitor competition in the electricity generation market and to adopt measures to counter monopolistic behavior.

In September 2009 the government presented a proposal to revise Law 6 of 1997, according to which the ETESA transmission company would be tasked with holding auctions for the supply of energy by distribution companies, to which contracts with producers would subsequently be transferred. On October 6, 2009, Law 54 was published, amending Law 6/1997. The main changes affecting the operations of Fortuna are: the obligation for generators to strongly promote their capacity and available electricity in energy sale auctions; the fines of up to $20 million issued to those that fail to comply with the previous point; and the tasking of the National Transmission Company with coordinating energy sales by auction. On December 3, 2009 a contract was signed for the excess electricity generated in 2010, with Enel Fortuna offering its energy at a price of $0.065/kWh. The new terms of these contracts enable generators to sell part of their electricity on the spot market, up to the extent to which they can cover their purchase costs on this market. Lastly, on February 9, 2010, Cabinet Resolution no. 2 was published, in which the Government recognized the active participation of generators in the various initiatives proposed for them, with the aim of reducing electricity prices, and which left article 1 of Resolution 101-2009, which provided for the rate of $20/MWh as a tax on water usage, to lapse.

Brazil

Auction for wind energy production

On February 10, 2009, the Ministry of Mineral and Energy Resources published and submitted for consultation *Portaria* no. 52, relating to the regulation of a wind energy auction for 2009 to produce 20-year contracts, with production beginning in January 2012 (*Contratos de Energia de Reserva* – CER). On May 28, 2009, through *Portaria* no. 211 and *Portaria* no. 366, the Ministry of Mineral and Energy Resources defined detailed procedures for the wind energy auction, the conditions that projects must meet in order to qualify and the characteristics of the 20-year contracts that will be drawn up following the auction procedure.
In October the Ministry of Mineral and Energy Resources postponed the date of the auction to December 14, 2009 (due to the high level of interest and the large number of projects enrolled to participate). ANEEL set the maximum auction price at 189 Reals/MWh (between €70 and €80/MWh). Enel did not participate in the auction, as it did not consider this price to be profitable.

Instrução Normativa no. 7

On April 13, 2009, the *Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais* (IBAMA) published *instrução normativa* no. 7, according to which electricity plants based on coal and fuel oil must draw up a plan to mitigate CO_2 emissions (reforestation projects, electricity generation from renewable sources and energy efficiency) in order to obtain environmental authorization.

Preparation of general regulations on renewable energy sources

In June 2009, a Special Parliamentary Commission on Renewable Energy Resources was created to examine 16 bills on this issue and to consolidate them into one piece of legislation.
The bills were tabled starting in 2003 and include proposals such as creating a special fund to encourage research and generation using renewable resources, making changes to the Proinfa program (*Programa de Incentivo às Fontes Alternativas de Energia*) and introducing tax incentives to purchase plants.
One of the bills analyzed is no. 630/2003, which provides for the creation of a fund to finance research and to encourage the generation of electricity using renewable resources. The new law would require distributors to acquire at least 600 MW per year from renewable resources (divided equally between wind, biomass and mini-hydroelectric power) for a period of 10 years starting from 2011, with 20-year supply contracts chosen based on the lowest rate.

Chile

Law for the promotion of renewable energies

On December 1, 2009, the CNE (*Comisión Nacional de Energía*) published a regulation to implement Law 20257 of April 1, 2008, on the promotion of energy generated by unconventional renewable sources (ERNCs), which established an obligatory quota and introduced a mechanism for transferable certificates. From January 1, 2010 to 2014, a requirement will be in force to certify that 5% of energy designated for sale to distributors or end customers must be from ERNC sources. The quota will rise by 0.5% per year as of 2015, until it reaches 10% in 2024.
The regulation set out detailed rules for identifying renewable energy sources that enable operators to meet the obligations defined by the law and the supply contracts that give rise to these obligations. It also introduced a renewable energy sources register, which must be created and managed in a well-coordinated manner by the Rate Department (*Dirección de Peajes*) of the country's two CDECs (*Centro*

de Despacho Económico de Carga). This register must contain a list of renewable energy generation units, the quantity of energy produced by them, the trading of excess renewable energy carried out between companies and the penalties paid for failure to comply with the law.

Mexico

Law for the promotion of renewable energies

In October 2008 a new framework law was approved for the promotion of renewable energy sources, providing for the creation of a special fund and the introduction of a new feed-in system. At this time, secondary legislation for implementing the framework law is in the process of being approved and SENER (*Secretaría de Energía*) and CRE (*Comisión Regulatora de Energía*) are preparing the technical regulations.

On June 22, 2009, CRE circulated the draft regulation of the law for promoting renewable energy, published in its final version in the September 2, 2009 *Diario Oficial de la Federación*. On July 7, 2009, SENER formally presented the national strategy for energy transition and the sustainable use of energy.

North America

USA

Law for the promotion of renewable energies

In the US there is no federal rate incentive program for renewable energy resources. To date, 30 states have adopted a mandatory quota mechanism for energy suppliers (Renewable Portfolio Standard - RPS) accompanied by transferable certificates to confirm compliance with the obligation. In order to fulfill the obligation, suppliers announce auctions to sign long-term (10-15 years) contracts to purchase certified energy. At the same time, Congress is continuing discussions on a draft measure to identify an RPS mechanism to support renewable resources, which must be applied at the federal level. In recent months, discussions on RPS and reducing CO_2 emissions have taken place as part of the wider debate on the energy and climate bill (HR 2454), which was definitively approved by the House on June 26 and has now been passed to the Senate for final approval, expected to take place in the first few months of 2010. At the same time, Senator Bingaman presented a proposed law (S. 1462) involving the introduction at federal level of the RPS mechanism to promote renewable energy sources, with an obligation for sellers (part of the obligation may be offset by energy efficiency measures). The proposal received a favorable vote from the Energy and Natural Resources Committee on June 17, with final approval from the Senate expected to take place in the first few months of 2010.

Recovery Plan

On February 17, 2009, President Obama ratified the $787 billion economic stimulus bill passed in Congress on February 12, 2009.

The stimulus package includes an investment of around $60 billion in the energy sector, with $11 billion dedicated to projects to develop electricity grid infrastructure. One of the aims of these projects is to cut congestion costs. The plan, which was approved by the House and Senate, also provides specific renewable energy incentive mechanisms including well-known investment support mechanisms such as the Investment Tax Credit (ITC) and confirmation of the extension of the validity of the Production Tax Credit (PTC) by postponing the incentive expiration date to 2012 for wind power and to 2013 for geothermal, incremental hydroelectric and biomass-generated power.

Overview of the Group's operations and economic and financial performance

Definition of performance indicators

In order to present the results of the Enel Green Power Group and analyze its financial structure, Enel has prepared separate reclassified statements that differ from those envisaged under the IFRS-EU accounting principles adopted by the Company and presented in the consolidated financial statements. These reclassified statements contain different performance indicators from those obtained directly from the consolidated financial statements, which management feels are useful in monitoring performance and representative of the financial performance of the Group's business.
The criteria used to form these indicators are listed below:

Gross operating margin: an operating performance indicator, calculated as "Operating income" plus "Depreciation, amortization and impairment losses".

Net non-current assets: defined as the difference between "Non-current assets" and "Non-current liabilities", with the exception of:
> "Deferred tax assets";
> "Financial receivables with other institutions", "Securities at fair value through profit or loss *by designation" and other minor items, included in "Non-current financial assets"*;
> *"Long-term loans";*
> *"Post-employment and other employee benefits";*
> *"Provisions for future risks and charges";*
> *"Deferred tax liabilities".*

Net working capital: defined as the difference between "Current assets" and "Current liabilities", with the exception of:
> "Receivables for factoring advances", "Current portion of long-term financial receivables", "Other securities" and other minor entries, included in "Current financial assets";
> "Cash and cash equivalents";
> "Short-term loans", "Current portion of long-term loans" and certain items included in "Current financial liabilities".

Net assets held for sale: defined as the algebraic sum of "Assets held for sale" and "Liabilities held for sale".

Net capital employed: calculated as the algebraic sum of "Net non-current assets" and "Net current assets", provisions not previously considered, "Deferred tax liabilities" and "Deferred tax assets", as well as "Net assets held for sale".

Net financial debt: a financial structure indicator, determined by "Long-term loans", the current

portion of such loans, "Short-term loans" and certain items included in “Current financial liabilities”, less "Cash and cash equivalents" and "Current financial assets" and "Non-current financial assets" not previously considered in other balance sheet indicators.

Main changes in the scope of consolidation

In 2009 the scope of consolidation underwent certain changes following the main transactions described below.

Business combinations under common control

- On January 1, 2009 Enel Green Power S.p.A. acquired 100% of the share capital of Enel Green Power International B.V. from Enel Investment Holding B.V., a subsidiary of Enel S.p.A., for €1,690 million. On the same date the Company also acquired 100% of the share capital of Enel.si S.r.l. from Enel S.p.A. for €9 million. Enel Green Power International B.V. operates in the renewable energy generation sector in North and South America and Europe, while Enel.si S.r.l. offers services, products and integrated turnkey solutions for energy saving and efficiency, as well as plant construction and sales to third parties in Italy.
- In October 2009 Enel Green Power International B.V. acquired 100% of the share capital of Enel Erelis S.A.S. from Enel France S.A.S., a subsidiary of Enel S.p.A., for €28 million. Enel Erelis S.A.S. specializes in the generation of wind power in France.

Acquisitions from third parties

- Between April 22, 2009 and June 23, 2009 the Company’s subsidiary, Enel Green Power International B.V., acquired 100% of the share capital of International Wind Rhodes S.A., International Wind Achaia S.A. and Glafkos Hydroelectric A.E. for a total of €79 million. These three companies operate in the wind power generation sector in Greece.

On December 30, 2009 Enel Green Power International B.V. acquired 100% of the share capital of Ailiko Voskerou S.A., a company that operates in the wind power sector, for a total of €5 million.

Group performance

Millions of euros	2009
Total revenues	1,777
Total costs	688
Net income from commodity risk management	118
GROSS OPERATING MARGIN	**1,207**
Depreciation, amortization and impairment losses	416
OPERATING INCOME	**791**
Financial income	26
(Financial expense)	(161)
TOTAL FINANCIAL INCOME/(EXPENSE)	**(135)**
Share of income/(expense) from equity investments accounted for using the equity method	2
INCOME BEFORE TAXES	**658**
Income taxes	219
NET INCOME FOR THE PERIOD	**439**
-Attributable to shareholders of the Parent Company	418
-Attributable to minority interests	21

Revenues

Millions of euros	2009
Revenues generated by energy sales	1,332
Revenues from Green Certificates and other forms of incentives	176
Other revenues and income	269
Total	**1,777**

Of the "Revenues generated by energy sales", €874 million refers to energy sales on the domestic market and €458 million to energy sales abroad.
Of the revenues from energy sales on the domestic market, €475 million relates to the Electricity Market Operator, €179 million to the Electricity Services Operator, €46 million to the Single Buyer and €138 million to Enel Group companies.

"Revenues from Green Certificates and other forms of incentives" include €171 million relating to the valuation of the production of 1,910 GWh of useful energy for the purposes of allocating Green Certificates, broken down as follows:

- 296 GWh at €89.85/MWh for a total of €27 million of Green Certificate sales to Enel Trade S.p.A. carried out in December;
- 1,614 GWh at €89.17/MWh for a total of €144 million of expected revenues from Green Certificate sales to the Electricity Services Operator, valued at the best estimate of the 2010 withdrawal price calculated on the basis of the provisions of the legislation in force (weighted average of trading carried out between 2007 and 2009).

Of these revenues, €84 million is attributable to the 938 GWh produced by IAFR-qualified geothermal plants, €44 million to the 488 GWh from wind plants and €43 million to the 484 GWh generated by IAFR-qualified hydroelectric plants.

"Other revenues and income", totaling €269 million, refer mainly to revenues from direct and indirect sales of photovoltaic material and the construction of photovoltaic plants in Italy, worth €109 million, as well as revenues from sales of White Certificates to Enel Distribuzione, amounting to €48 million.

Costs

Millions of euros	
	2009
Energy and materials	206
Personnel	172
Services and other operating costs	335
Capitalized costs	(25)
Total	**688**

The item "*Energy and materials*" includes €157 million relating to the acquisition of materials and the use of materials available in store, €37 million for the acquisition of electricity mainly for resale to Panama (€26 million) and €12 million for the acquisition of fuels and gas.
"*Services and other operating costs*" include €275 million relating to costs for services and €60 million for operating costs. The costs for services mainly refer to maintenance and repair costs (€53 million), government rates on concessions to utilize public water for hydroelectric purposes (€42 million) and professional and technical services and strategic, management and corporate organization consultancy (€26 million). The other operating costs relate mainly to duties and taxes of €19 million and contributions paid to local authorities totaling €26 million.

Net income from commodity risk management

"*Net income from commodity risk management*", totaling €118 million, refers mainly to the derivatives in place between Enel Green Power S.p.A. and Enel Trade S.p.A., the Group company, for commodity risk, and with Enel S.p.A. to cover foreign-exchange risk, because the hedging contracts with Enel Trade are stipulated in dollars. Net income (charges) from commodity risk management includes income totaling €124 million and €6 million in charges.

Gross operating margin

The "*Gross operating margin*" for 2009 amounted to €1,207 million.

Operating income

"*Operating income*" totaled €791 million, taking into account depreciation, amortization and impairment losses of €416 million. Of this depreciation and amortization, €396 million is related to property, plant and equipment.

Net financial expense

"*Net financial expense*" totaled €135 million, including €161 million in financial expense and €26 million in financial income. The financial expense included €80 million in interest on short-term debt relating mainly to the intercompany current account held with the Enel Group, and €54 million relating to long-term debt.

Income taxes

"*Income taxes*" totaled €219 million (33% of the income before taxes), of which €182 million referred to the parent company, Enel Green Power.

Net income for the period

"Net income for the period" in 2009 amounted to €439 million, of which €21 million was attributable to minority interests.

Analysis of the Group's financial position

The Group's reclassified balance sheet at December 31, 2009 is shown below, compared with the figures recorded at January 1, 2009, taking into account the changes in the scope of consolidation resulting from the acquisition of Enel Green Power International B.V. and Enel.si S.r.l. (for an analysis of the changes in the scope of consolidation relating to this acquisition, see Note 5).

Millions of euros

	As of Dec. 31, 2009	As of Jan. 1, 2009
Net non-current assets:		
Property, plant and equipment	7,200	6,755
Intangible assets	259	224
Goodwill	532	454
Equity investments accounted for using the equity method	261	223
Other non-current assets/(liabilities)	(33)	77
Total	**8,219**	**7,733**
Net working capital:		
Inventories	31	82
Trade receivables	512	258
Net tax receivables /(payables)	(189)	(42)
Current financial assets/(liabilities)	(10)	93
Trade payables	(454)	(313)
Other current assets/(liabilities)	(12)	(35)
Total	**(122)**	**43**
Gross capital employed	**8,097**	**7,776**
Miscellaneous provisions:		
Post-employment and other employee benefits	46	43
Provisions for future risks and charges	81	84
Net deferred taxes	61	127
Total	**188**	**254**
Net invested capital	**7,909**	**7,522**
Total shareholders' equity	**2,564**	**2,196**
Enel Green Power net financial debt	**5,345**	**5,326**

The Group's "*Net invested capital*", totaling €7,909 million, mainly relates to "Net non-current assets" amounting to €8,219 million.

"*Property, plant and equipment*", amounting to €7,200 million, increased by €445 million, mainly due to investments totaling €688 million, depreciation of €396 million, changes in the scope of consolidation (due to the acquisition of Greek companies International Wind Parks of Rhodes, International Wind Parks of Achaia and Glafkos Hydroelectric Station, and French firm Erelis) totaling €212 million, and foreign exchange losses of €21 million.

"*Intangible assets*", totaling €259 million, increased by €35 million and included €114 million relating to "concessions and similar rights".

"*Goodwill*", which totaled €532 million, increased by €78 million, mainly as a result of changes in the scope of consolidation due to the acquisition of French company Enel Erelis S.A.S. (€26 million) and the Greek companies (€53 million), and the final allocation of the acquisition price of these companies in 2008, with a negative impact of €16 million.

"*Equity investments accounted for using the equity method*", totaling €261 million, include a 30% stake in a series of wind power projects in Greece named Elica II, worth €133 million, a 36.2% stake in La Geo S.A. de C.V. for the development of geothermal projects in El Salvador, worth €86 million, the acquisition of Geronimo Wind Energy L.L.C. for €13 million and a 42% stake in Trade Wind Energy L.L.C. for €21 million.

"*Net working capital*" was a negative €122 million at December 31, 2009 and a positive €43 million at January 1, 2009. The main changes were due to:

- net trade receivables/(payables) (net receivables of €58 million at December 31, 2009, against net payables of €55 million at January 1, 2009), which underwent a change of €113 million. Enel Green Power launched its own operating activities on December 1, 2008, and therefore trade receivables at January 1, 2009 referred exclusively to one month of operations, whereas trade receivables at December 31, 2009 included credit positions relating to both December and previous periods, in line with the invoicing and payment times contractually provided for;
- net tax receivables/(payables) (net payables of €189 million at December 31, 2009 and net payables of €42 million as at January 1, 2009), with net payables increasing by €147 million after current income taxes for 2009 (totaling €245 million) were recognized in the accounts.

"*Miscellaneous Provisions*" fell by €66 million overall, mainly due to changes in net deferred taxes.

"*Net capital employed*" at December 31, 2009 totaled €7,909 million and was funded by shareholders' equity attributable to shareholders of the Parent Company and minority interests in the amount of €2,564 million and net financial debt of €5,345 million. The debt-to-equity ratio at December 31, 2009 came to 2.08 (compared with 2.42 at January 1, 2009).

Analysis of the financial structure

Enel Green Power net financial debt

The following table shows the breakdown of *Enel Green Power's net financial debt*:

Millions of euros

	At Dec. 31, 2009	At Jan.1, 2009	Change
Long-term debt:			
Bank loans	724	611	113
Bonds	47	62	(15)
Debt to other financial institutions	260	170	90
Debt to related parties	100	32	68
Long-term debt	**1,131**	**875**	**256**
Long-term financial receivables	(17)	(14)	(3)
Net long-term debt	**1,114**	**861**	**253**
Short-term debt:			
Short-term portion of long-term bank debt	82	72	10
Use of revolving credit lines	7	6	1
Other short-term bank debt	70	5	65
Short-term bank debt	**159**	**83**	**76**
Bond portion (short-term portion)	13	12	1
Debt to other financial institutions (short-term portion)	20	23	(3)
Debt to related parties (short-term portion)	0	0	0
Other short-term financial payables with related parties	4,336	4,572	(236)
Short-term debt to other financial institutions	**4,369**	**4,607**	**(238)**
Long-term financial receivables (short-term portion)	0	0	0
Other short-term financial receivables with related parties	(85)	(14)	(71)
Cash and cash equivalents	(212)	(211)	(1)
Short-term cash and financial receivables	**(297)**	**(225)**	**(72)**
Short-term net debt	**4,231**	**4,465**	**(234)**
Enel Green Power NET FINANCIAL DEBT	**5,345**	**5,326**	**19**

Enel Green Power's net financial debt totaled €5,345 million at December 31, 2009, an increase of €19 million compared with January 1, 2009 (€5,326 million). As regards the structure of the debt, net short-term debt fell (€234 million) and long-term debt increased (€253 million), with regard to debt due to both third parties and other Group companies.

Cash flows

Millions of euros	
Cash and cash equivalents at January 1, 2009	163
Cash flow generated by operating activities	897
Cash flow used by investment activities	(852)
Cash flow used by financing activities	(60)
Impact of exchange rate fluctuations on cash and cash equivalents	(4)
Cash and cash equivalents at December 31, 2009	144

Cash flow generated by operating activities totaled €897 million, taking into account a change in net working capital, which used cash mainly due to the change in trade items (€168 million), the payment of net financial expense (€79 million) and income taxes (€77 million).
Investment activities used €852 million of cash, mainly for investments in property, plant and equipment, totaling €674 million, and equity acquisitions (€113 million).
Cash flow from financing activities, which was a negative €60 million, mainly reflected the new issue (€349 million) and repayment (€233 million) of long-term loans and the decrease in short-term loans (€176 million).
The combined effect of the various cash flows and of exchange rate fluctuations, which had a negative impact of €4 million, caused a €19 million reduction in initial cash.

Results by geographical area

The results shown in these consolidated financial statements reflect the structure that the Group's management used as a reference in order to assess its performance.

Results by geographical area in 2009

Millions of euros

	Italy	Rest of Europe	Central and South America	North America	Eliminations and adjustments	**Total**
Revenues from third parties	**1,248**	**123**	**262**	**144**	**0**	**1,777**
Revenues from other segments	**17**	**0**	**0**	**0**	**(17)**	**0**
Income/(Charges) from commodity risk management	118	0	0	0	0	118
Gross operating margin	**884**	**77**	**156**	**90**	**0**	**1,207**
Depreciation, amortization and impairment losses	306	38	31	41	0	416
Operating income	**578**	**39**	**125**	**49**	**0**	**791**
Net financial income/(expense) and share of income/(expense) from equity investments accounted for using the equity method	0	0	0	0	0	**(133)**
Income taxes	0	0	0	0	0	**219**
Net income for the period	0	0	0	0	0	**439**
Operating assets	**5,298**	**1,165**	**855**	**857**	**(20)**	**8,155**
Operating liabilities	**472**	**164**	**53**	**47**	**(20)**	**716**
Investments (before grants)	**344**	**256**	**108**	**36**	**0**	**744**

The table below shows the reconciliation between assets and liabilities by geographical area and those included on the consolidated balance sheet:

Millions of euros

	As at December 31, 2009
Total assets	**9,494**
- goodwill	*532*
- equity investments accounted for using the equity method	*261*
- non-current financial assets	*35*
- current financial assets	*228*
- cash and cash equivalents	*144*
- prepaid tax assets	121
- tax receivables	18
Operating assets	**8,155**
Total liabilities	**6,930**
*- loans**	*5,659*
- non-current financial liabilities	*22*
- current financial liabilities	*85*
- post-employment and other employee benefits	*59*
- deferred tax liabilities	*182*
- income tax payables	*207*
Operating liabilities	**716**

* Long-term loans
Short-term loans
Current portion of long-term loans

On March 8, 2010, the Enel Green Power Group introduced a new organizational structure which, among other things, reorganized the geographical areas into:

- Italy and Europe;
- Iberian Peninsula and Latin America;
- North America.

There is also a dedicated Enel.si team, which is independent from the Italy and Europe Area.
The economic, capital and financial data for the new structures, which were determined by reclassifying the figures shown in this paragraph, are set out in note 43 of the Explanatory Notes.

Italy

In addition to operating in the renewable energy generation sector (Enel Green Power S.p.A.), the Italy Area also carries out engineering and franchising activities (Enel.si S.r.l.).
Enel Green Power S.p.A. is present in the renewable energy generation sector via 339 plants, with a total installed capacity of 2,637 MW, broken down as follows:

Millions of MW	
	2009
Hydroelectric	1,509
Geothermal	695
Wind and solar	433
Total net installed capacity	**2,637**

Hydroelectric

Enel Green Power operates 279 hydroelectric plants in Italy (with a total capacity of 1,509 MW), and has a strong professional commitment to ensuring safety and maintenance at its water works.
As of December 31, 2009, Enel Green Power S.p.A. had 47 functioning hydroelectric plants classified as IFAR plants by the Electricity Services Operator due to their reconstruction, reactivation and/or redevelopment, in accordance with Article 11 of the Bersani Decree, as amended; these plants are therefore sources of Green Certificates for the Group.
There is only one plant benefiting from the CIP/6 incentive up to February 13, 2010.

Geothermal

Enel Green Power manages 32 geothermal plants in Italy, in Val di Cecina and Amiata (Tuscany), with around 40 district heating systems, geothermal heat for 25 hectares of greenhouses and annual electricity production of over 5 billion kWh, equal to the average consumption of around two million Italian families.
At December 31, 2009, Enel Green Power had 16 functioning hydroelectric plants classified as IFAR plants by the Electricity Services Operator due to their reconstruction, reactivation and/or redevelopment, in accordance with Article 11 of the Bersani Decree, as amended; these plants are therefore sources of Green Certificates for the Group.
There are also four plants benefiting from the CIP/6 incentive, which is due to expire next year.

Wind

Enel Green Power manages 24 wind plants, with a total capacity of 429 MW.
All the Group's operational wind farms are classified by the Electricity Services Operator as IAFR facilities (certified for Green Certificates), in accordance with Article 11 of the Bersani Decree, as amended.

Solar - Photovoltaic

Enel Green Power manages four photovoltaic plants for a total of 4 MW, including the Serre Persano plant in Salerno, which has a capacity of 3.3 MW.
The Company is currently conducting experiments on solar concentration technology at the Enel research center in Catania, Sicily.

The following table shows the main economic, capital and financial data for the Italy Area.

Millions of euros	
	2009
Revenues	1,265
Net income from commodity risk management	118
Gross operating margin	884
Depreciation, amortization and impairment losses	306
Operating income	578
Operating assets	5,298
Operating liabilities	472
Employees at period-end (no.)	1,756
Investments (before grants)	344

Enel Green Power S.p.A.

Operations

Net energy generation

Energy output in 2009 was 11.7 TWh, and can be broken down by source as follows:

Millions of kWh	
	2009
Hydroelectric	6,231
Geothermal	5,001
Wind and solar	501
Total net production	**11,733**

The year was characterized by high water availability and reduced availability of geothermal resources. Enel Green Power sold a total of 11,733 million kWh, mainly on the Power Exchange (68% of the total energy sold), generating revenues of €503 million. It also sold energy through bilateral contracts (22%

of the total energy sold), mainly to Enel Trade S.p.A., the Group company (1,673 GWh, generating revenues of €148 million), Acquirente Unico S.p.A. (636 GWh, generating revenues of €46 million) and Enel Produzione S.p.A. (244 GWh, generating revenues of €20 million).
Lastly, electricity sales to the Electricity Services Operator at an incentive price (10% of the total energy sold) totaled 1,229 GWh (generating revenues of around €179 million, of which €155 million related to the CIP 6 regime, including €18 million of positive adjustments relating to previous fiscal years).
Useful energy production for the purposes of allocating Green Certificates amounted to 1,910 GWh, for a total of €171 million, taking into account an estimated per-unit value of €89.28/MWh for the Green Certificates.
Of these revenues, €84 million are attributable to the 938 GWh produced by geothermal sources, €44 million to the 488 GWh from wind plants and €43 million to the 484 GWh generated by hydroelectric power.

Economic and financial results

Millions of euros	2009
Revenues	1,087
Net income from commodity risk management	118
Gross operating margin	878
Depreciation, amortization and impairment losses	305
Operating income	573
Operating assets	5,169
Operating liabilities	393
Employees at period-end (no.)	1,668
Investments (before grants)	341

Revenues

Revenues at December 31, 2009 totaled €1,087 million and, in addition to revenues from energy sales and transmission worth €1,045 million, consisted of revenues from management fees and other services totaling €5 million, and €37 million in other revenues.

Net income from commodity risk management

Net income from commodity risk management totaled €118 million and related to the derivatives in place with the related party, Enel Trade S.p.A., with regard to hedging against commodity price risk, and with Enel S.p.A. with regard to hedging against foreign-exchange risk (because some hedging contracts with Enel Trade S.p.A. are stipulated in dollars). Net income/(charges) from commodity risk management includes income totaling €124 million and €6 million in charges.

Gross operating margin

The gross operating margin was €878 million and included the impact of other revenues totaling €42 million and other operating costs of €307 million (net of capitalized costs of €22 million).

Of the costs of raw materials and consumables, €21 million relates to the acquisition of materials, mainly reagents needed to run the production plants (€7 million) and spare parts for the geothermal plants (€8 million).
Costs for services include €71 million relating to services provided by the parent company and other Group companies (including €3 million for leases and rentals of third-party assets) and €86 million for services provided by third parties (including €31 million for leases and rentals of third-party assets), mainly in relation to maintenance and repair works carried out on the plants (€20 million), technical consultancy and other professional services (€10 million), fees paid to the Power Exchange (€8 million) and personnel services and expenses (€3 million).
Costs for leases and rentals of third-party assets mainly relate to government rates and additional fees for mountain and river catchment basins (BIM) paid to third parties for concessions to utilize public water for hydroelectric purposes (€28 million).
Personnel costs include charges for early-retirement incentives (€9 million).
The other operating costs include €26 million relating to contributions paid to municipal, provincial and regional authorities where the Group's plants are located on the basis of specific agreements between the parties, €8 million relating to net provisions for risks and charges, and €6 million relating to duties and taxes and other costs.

Operating income

Operating income amounted to €573 million due to the recognition of depreciation of property, plant and equipment totaling €300 million, as well as €5 million in provisions for impairment of receivables.

Investments

Investments totaled €341 million, of which €148 million related to wind plants, including €24 million spent on plants located in Sa Turrina Manna and Littigheddu, in Sardinia. A total of €138 million related to geothermal plants, including €39 million spent on improvements to the Langoni Rossi and Radicondoli plants, while €47 million related to hydroelectric plants and €8 million to other investments.

Enel.si S.r.l.

Economic and financial results

Millions of euros	2009
Revenues	178
Gross operating margin	7
Depreciation, amortization and impairment losses	1
Operating income	6
Operating assets	125
Operating liabilities	79
Employees at period-end (no.)	88
Investments (before grants)	1

Revenues

Revenues included €114 million generated by retail sales, mainly of photovoltaic material, €50 million from the sale of Energy Efficiency Certificates, and €14 million relating to other revenues.

Gross operating margin

The gross operating margin totaled €7 million, with revenues amounting to €178 million and operating costs €171 million.

Operating costs consisted of costs for the purchase of raw materials and the change in inventories of Energy Efficiency Certificates (€133 million), costs for services (€27 million) and personnel costs (€11 million).

Operating income

Operating income totaled €6 million, in line with the performance of the gross operating margin.

Rest of Europe

In the rest of Europe, Enel Green Power is present with 716 MW of installed capacity in Spain, Greece, France (becoming part of the Group companies operating in the international renewable energies sector in October 2009) and Bulgaria, and has significant wind power projects under development in Romania.

In Spain Enel Unión Fenosa Renovables (50% consolidated) is present with a total net installed capacity of 494 MW at December 31, 2009, of which 439 MW relates to wind farms, 29 MW to hydroelectric plants and 26 MW to cogeneration plants.

The following companies operate in Greece: Enel Green Power Hellas (to which International Wind Parks of Thrace, Wind Parks of Thrace, International Wind Power and Hydro Constructional were assigned by Enel Green Power International B.V. in December 2009), International Wind Parks of Rhodes, Glafkos Hydroelectric Station, International Wind Parks of Achaia, International Wind Parks of Crete and Wind Park of Voskero S.A., with an installed capacity of 133 MW of wind power at December 31, 2009.

In France, the Company's installed capacity is 68 MW in the wind power sector.

The Company has a net installed capacity of 21 MW in Bulgaria following the acquisition of the Kamen Bryag wind park in early September 2009.

Operations

Net electricity generation

Millions of kWh	
	2009
Hydroelectric	75
Wind	1,063
Cogeneration	143
Total net production	**1,281**

The operational plants in the Rest of Europe Area are located mainly in Spain, with net electricity generation of 967 million kWh, which comes from wind farms (766 million kWh), hydroelectric plants (58 million kWh) and cogeneration plants (143 million kWh), and in Greece, with net electricity generation of 262 million kWh, which comes from wind farms (245 million kWh) and hydroelectric plants (17 million kWh). The Company also has operational plants in France, with net electricity generation of 66 million kWh from wind power, Bulgaria, with production of 11 million kWh from wind plants, and Romania, where significant projects are under development (Dealul Pietros, Cara Constantin, Salabatica 1 and Corugea).

Economic and financial results

Millions of euros	2009
Revenues	123
Gross operating margin	77
Depreciation, amortization and impairment losses	38
Operating income	39
Operating assets	1,165
Operating liabilities	164
Employees at period-end (no.)	140
Investments (before grants)	256

Revenues

Revenues totaled €123 million at December 31, 2009, and came predominantly from electricity sales (€114 million).

Gross operating margin

The gross operating margin was €77 million and included the impact of other revenues totaling €8 million and other operating costs of €5 million.

Costs include costs of raw materials and consumables (€12 million), costs for services (€23 million), relating mainly to maintenance and repair works carried out on the plants, and personnel costs (€7 million).

Operating income

Operating income in the Rest of Europe Area totaled €39 million, taking into account depreciation and amortization of €38 million relating mainly to property, plant and equipment.

Investments

Investments carried out in the period, including grants, amounted to €256 million and related mainly to the wind power sector in Spain (€146 million), Bulgaria (€53 million), Romania (€42 million), France (€14 million) and Greece (€1 million).

In Spain the Company invested in five projects in Fuentelsaz, three projects in Villameca and the Coto Codesas II plant. The investments made in Bulgaria refer to the acquisition of the already operational Kamen Bryag wind park and the Shalba wind farm, due to enter into service in mid-2010, while the

investments in Romania were dedicated to implementing the Cara Constatin and Dealul Pietros wind projects.

Central and South America

Enel Green Power is present in Central and South America with an installed capacity of 667 MW in Panama, Mexico, Costa Rica, Guatemala, Chile and Brazil, and has projects under development in Nicaragua and El Salvador.
The Company's main operations in Central and South America consist of hydroelectric plants, located in Panama (one plant with an installed capacity of 300 MW), Brazil (20 plants with an installed capacity of 93 MW), Chile (two plants with an installed capacity of 90 MW), Guatemala (four plants with an installed capacity of 76 MW), Mexico (three plants with an installed capacity of 53 MW) and Costa Rica (two hydroelectric plants and one wind plant with a total installed capacity of 55 MW).

Operations

Net electricity generation

Millions of kWh	
	2009
Hydroelectric	3,386
Wind	75
Total net production	**3,461**

The breakdown of the Company's net hydroelectric electricity production is as follows:

- 1,792 GWh in Panama
- 549 GWh in Brazil
- 178 GWh in Mexico
- 464 GWh in Chile
- 287 GWh in Guatemala
- 191 GWh in Costa Rica

Wind power is generated exclusively in Costa Rica, with production of 75 GWh.

Economic and financial results

Millions of euros	
	2009
Revenues	262
Gross operating margin	156
Depreciation, amortization and impairment losses	31
Operating income	125
Operating assets	855
Operating liabilities	53
Employees at period-end (no.)	509
Investments (before grants)	108

Revenues

Revenues totaled €262 million, with €253 million relating to the sale of 3,462 GWh of electricity produced over the year and €9 million relating to other revenues.

Gross operating margin

The gross operating margin amounted to €156 million, taking into account revenues of €262 million and operating costs of €106 million, mainly attributable to costs for services (€52 million), the cost of purchasing electricity from third parties in Panama (€26 million) and personnel costs (€17 million).

Operating income

Operating income in 2009 totaled €125 million, taking into account depreciation, amortization and impairment losses of €31 million, of which €24 million related to property, plant and equipment.

Investments

Investments totaled €108 million, relating mainly to the Palo Viejo hydroelectric plant in Guatemala (€64 million) and the development of geothermal projects in Chile (€27 million).

North America

Enel Green Power is present in North America via the Enel North America Group, mainly in the United States, where it operates hydroelectric plants (installed capacity of 314 MW) and wind farms (installed capacity of 406 MW). It also has a biomass plant in Canada (installed capacity of 21 MW) and a geothermal park in Nevada (installed capacity of 47 MW). The Company's total installed capacity in North America is 788 MW.

Operations

Net electricity generation

The breakdown of the Company's net production is as follows:

Millions of kWh

	2009
Hydroelectric	997
Geothermal	154
Wind	1,128
Biomass	149
Total net production	**2,428**

Net electricity production comes mainly from the Smoky Hill I and Smoky Hill II wind farms in the United States and the Newind wind plant in Canada, as well as the Gauley River and Fries hydroelectric plants in the United States.
The Company generates geothermal energy thanks to the entry into service of the Stillwater New and Saltwells plants.

Economic and financial results

Millions of euros	2009
Revenues	144
Gross operating margin	90
Depreciation, amortization and impairment losses	41
Operating income	49
Operating assets	857
Operating liabilities	47
Employees at period-end (no.)	280
Investments (before grants)	36

Revenues

Revenues totaled €144 million at December 31, 2009, including €140 million relating to sales to third parties (represented by American utilities) of electricity produced by the aforementioned wind and hydroelectric plants.

Gross operating margin

The gross operating margin amounted to €90 million at December 31, 2009, taking into account operating costs of €55 million, mainly attributable to costs for services (€32 million), which relate mainly to plant maintenance costs and personnel costs (€15 million).

Operating income

Operating income totaled €49 million at December 31, 2009, taking into account depreciation and amortization of €41 million relating to the plants.

Investments

Investments, including grants, totaled €36 million at December 31, 2009, relating mainly to the Castle Rock Ridge, Smoky II and Fort Cove plants. In September 2009 the Group received €44 million in government grants for the Stillwater and Salt Wells plants.

Outlook

The year 2010 is set to be a key period for Enel Green Power S.p.A. to consolidate its position in the global renewable energies sector.

Its main objective will therefore be for the single shareholder, Enel S.p.A., to sell a minority stake in the Company in order to obtain resources to finance development in the renewable energies sector and contribute to reducing the total debt of the Enel Group.

The Company's investment program will focus on the wind and solar power sectors, and will pursue the plans for organic growth already under way in hydroelectric and geothermal technology, taking advantage of the cost savings that can be achieved through economies of scale, particularly with regard to procurement.

In terms of geographical diversification, the Company will turn its attention to streamlining its current international portfolio, focusing on core markets such as Italy, the USA, Spain, Greece and Romania. Potential new opportunities in countries with favorable regulatory frameworks, as well as the need for disposals in non-strategic countries, will also be assessed and selected accordingly.

The Company's challenging growth targets will be supported by plans to develop a number of pipeline projects in its key markets and technologies, through both greenfield initiatives and strategic agreements with developers.

It will also pursue its research and development activities in innovative technologies, paying close attention to environmental and safety issues.

Research and development

Enel Green Power's research and development activities in 2009, aimed at developing and creating innovative technologies for generating electricity from renewable sources (RES), resulted from the launch of the Environment and Innovation Project by the Innovation Committee in 2008.
The Company's expenditure on these activities totaled around €8 million, which related to projects that will require total investment of around €30 million between now and 2013.

In the field of wind power generation, as part of the "Wind Forecast" project, the Company prepared its preliminary short-medium term forecast model (from 6 to 72 hours) for wind production capacity, which uses computational fluid dynamics (CFD) and artificial neural network (ANN) models to improve the compatibility between the production profile of the plant, in this case Serra Cortina, and the network management. The system provides results that are likely to be more reliable than the systems currently on the market.
As part of the "Wind Power - Characterization of Existing Systems and Development of New Technologies" project, the design was completed for the testing station for small/medium wind power generators chosen from the most technologically promising ones available on the market, so as to enable Enel to acquire technical know-how in the design, construction and operation of the generators and check their capacity curves. The generators to be tested at Molinetto, which range from 1 kW to 20 kW and include both traditional, horizontal-axis wind turbines and more innovative, vertical-axis ones, are as follows: Maestrale Forza 20 (Blumini Power), GE-30 (Layer Electronics), Proven 6 (Proven Energy), C-5 (Cardinal) and 3.0 Tripala HW (Deltatronic). The following will be tested in Brindisi: Maxy Vertical (Ropatec), Geol 3 (Newtak), NT 100 36-9 (Nheolis) and Tripala (Pramac).
In the domain of solar power production, as part of the "Innovative, Low-Cost Solar Power" project, innovative, low-cost CSP technologies with a high market potential were identified, and potential partners which have developed specialist know-how in concentrating solar thermal power were contacted. The main economic indicators for the construction of commercial plants and illustrative indicators on the most promising technologies were also assessed. For the "Innovative Photovoltaic Power - Advanced Solar Laboratory in Catania" project, benchmarking was completed for some of the most interesting commercial modules by technology type, tested at the advanced center for the development and experimentation of innovative photovoltaic solutions in Catania, and an application for financing was submitted as part of the European research programs for the SOPHIA project (SOlar PHotovoltaic European Research Infrastructure). This will enable the creation of a single point of reference for research into all aspects of PV technologies and their development for a more effective use of partners' knowledge and infrastructure, so as to promote European leadership in the sector and to accelerate prenormative research and promote the rapid transfer of research results to the industrial standardization of emerging PV technologies. The SCOOP project (Italian Solar COncentration TechnOlogies For Photovoltaic systems) was also launched, benefiting from the incentives provided for by the "Industry 2015 – Call for Energy Efficiency" program aimed at the technological development, construction, industrial implementation and sale of concentrated photovoltaic systems, as well as structures for the characterization and classification of the systems developed.
October 2009 saw the inauguration of the Diamond, an integrated solar energy production and storage system within the Parco Mediceo di Pratolino, in Tuscany, which entered into operation so that its services could be verified and its production process optimized. The plant will remain under the

ownership of Enel Green Power and will be operated by I&I until the end of 2010.
In parallel to the development of these activities, the Company pursued the "ER Store" and "Energy Farm" research programs, for which the necessary documentation for the construction of a test facility in Livorno has been submitted. This will characterize the innovative energy storage systems considered to be suitable to be coupled with wind or solar power stations capable of guaranteeing operating programmability and will test the wood biomass generators that will be used to superheat the steam in its geothermal production plants.
As part of the "ER Store" contract, an application for financing was submitted to the EU research program for the SYNAPSE project (SYNergetic APproach to Storage system towards Effective integration into the grid), which involves the study of management and control strategies and systems for ESS (Energy Storage Systems).
In the geothermal sector, the Company focused on two projects in particular: "Innovative Geothermal Power – Low Enthalpy", with the development of a new 500 kW pilot plant based on supercritical ORC binary cycles to exploit low-enthalpy geothermal resources, for which the authorization process for the subsequent installation of the ENEL test area in Livorno was launched; and "Amis β", with the study of the process of improving the environmental performance of the geothermal sector (reduction in emissions) and the construction of pilot plants currently in the study and design phase.

Human resources and organization

Organization

In 2009 Enel Green Power worked to complete and consolidate its new organizational structure. Specifically:

- the organizational structures of the Areas relating to international operations were defined (North America Area, Central and South America Area and Europe Area), proposing an organizational model that is in line with the flow of value creation of the Renewable Energies Division (Business Development - Engineering, Procurement and Construction – Operations and Maintenance) and consistent for each international entity, while maintaining local characteristics;
- the central department of Strategic Analysis & Competitive Intelligence was created, aimed at supporting the strategic choices of the Division by monitoring the global renewable energies market and the Company's main competitors;
- the central department of Safety and Environment was created to enhance the attention paid by the Company to employee health and safety and environmental issues;
- the central staff departments of Corporate Affairs and Regulatory Affairs were created, aimed at strengthening the Company's organizational structure by giving it the necessary functional autonomy.

The organizational structure of the Renewable Energies Division currently consists of the following Areas and central departments:

- Areas: Europe Area, North America Area, Central and South America Area, Italy Area (Operations), Italy Area (Development) and Eufer;
- Central departments: Strategic Analysis and Competitive Intelligence, Safety and Environment, Business Development, Engineering, Acquisitions, Legal Affairs, Administration, Finance and Control, Audit, Corporate Affairs, Regulatory Affairs, and Personnel and Organization.

Continuous improvement processes are under way, aimed at bringing the organization in line with market best practices.

Development and training

A number of development and training initiatives were carried out in 2009, with the common aim of promoting international integration, enhancing the knowledge of the division’s staff and improving the process of sharing best practices.

The main initiatives involved:

- the launch of the “International Mobility Program” (IMP), offering staff from various parts of the world the opportunity to experience life abroad and identifying a specific career path for each of these individuals;

- top-tier team building, thanks to which the management was able to share the vision and values of the Division, which will be shared and transferred down to the second and third tiers of the organization in 2010;
- the definition of the training model and the training initiatives plan for 2010, conceived in conjunction with Enel University with the common aim of promoting growth in internal resources and the enhancement of skills. At the end of 2009 the Division's first "Welcome to ER" induction program was held and basic managerial courses were offered as part of the Technological Academy's training curriculum;
- the launch of an international on-the-job training program in the wind power sector, involving 15 staff members from various countries. In 2010 this training program will also be offered for the solar sector;
- the mapping of key professions and specific career paths, in line with the value chain;
- the creation of a succession plan for staff members down to the third organizational level, promoting internal growth and international mobility.

Size and movement of the workforce

The creation of the Company was completed in 2009, and staff functions were acquired from the other Divisions of the Enel Group.

The breakdown of staff movements in 2009 is as follows:

	As of Jan. 1, 2009	Change in scope of consolidation	New hires	Terminations	Inward mobility	Outward mobility	As of Dec. 31, 2009
Italy	1,608	-	86	104	233	67	1,756
Rest of Europe*	85	29	43	22	5	-	140
Central and South America	443	-	185	119	4	4	509
North America	267	-	44	30	-	1	280
Total	**2,403**	**29**	**358**	**275**	**242**	**72**	**2,685**

*50% of Eufer

Labor relations

In 2009, following the conclusion of national-level discussions on the new organizational structure, meetings with regional trade union associations were promoted with a view to verifying and implementing demands made at the local level in relation to the local operating facilities and, in general, the consequences for staff of the Division's new organizational model.

At the second 2009 plenary meeting between the Enel European Works Council and the Group management, the main operations under way and the Renewable Energies Division's 2010 Development Plan were presented to European trade unions from the sector.

Reconciliation between shareholders' equity and Group income and corresponding consolidated data

Millions of euros	Income Statement	Shareholders' equity	Shareholders' equity
	2009	**Dec. 31, 2009**	**Jan. 1, 2009**
Figures for Enel Green Power	322	2,291	2,009
Carrying value and value adjustments of consolidated equity investments and those accounted for using the equity method	7	(4,570)	(3,945)
Shareholders' equity and income for the period (calculated using consistent principles) of consolidated companies and Groups and those accounted for using the equity method, net of portions attributable to minority interests	163	4,342	3,540
Intragroup dividends	(75)	0	0
Consolidation differences at Group consolidation level	1	321	410
TOTAL GROUP	**418**	**2,384**	**2,014**
TOTAL MINORITY INTERESTS	**21**	**180**	**182**
CONSOLIDATED FINANCIAL STATEMENTS	**439**	**2,564**	**2,196**

ENEL GREEN POWER GROUP CONSOLIDATED FINANCIAL STATEMENT

Consolidated accounting statement

Consolidated Income Statement

in millions of Euro

	Note	For the year ended December 31, 2009
Revenues		
Revenues from sales and services	7.a	1,733
Other revenues	7.b	44
		1,777
Costs		
Raw materials and consumables	8.a	206
Services	8.b	275
Personnel	8.c	172
Depreciation, amortization and impairment losses	8.d	416
Other operating expenses	8.e	60
Capitalized costs	8.a-8.c	(25)
		1,104
Net income from commodity risk management	**9**	**118**
Operating income		**791**
Financial income	10	26
Financial expense	10	(161)
Share of income from investments accounted for using the equity method	11	2
Income before taxes		**658**
Income taxes	12	219
Net income		**439**
Attributable to:		
- shareholders of the parent company		418
- minority interests		21
Basic and diluted earnings per share (in Euro)	*28*	*0.35*

Consolidated Statement of comprehensive income

in millions of Euro	Note	For the year ended December 31, 2009
Net income		**439**
Other components of comprehensive income		
Effective portion of change in the fair value of cash flow hedges		(36)
Exchange rate differences		(20)
Loss recognized in other comprehensive income (net of taxes)	**26**	**(56)**
Comprehensive income		**383**
Attributable to:		
- shareholders of the parent company		385
- minority interests		(2)

Consolidated Balance Sheet

in millions of Euro

	Note	As of December 31, 2009
Assets		
Non-current assets		
Property, plant and equipment	13	7,200
Intangible assets	14	259
Goodwill	15	532
Deferred tax assets	16	121
Equity investments accounted for using the equity method	17	261
Non-current financial assets	18	35
Other non-current assets	19	34
		8,442
Current assets		
Inventories	20	31
Trade receivables	21	512
Tax receivables	22	18
Current financial assets	23	228
Cash and cash equivalents	24	144
Other current assets	25	119
		1,052
Total assets		**9,494**
Liabilities and shareholders' equity		
Equity attributable to the shareholders of the parent company		
Share capital	26	600
Other reserves	26	1,366
Net income attributable to shareholders of the parent company		418
		2,384
Equity attributable to minority interests	27	180
of which net income attributable to minority interest		21
Total shareholders' equity		**2,564**
Non-current liabilities		
Long-term loans	29	1,131
Post-employment and other employee benefits	30	46
Provisions for risks and charges	31	68
Deferred tax liabilities	16	182
Non-current financial liabilities	32	22
Other non-current liabilities	33	63
		1,512
Current liabilities		
Short-term loans	34	4,413
Current portion of long-term loans	29	115
Current provisions for risks and charges	31	13
Trade payables	35	454
Income tax payables	36	207
Current financial liabilities	37	85
Other current liabilities	38	131
		5,418
Total liabilities		**6,930**
Total liabilities and shareholders' equity		**9,494**

Statement of changes in Consolidated Shareholders' Equity

in millions of Euro	Share capital	Other reserves				Net income attributable to shareholders of the parent company	**Equity attributable to the shareholders of the parent company**	**Equity attributable to minority interests**	**Total shareholders' equity**
		Other various reserves	Cash flow hedge reserve	Foreign currency translation reserve	Total other reserves				
As of January 1, 2009	**600**	***1,433***	***76***	***(95)***	**1,414**	**—**	**2,014**	**182**	**2,196**
Income (loss) recognized in other comprehensive income	—	—	*(36)*	*3*	(33)	—	**(33)**	*(23)*	***(56)***
Net income for the period	—	—	—	—	—	*418*	***418***	*21*	***439***
Comprehensive income	**—**	**—**	***(36)***	***3***	**(33)**	**418**	**385**	**(2)**	**383**
Acquisition of company under common control..	—	*(15)*	—	—	(15)	—	**(15)**	—	**(15)**
As of December 31, 2009	**600**	***1,418***	***40***	***(92)***	**1,366**	**418**	**2,384**	**180**	**2,564**

Consolidated Statement od Cash Flows

In millions of Euro

	Note	As of the year ended December 31, 2009
Net income		**439**
Adjustments for:		
Depreciation, amortization and impairment losses	8.d	416
Accruals to provisions for risks and charges and post-employment and other employee benefits		23
Share of income from equity investments accounted for using the equity method		(2)
Net financial expense	10	135
Income taxes	12	219
Losses and other non-monetary items		29
Cash flow from operating activities before changes in net working capital		***1,259***
Decrease in provisions for risks and charges		(22)
Decrease in inventories		51
Increase in trade receivables and trade payables	21-35	(168)
Increase in other current and non-current assets/liabilities		(69)
Payment of post-employment and other employee benefits		(6)
Interest income and other financial income received		8
Interest expense and other financial expense paid		(79)
Income taxes paid		(77)
Cash flows from operating activities		***897***
Investments		
Investments in property, plant and equipment	13	(674)
Investments in intangible assets	14	(12)
Investments in Enel Green Power France, net of cash and cash equivalents acquired	4	(21)
Investments in Greek companies (*), net of cash and cash equivalents acquired	4	(18)
Other investments in entities, net of cash and cash equivalents acquired		(12)
Investments in associates	17	(50)
Disposals		
Disposals of property, plant and equipment		23
Increase in current and non-current financial assets	18-23	(102)
Dividends received from associates		14
Cash flow used in investing activities		***(852)***
Proceeds from new long term loans	29	349
Repayment of long term loans	29	(233)
Repayment of short term loans	34	(176)
Cash flow used in financing activities		***(60)***
Impact of exchange rate fluctuations on cash and cash equivalents		**(4)**
Decrease in cash and cash equivalents		**(19)**
Cash and cash equivalents at the beginning of the year	24	163
Cash and cash equivalents at the end of the year	**24**	**144**

(*) Investments in Greek companies include Aioliko Voskerou S.A. and the companies acquired in 2009 for the project Elica I, in particular, International Wind of Rhodes AE, International Wind Achaia AE and Glafkos Hydroelectric AE

Notes to the consolidated Financial Statement

1. General information

Enel Green Power S.p.A. (hereinafter referred to as the "Company"), and its subsidiaries (hereinafter referred to as the "Enel Green Power Group" or the "Group") operate in Europe, North America and Iberia and Latin America. The Group's principal activity is the generation of electricity from renewable resources, such as hydroelectric, wind, geothermic and solar power and other sources.
The Company has its registered office in Rome, Italy and is a 100% subsidiary of Enel S.p.A.
Enel Green Power was established on December 1, 2008 following the reorganization of the renewable business of Enel Produzione S.p.A. The reorganization included the spin-off the renewable energy business of Enel Produzione S.p.A. comprising the transfer of all of the production plants for geothermal, wind and photovoltaic production, as well as the non-programmable hydroelectric plants in Italy and the transfer of the investments in 36.2% of the share capital of LaGeo SA de CV and 60% of the share capital of Geotermica Nicaragueuse S.A. which operate in renewable activities in Latin America.

Subsequent to the establishment of the Company, the reorganization continued in 2009 as follows:

- on January 1, 2009 the Company acquired the entire share capital of Enel.si from Enel S.p.A.;
- also on January 1, 2009, the Company acquired from Enel Investment Holding B.V., the entire share capital of Enel Green Power International B.V., which has investments in renewable energy outside Italy;
- on October 30, 2009 Enel Green Power International B.V. acquired the entire share capital of Enel Erelis S.a.s. (now Enel Green Power France).

These consolidated financial statements, which were approved by the Board of Directors on June 11, 2010, were prepared on a voluntary basis in connection with the planned Initial Public Offering and the subsequent listing on the *Mercato Telematico Azionario*, the Italian automated screen based trading system managed by Borsa Italiana S.p.A.. of the ordinary shares of Enel Green Power S.p.A. In fact, on approval of the separate financial statements, the Company opted for the exemption not to prepare consolidated financial statements, allowed by IAS 27 paragraph 10, as it is a fully consolidated subsidiary of Enel S.p.A., for which the consolidated financial statements are publicly available.

2. Accounting policies and measurement criteria

Compliance with IFRS/IAS

The consolidated financial statements as of and for the year ended December 31, 2009 have been prepared in accordance with international accounting standards (International Accounting Standards — IAS and International Financial Reporting Standards — IFRS) issued by International Accounting Standards Board (IASB), the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), recognized in the European

Community pursuant to Regulation (EC) no. 1606/2002 and in effect as of the close of the year. All of these standards and interpretations are hereinafter referred to as the "IFRS".

Basis of presentation

The consolidated financial statements consist of the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the statement of changes in consolidated shareholders' equity, the consolidated statement of cash flows and the related notes.
The assets and liabilities reported in the consolidated balance sheet are classified on a "current/non-current basis", with separate reporting of assets and liabilities held for sale, if applicable. Current assets, which include cash and cash equivalents, are assets that are intended to be realized, sold or consumed during the normal operating cycle of the company or in the twelve months following the balance-sheet date.; current liabilities are liabilities that are expected to be settled during the normal operating cycle of the company or within the twelve months following the close of the financial year.
The consolidated income statement is classified on the basis of the nature of costs, while the indirect method is used for the cash flow statement.
The consolidated financial statements are presented in Euro , the functional currency of the Company. All figures are shown in millions of Euro unless stated otherwise.
The financial statements are prepared on a going-concern basis using the cost method, with the exception of items that are measured at fair value under IFRS, as specified in the measurement policies for the individual items.

Use of estimates

The preparation of the consolidated financial statements under IFRS requires the use of estimates and assumptions that impact the carrying amount of assets and liabilities and the related information on the items involved as well as the disclosure required for contingent assets and liabilities at the balance sheet date. The estimates and the related assumptions are based on previous experience and other factors considered reasonable in the circumstances. They are formulated when the carrying amount of assets and liabilities is not easily determined from other sources. The actual results may therefore differ from these estimates. The estimates and assumptions are periodically revised and the effects of any changes are reflected in the income statement if they only involve that period. If the revision involves both the current and future periods, the change is recognized in the period in which the revision is made and in the related future periods.
A number of accounting policies are felt to be especially important for understanding the financial statements. To this end, the following section examines the main items affected by the use of estimates, as well as the main assumptions used by management in measuring these items in compliance with the IFRS. The critical element of such estimates is the use of assumptions and professional judgments concerning issues that are by their very nature uncertain.
Changes in the conditions underlying the assumptions and judgments could have a substantial impact on future results.

Pensions and other post-employment benefits

Part of the Group's employees participate in pension plans offering benefits based on their wage history and years of service.
Certain employees are also eligible for other post-employment benefit schemes. The expenses and liabilities of such plans are calculated on the basis of estimates carried out by consulting actuaries, who

use a combination of statistical and actuarial elements in their calculations, including statistical data on past years and forecasts of future costs.
Other components of the estimation that are considered include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of wage increases and trends in the cost of medical care.
These estimates can differ significantly from actual developments owing to changes in economic and market conditions, increases or decreases in withdrawal rates and the lifespan of participants, as well as changes in the effective cost of medical care.
Such differences can have a substantial impact on the quantification of pension costs and other related expenses.

Recoverability of non-current assets

The carrying amount of non-current assets and assets held for sale is reviewed periodically and wherever circumstances or events suggest that more frequent review is necessary.
Where the value of a group of non-current assets is considered to be impaired, it is written down to its recoverable value, as estimated on the basis of the use of the assets and their future disposal, in accordance with the company's most recent plans.
The estimates of such recoverable values are considered reasonable. Nevertheless, possible changes in the estimation factors on which the calculation of such values is performed could generate different recoverable values. The analysis of each group of non-current assets is unique and requires management to use estimates and assumptions considered prudent and reasonable in the specific circumstances.

Recovery of deferred tax assets

As of December 31, 2009, the financial statements report deferred tax assets in respect of tax losses to be reversed in subsequent years and income components whose deductibility is deferred in an amount whose recovery is considered by management to be probable.
The recoverability of such assets is subject to the achievement of future profits sufficient to absorb such tax losses and to use the benefits of the other deferred tax assets.
The assessment of recoverability takes account of the estimate of future taxable incomes and is based on prudent tax planning strategies. However, where the Group should become aware that it would be unable to recover all or part of such recognized tax assets in future years, the consequent adjustment would be taken to the income statement in the year in which this circumstance arises.

Litigation

The Group is involved in various legal disputes regarding the generation of electricity. In view of the nature of such litigation, it is not always objectively possible to predict the outcome of such disputes, which in some cases could be unfavorable.
The Group is also involved in various disputes regarding environmental issues associated with the construction and operation of a number of generation facilities.
Provisions have been recognized to cover all significant liabilities for cases in which legal counsel feels an adverse outcome is likely and a reasonable estimate of the amount of the loss can be made.

Related parties

Related parties are mainly parties that are subject to control by the same entity as Enel Green Power SpA, companies that directly or indirectly through one or more intermediaries control, are controlled or

are subject to the joint control of Enel Green Power SpA and in which the latter has a holding that enables it to exercise a significant influence. Related parties also include the managers with strategic responsibilities, and their close relatives, of Enel Green Power SpA and the companies over which it exercises direct, indirect or joint control and over which it exercises a significant influence. Managers with strategic responsibilities are those persons who have the power and direct or indirect responsibility for the planning, management and control of the activities of the company. They include company directors.

Subsidiaries

Subsidiaries comprise those entities for which the Group has the direct or indirect power to determine their financial and operating policies for the purposes of obtaining the benefits of their activities. In assessing the existence of a situation of control, account is also taken of potential voting rights that are effectively exercisable or convertible. The figures of the subsidiaries are consolidated on a full line-by-line basis as from the date control is acquired until such control ceases.

Associated companies

Associated companies comprise those entities in which the Group has a significant influence. Potential voting rights that are effectively exercisable or convertible are also taken into consideration in determining the existence of significant influence.

These investments are initially recognized at cost and are subsequently measured using the equity method, allocating any difference between the cost of the equity investment and the share in the net fair value of the assets, liabilities and identifiable contingent liabilities of the associated company in an analogous manner to the treatment of business combinations. The Group's share of profit or loss is recognized in the consolidated financial statements from the date on which it acquires the significant influence over the entity until such influence ceases. Should the Group's share of the loss for the period exceed the carrying amount of the equity investment, the latter is impaired and any excess recognized in a provision if the Group has a commitment to meet legal or constructive obligations of the associate or in any case to cover its losses.

Joint ventures

Interests in joint ventures — enterprises over whose economic activities the Group exercises joint control with other entities — are consolidated using the proportionate method. The Group recognizes its share of the assets, liabilities, revenues and expenses on a line-by-line basis in proportion to the Group's share in the entity from the date on which joint control is acquired until such control ceases.

The following table reports the contribution of the joint ventures to the aggregates in the consolidated financial statements:

in millions of Euro

	Enel Unión Fenosa Renovables [1]
Percentage consolidation	50.0%
Non-current assets	759
Current assets	98
Non-current liabilities	484
Current liabilities	192
Operating revenues	90
Operating expenses	59

(1) Includes amounts for companies over which joint control is exercised with other shareholders. The list of the Group entities, with the method of consolidation applied, is reported in Annex "Companies and equity investments of Enel Green Power Group as of December 31, 2009".

Consolidation procedures

The financial statements of subsidiaries used to prepare the consolidated financial statements were prepared as of December 31, 2009 in accordance with the accounting policies adopted by the Company.

All intercompany balances and transactions, including any unrealized profits or losses on transactions within the Group, are eliminated, net of the theoretical tax effect. Unrealized profits and losses with associates and joint ventures are eliminated for the part attributable to the Group.

In both cases, unrealized losses are eliminated except when relating to impairment.

Translation of foreign currency items

Transactions in currencies other than the functional currency are recognized in these financial statements at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in a foreign currency other than the functional currency are later adjusted using the balance sheet exchange rate.

Non-monetary assets and liabilities in foreign currency stated at historic cost are translated using the exchange rate prevailing on the date of initial recognition of the transaction. Non-monetary assets and liabilities in foreign currency stated at fair value are translated using the exchange rate prevailing on the date that value was determined.

Any exchange rate differences are recognized through the consolidated income statement.

Translation of financial statements denominated in a foreign currency

For the purposes of the consolidated financial statements, all profits/losses, assets and liabilities are stated in Euro, which is the functional currency of the Company, Enel Green Power S.p.A.

In order to prepare the consolidated financial statements, the financial statements of consolidated companies in functional currencies other than the Euro are translated into Euro by applying the relevant period-end exchange rate to the assets and liabilities, including goodwill and consolidation adjustments, and the average exchange rate for the period, which approximates the exchange rates prevailing at the date of the respective transactions, to the income statement items.

Any resulting exchange rate gains or losses are recognized as a separate component of equity in a special reserve. The gains and losses are recognized in the income statement on the disposal of the subsidiary.
The annexes to the financial statements include a list of the entities included in the scope of consolidation with a functional currency other than the Euro.

The exchange rates applied, to the consolidated financial statements as well, are as follows:

	Average for the year ended December 31, 2009	As of December 31, 2009	As of January 1, 2009
US Dollar	1.39	1.44	1.39
Canadian Dollar	1.59	1.51	1.70
Brazilian Real	2.77	2.51	3.24
Mexican Peso	18.80	18.92	19.23
New Romanian Leu	4.24	4.24	4.02
Guatemalan Quetzal	11.37	12.01	10.79
Costa Rican Colon	797.74	802.05	776.43

Business combinations

All business combinations are recognized using the purchase method, where the purchase cost is equal to the fair value at the date of the exchange of the assets acquired and the liabilities incurred or assumed, plus any costs directly attributable to the acquisition. This cost is allocated by recognizing the assets, liabilities and identifiable contingent liabilities of the acquired company at their fair values. Any positive difference between the purchase cost and the fair value of the share of the net assets acquired attributable to the Group is recognized as goodwill. Any negative difference is recognized in profit or loss. If the fair values of the assets, liabilities and contingent liabilities can only be calculated on a provisional basis, the business combination is recognized using such provisional values. Any adjustments resulting from the completion of the measurement process are recognized within twelve months of the date of acquisition, redetermining comparative figures.
A business combination involving entities or businesses under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Business combinations under common control are excluded from the scope of IFRS 3 and other IFRS. In the absence of accounting standard for business combinations under common control and using the hierarchy of IAS 8, the Group has elected to account for entities acquired from Enel S.p.A. based on the carrying amount recognized in the consolidated financial statements of Enel S.p.A., at the date of transfer. Any difference arising from the transferred amounts compared with the related amounts recognized in the consolidated financial statements of the common controlling entity Enel S.p.A. is recognized in shareholders' equity.

Property, plant and equipment

Property, plant and equipment is recognized at historic cost, including directly attributable ancillary costs necessary for the asset to be ready for use. It is increased by the present value of the estimate of the costs of decommissioning and removing the asset where there is a legal or constructive obligation to do so. The corresponding liability is recognized under provisions for risks and charges.

The accounting treatment of changes in the estimate of these costs, the passage of time and the discount rate is discussed under "Provisions for risks and charges".
Where a significant period of time is required before the asset is ready for use or sale, for plants on which construction began after January 1, 2009, the purchase price or production cost includes any borrowing costs directly attributable to the purchase, construction or production of such asset.
Where major components of property, plant and equipment have different useful lives, the components are recognized and depreciated separately.
Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred to replace a part of the asset will flow to the Group and the cost of the item can be reliably determined.
All other expenditure is recognized as an expense in the period in which it is incurred.
The cost of replacing part or all of an asset is recognized as an increase in the value of the asset and is depreciated over its useful life; the net carrying amount of the replaced unit is eliminated through profit or loss, with the recognition of any capital gain/loss.
Property, plant and equipment is reported net of accumulated depreciation and any impairment losses determined as set out below. Depreciation is calculated on a straight-line basis over the item's estimated useful life, which is reviewed annually, and any changes are reflected on a prospective basis. Depreciation begins when the asset is ready for use.

The estimated useful life of the main items of property, plant and equipment is as follows:

Property, plant and equipment	**Useful life**
Hydroelectric power plants	
Civil buildings and constructions	30-60 years
Plants and equipment:	
- Penstocks	40-50 years
- Electric and mechanical equipment	25-40 years
Geothermal power plants	
Civil buildings and constructions	60 years
Plants and equipment:	
- Cooling towers	20 years
- Turbines and generators	30 years
- Turbine parts contacted with fluids	10 years
- Other mechanical equipment	20 years
Wind power plants	
Civil buildings and constructions	30-60 years
Plants and equipment:	
- Towers	20-40 years
- Turbines and generators	18-20 years
- Other mechanical equipment	20 years
Solar power plant	
Civil buildings and constructions	20-25 years
Plants and equipment:	
- Other mechanical equipment	20 years

Land, both unbuilt and on which civil and industrial buildings stand, is not depreciated as it has an indefinite useful life.

Property, plant and equipment under finance lease

Property, plant and equipment acquired under finance leases, whereby all risks and rewards incident to ownership are substantially transferred to the Group, are initially recognized as assets at the lower of fair value and the present value of the minimum lease payments due, including the payment required to exercise any purchase option. The corresponding liability due to the lessor is recognized under financial liabilities. The assets are depreciated on the basis of their useful lives. If it is not reasonably certain that the Group will acquire the assets at the end of the lease, they are depreciated over the shorter of the lease term and the useful life of the assets.

Leases where the lessor retains substantially all risks and rewards incident to ownership are classified as operating leases. Operating lease costs are taken to profit or loss on a systematic basis over the term of the lease.

Assets to be relinquished free of charge

The Group's plants in Italy include assets to be relinquished free of charge at the end of the concession. These mainly regard major water diversion works and the public lands used for the operation of the thermal power plants. The concessions terminate in 2029. Accordingly, depreciation on assets to be relinquished is calculated over the shorter of the term of the concession and the remaining useful life of the assets. If the concessions are not renewed, at those dates all intake and governing works, penstocks, outflow channels and other assets on public lands will be relinquished free of charge to the State in good operating condition. The Group believes that the existing ordinary maintenance programs ensure that the assets will be in good operating condition at the termination date and therefore, no accruals have been booked in this respect.

Intangible assets

Intangible assets are measured at purchase or internal development cost, when it is probable that the use of such assets will generate future economic benefits and the related cost can be reliably determined.

The cost includes any directly attributable incidental expenses necessary to make the assets ready for use. The assets, with a definite useful life, are reported net of accumulated amortization and any impairment losses, determined as set out below.

Amortization is calculated on a straight-line basis over the item's estimated useful life, which is checked at least annually; any changes in amortization policies are reflected on a prospective basis. Amortization commences when the asset is ready for use.

Goodwill deriving from the acquisition of subsidiaries, associated companies or joint ventures is allocated to each of the cash-generating units identified. After initial recognition, goodwill is not amortized but is tested for recoverability at least annually using the criteria described in the notes. Goodwill relating to equity investments in associates is included in their carrying amount.

Impairment losses

Property, plant and equipment and intangible assets are reviewed at least once a year to determine whether there is evidence of impairment. If such evidence exists, the recoverable amount of any property, plant and equipment and intangible assets is estimated.

The recoverable amount of goodwill and intangible assets with an indefinite useful life, if any, as well as that of intangible assets not yet available for use, is estimated annually.

The recoverable amount is the higher of an asset's fair value less selling costs and its value in use.

Value in use is determined by discounting estimated future cash flows using a pre-tax discount rate that reflects the current market assessment of the time value of money and the specific risks of the asset. The recoverable amount of assets that do not generate independent cash flows is determined based on the cash-generating unit to which the asset belongs.
An impairment loss is recognized in the income statement if an asset's carrying amount or that of the cash-generating unit to which it is allocated is higher than its recoverable amount.
Impairment losses of cash generating units are first charged against the carrying amount of any goodwill attributed to it and then against the value of other assets, in proportion to their carrying amount.
Impairment losses are reversed if the impairment has been reduced or is no longer present or there has been a change in the assumptions used to determine the recoverable amount. Impairment of goodwill is never reversed subsequently.

Inventories

Inventories are measured at the lower of cost and net estimated realizable value. Average weighted cost is used, which includes related ancillary charges. Net estimated realizable value is the estimated normal selling price net of estimated selling costs or, where applicable, replacement cost.

Financial instruments

Financial assets measured at fair value through profit or loss

This category includes debt securities held for trading and debt securities designated as at fair value through profit or loss at the time of initial recognition.
Such assets are initially recognized at fair value. Gains and losses from changes in their fair value are recognized in the income statement.

Loans and receivables

This category includes non-derivative financial and trade receivables, including debt securities, with fixed or determinable payments that are not quoted on an active market that the entity does not originally intend to sell.
Such assets are initially recognized at fair value, adjusted for any transaction costs, and subsequently measured at amortized cost using the effective interest method, net of any impairment losses. Such impairment losses are calculated as the difference between the carrying amount of the asset and the present value of expected future cash flows, discounted using the original effective interest rate
Trade receivables falling due in line with generally accepted trade terms are not discounted.

Cash and cash equivalents

This category is used to record cash and cash equivalents that are available on demand or at very short term, clear successfully and do not incur collection costs.

Trade payables

Trade payables are initially recognized at fair value and subsequently measured at amortized cost.
Trade payables falling due in line with generally accepted trade terms are not discounted.

Financial liabilities

Financial liabilities other than derivatives are initially recognized at the settlement date at fair value, less directly attributable transaction costs. Financial liabilities are subsequently measured at amortized cost using the effective interest rate method.

Derivative financial instruments

Derivatives are recognized at fair value and are designated as hedging instruments when the relationship between the derivative and the hedged item is formally documented and the effectiveness of the hedge (assessed periodically) meets the thresholds envisaged under IAS 39.

When derivatives are used to hedge the risk of changes in the cash flows generated by the hedged items or forecast transactions (cash flow hedges), changes in fair value are initially recognized in equity, in the amount qualifying as effective, and subsequently released to profit or loss in line with the gains and losses on the hedged item.

The ineffective portion of the fair value of the hedging instrument is taken to profit or loss.

Changes in the fair value of trading derivatives and those that no longer qualify for hedge accounting under IAS 39 are recognized in profit or loss.

Derivative financial instruments are recognized at the trade date.

Financial and non-financial contracts (that are not already measured at fair value) are analyzed to identify any embedded derivatives, which must be separated and measured at fair value. This analysis is conducted at the time the entity becomes party to the contract or when the contract is renegotiated in a manner that significantly changes the original associated cash flows.

Fair value is determined using the official prices for instruments traded on regulated markets. For instruments not traded on regulated markets fair value is determined on the basis of the present value of expected cash flows using the market yield curve at the reporting date and translating amounts in currencies other than the Euro at end-period exchange rates.

The Group also analyzes all forward contracts for the purchase or sale of non-financial assets, with a specific focus on forward purchases and sales of electricity and energy commodities, in order to determine if they must be classified and treated in conformity with IAS 39 or if they have been entered into for physical delivery in line with the normal purchase/sale/use needs of the company (own use exemption).

If such contracts have not been entered into in order to obtain or deliver electricity or energy commodities, they are measured at fair value.

Derecognition of financial assets and liabilities

Financial assets are derecognized when the rights to receive the cash flows associated with the instrument expire or the company has transferred substantially all the risks and rewards associated with ownership or control of the instrument.

Financial liabilities are derecognized when they are extinguished or the company transfers all the risks and obligations associated with the instrument.

Employee benefits

Liabilities related to employee benefits paid upon leaving or after ceasing employment in connection with defined benefit plans or other long-term benefits accrued during the employment period, which are recognized net of any plan assets, are determined separately for each plan, using actuarial

assumptions to estimate the amount of the future benefits that employees have accrued at the balance sheet date. The liability is recognized on an accruals basis over the vesting period of the related rights. These appraisals are performed by independent actuaries.
The cumulative actuarial gains and losses exceeding 10% of the greater of the present value of the defined benefit obligation and the fair value of the plan assets are recognized in profit or loss over the expected average remaining working lives of the employees participating in the plan. Otherwise, they are not recognized.
Where there is a demonstrable commitment, with a formal plan without realistic possibility of withdrawal, to a termination before retirement eligibility has been reached, the benefits due to employees in respect of the termination are recognized as a cost and measured on the basis of the number of employees that are expected to accept the offer.

Provisions for risks and charges

Accruals to the provisions for risks and charges are recognized where there is a legal or constructive obligation as a result of a past event at period-end, the settlement of which is expected to result in an outflow of resources whose amount can be reliably estimated. Where the impact is significant, the accruals are determined by discounting expected future cash flows using a pre-tax discount rate that reflects the current market assessment of the time value of money and, if applicable, the risks specific to the liability.
If the provision is discounted, the periodic adjustment for the time factor is recognized as a financial expense.
Where the liability relates to decommissioning and/or site restoration in respect of property, plant and equipment, the provision offsets the related asset. The expense is recognized in profit or loss through the depreciation of the item of property, plant and equipment to which it relates.

Changes in estimates are recognized in the income statement in the period in which the changes occur, with the exception of those in the costs of dismantling, removal and remediation resulting from changes in the timetable and costs necessary to extinguish the obligation or a change in the discount rate. These changes increase or decrease the value of the related assets and are taken to the income statement through depreciation. Where they increase the value of the assets, it is also determined whether the new carrying amount of the assets may not be fully recoverable. If this is the case, the assets are tested for impairment, estimating the unrecoverable amount and recognizing any loss in respect of the impairment in the income statement.
Where the changes in estimates decrease the value of the assets, the reduction is recognized up to the carrying amount of the assets. Any excess is recognized immediately in the income statement.
Reference should be made to "Use of estimates" in relation to the criteria adopted for decommissioning and/or site restoration in respect of property, plant and equipment.

Grants and incentives

Grants are recognized at fair value when it is reasonably certain that they will be received or that the conditions for receipt have been met and their fair value can be estimated reliably.
Grants received for specific expenditure or specific assets the value of which is recognized as an item of property, plant and equipment or an intangible asset are recognized as other liabilities and credited to the income statement over the period in which the related costs are recognized.

Green Certificates, recognized on the basis of the "actual" method, relating to the amount of energy generated during the period of validity of such Green Certificates are valued based on the weighted average price for exchange transactions occurred in the period 2007-2009 (without reference to the year): such price is equal to the price used by GSE to withdraw certificates 2009 in accordance with Decree dated 18 December 2008.
The incentive mechanism for CIP 6 electricity refers to the amount of energy generated by the plants of which incentives have been provided with in accordance with CIP 6/92 agreements and following amendments.

Revenues

Revenues are measured at the fair value of the consideration received or receivable and recognized using the following criteria depending on the type of transaction:

- revenues from the sale of goods are recognized when the significant risks and rewards of ownership are transferred to the buyer and their amount can be reliably determined;
- revenues from sale of electricity refer to the quantities provided during the period, even if these have not yet been invoiced, and are determined using fixed meter readings of the plants and data provided by Enel Produzione S.p.A., holder of the dispatching contract with GME and GSE (based on the agency agreement);
- revenues from the rendering of services are recognized in line with the stage of completion of the services. Where it is not possible to reliably determine the value of the revenues, they are recognized in the amount of the costs that it is considered will be recovered.

Financial income and expense

Financial income and expense is recognized on an accruals basis in line with interest accrued on the net carrying amount of the related financial assets and liabilities using the effective interest rate method. They include the changes in the fair value of financial instruments recognized at fair value through profit or loss and changes in the fair value of derivatives connected with financial transactions.

Dividends

Dividends are recognized when the shareholder's right to receive them is established.
Dividends and interim dividends payable to third parties are recognized as changes in equity at the date they are approved by the Shareholders' Meeting and the Board of Directors, respectively.

Income taxes

Current income taxes for the period are determined using an estimate of taxable income and in conformity with the applicable tax regulations.
Deferred tax liabilities and assets are calculated on the temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their corresponding values recognized for tax purposes on the basis of tax rates in effect on the date the temporary difference will reverse, which is determined on the basis of tax rates that are in force or substantively in force at the balance sheet date.
Deferred tax assets are recognized when recovery is probable, i.e., when an entity expects to have sufficient future taxable income to recover the asset.
The recoverability of deferred tax assets is reviewed at each period-end. Taxes in respect of components recognized in other comprehensive income are also taken to equity.

Earnings per share

Earnings per share is calculated by dividing the Group net income for the period by the weighted average number of ordinary shares in circulation during the reporting period excluding own shares. The Group does not have any potential dilutive shares Therefore, the diluted earnings per share are equal to basic earnings per share.

3. Recently issued accounting standards

First-time adoption and applicable standards

The company has adopted the following international accounting standards and interpretations taking effect as from January 1, 2009:

- "*Amendments to IAS 1 — Presentation of financial statements*": this introduces a new method of presentation of financial statements, with a particular impact on the presentation of income statement data for the period through "comprehensive income", which provides for separate reporting of profit and loss for the period and of profit and loss recognized as a change in equity ("other comprehensive income"). The standard gives companies the options of presenting this information in one "statement of comprehensive income", or in two separate statements presented together:
    - one statement ("income statement"), which shows the components of profit and loss for the period; and
    - a second statement ("statement of comprehensive income") which, starting with the net income (loss) for the period, includes gains and losses recognized in other comprehensive income.

  The Group has elected to present two separate statements. The Revised IAS 1 also eliminated the option of disclosing changes in shareholders' equity items and transactions with owners in the notes to the financial statements and rather requires this information to be presented in a separate statement.

- "*Amendments to IAS 23 — Borrowing costs*": this eliminates the option which allowed the expensing of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset and requires their capitalization as part of the cost of that asset.

- "*Amendments to IAS 32 and IAS 1 — Puttable financial instruments and obligations arising on liquidation*". The amendments introduce an exception to the definition of equity instruments by extending the definition to encompass puttable financial instruments where the instruments impose obligations on the entity in the event of liquidation, provided the instruments have certain characteristics and meet certain conditions.

- "*Amendments to IAS 39 and IFRS 7 Reclassification of financial assets — Effective date and transition*". This amendment modified the sections concerning the effective date of the amendments to IAS 39 and IFRS 7 issued by the IASB and endorsed by the European

Commission in October 2008 concerning the reclassification of financial assets, improving the provisions in order to eliminate a number of presentation inconsistencies. More specifically, the IASB specified that reclassifications made as from November 1, 2008 shall be effective as from the date of reclassification. No reclassifications can be applied retrospectively with effect before July 1, 2008. The application of the amendments did not have an impact for the Group.

- "*Amendments to IFRIC 9 — Reassessment of embedded derivatives*" and "*Amendments to IAS 39 Financial instruments — Recognition and measurement*". The amendments require companies that intend to reclassify a financial instrument designated as at fair value through profit or loss ("FVTLP") under the provisions of the amendments of IAS 39 endorsed by the European Commission in October 2008 to reassess the contract to determine whether an embedded derivative should be measured separately. If the company is unable to measure the derivative separately, the financial instrument many not be reclassified out of the FVTPL category. The retrospective application of the interpretation did not have an impact for the Group.

- "*Amendment to IFRS 2 — Share-based payment*": the standard sets out the accounting treatment to be used in respect of "non-vesting conditions" that may apply to a share-based payment. Furthermore, the new standard extends the IFRS 2 rules governing cancellation of stock option plans by an entity to include cases in which the entity did not itself decide the cancellation or settlement during the vesting period. The retrospective application of the amendments did not have an impact for the Group.

- "*Amendments to IFRS 7 — Financial instruments: Disclosures" and "Amendments to IFRS 4 — Insurance contracts*". The amendments introduce a three-level hierarchy for classifying assets and liabilities measured at fair value and providing the related disclosures. The hierarchy classifies financial instruments recognized at fair value in consideration of the inputs used to determine such value. Level 1 includes financial instruments measured at fair value on the basis of quoted prices in active markets for such assets or liabilities. Level 2 comprises financial instruments whose fair value was determined with a valuation technique using directly or indirectly observable market inputs connected with the assets or liabilities being measured. Level 3 includes financial instruments whose fair value was calculated using inputs not based on observable market data. This hierarchy reflects the availability of observable market data to be used in determining fair value. The amendments also introduce new disclosure requirements, with the information to be presented in table form, for assets and liabilities measured at fair value for each of the three levels in the hierarchy, with the extension of disclosure requirements for financial assets measured at fair value on the basis of inputs not based on observable market data. The disclosure requirements for liquidity risk were also amended to reflect the manner in which such risk is managed. The application of the amendments on a prospective basis did not have an impact for the Group.

- "*IFRS 8 — Operating segments*": the standard replaces IAS 14 and essentially requires the adoption of the management approach in determining and reporting segment profit or loss, i.e., using the methodologies adopted by management in internal reporting in order to

assess performance and allocate resources among segments. The application of the standard on a prospective basis did not have an impact for the Group.

- "*IFRIC 13 — Customer loyalty programs*": the interpretation governs the accounting treatment of the obligation to provide prizes to customers as part of customer loyalty programs and establishes that the fair value of the obligations to provide the awards must be accounted for separately from revenues from sales and deferred until the obligation to the customer is extinguished or the customer's right lapses or is not exercised. The retrospective application of the interpretation did not have an impact for the Group.

- "I*FRIC 14 — IAS 19 The limit on a defined benefit asset, minimum funding requirements and their interaction*": the interpretation provides guidance for the application of the rules contained in IAS 19 relating to the "asset ceiling". It also defines the effects of a minimum funding requirement on liabilities and/or assets held in relation to a defined benefit plan or other long-term benefits (contractually or legally established minimum amount of assets required to service the plan). The application of the interpretation on a prospective basis did not have an impact for the Group.

- "*Improvements to International Financial Reporting Standards*": these comprise a series of amendments to individual standards concerning the presentation, recognition and measurement of items in the financial statements, as well as terminological or editorial changes did not have accounting impacts.

Standards not yet adopted and not yet applicable

In 2009, the European Commission endorsed the following new accounting standards and interpretations, which were not yet applicable as of December 31, 2009:

- "*Amendments to IAS 27 Consolidated and separate financial statements*". The new version of the standard establishes that changes in equity interests in a subsidiary that do not result in a loss of control shall be recognized in equity. Where a controlling interest is divested, any residual interest must be re-measured to fair value on that date. This new principle is applicable for periods beginning after June 30, 2009. The Group is currently evaluating the impact of this new standard.

- "*Amendment to IAS 39 — Financial instruments: recognition and measurement: eligible hedged items*". With this amendment to the current IAS 39 standard, the IASB has sought to clarify the conditions under which certain financial/non-financial instruments may be designated as hedged items. The amendment specifies that an entity may also choose to hedge only one kind of change in the cash flow or in the fair value of the hedged item (i.e., that the price of a hedged commodity increases beyond a specified price), which would constitute a one-sided risk. The IASB also specifies that a purchased option designated as a hedge in a one-sided risk hedge relationship is perfectly effective only if the hedged risk refers exclusively to changes in the intrinsic value of the hedging instrument, not to changes in its time value as well. These changes shall be applied retrospectively as from annual

periods beginning on or after June 30, 2009. The Group is currently evaluating the impact of this new standard.

- "*Amendments to IAS 32 Financial instruments — Presentation*". The amendment specifies that rights, options or warrants that entitle the holder to purchase a specific number of equity instruments of the entity issuing such rights for a specified amount of any currency shall be classified as equity if (and only if) the entity offers the rights, options or warrants pro rata to all existing holders of its equity instruments (other than derivatives) in the same class for a fixed amount of currency. The changes shall be applied retrospectively as from periods beginning on or after January 31, 2010. The application of the amendments is not expected to have a significant impact for the Group.

- "*Revised IFRS 3 — Business combinations*", issued in January 2008: this introduced important amendments to the acquisition method for the recognition of business combinations. The changes include:

    - the obligation to recognize in profit or loss any changes in the consideration subsequently paid by the acquiring party, as well as the transaction costs of the business combination;

    - the possibility of opting for either the full goodwill or the partial goodwill approach in choosing the methodology for initial recognition of goodwill;

    - the obligation to recognize, in the case of the acquisition of additional holdings after acquiring control, the positive difference between the purchase price and the corresponding share of equity as an adjustment of equity.

The new principle should be applied prospectively for periods beginning after June 30, 2009.

- "*IFRIC 12 — Service concession arrangements*". The interpretation requires that, depending on the characteristics of the concession arrangements, the infrastructure used to deliver the public services shall be recognized under intangible assets or under financial assets, depending, respectively, on whether the concession holder has the right to charge users of the services or it has the right to receive a specified amount from the grantor agency. The new interpretation applies to both infrastructure that the concession holder builds or acquires from a third party for the purposes of the service arrangement and existing infrastructure to which the concession holder is given access by the grantor for the purposes of the service arrangement.

- "*IFRIC 15 — Agreements for the construction of real estate*". This interpretation sets out the guidelines for recognizing revenues and costs arising from the contracts for the construction of real estate and clarifies when a contract falls within the scope of "IAS 11 — Construction contracts" and "IAS 18 — Revenue". The interpretation also specifies the accounting treatment to be used in respect of revenues from the delivery of additional services relating to real estate under construction. The new principal should be applied retrospectively for periods beginning after December 31, 2009. The Group is currently evaluating the impact of this new standard.

- "*IFRIC 16 — Hedges of a net investment in a foreign operation*". The interpretation applies to entities that intend to hedge the exchange rate risk associated with a net investment in a foreign operation. The main aspects of the interpretation are :

  - the hedge may only cover the exchange rate difference between the functional currency (not the presentation currency) of the foreign operation and the functional currency of the parent (a parent being a controlling entity at any level, whether intermediate or final);

  - in the consolidated financial statements, the risk may be designated as hedged only once, even if more than one entity in the same group has hedged its exchange rate exposure to the same foreign operation;

  - the hedging instrument may be held by any entity in the group (apart from that being hedged);

  - in the event of the disposal of the foreign operation, the value of the translation reserve reclassified to profit or loss in the consolidated financial statements shall be equal to the value of the gain/loss on the effective portion of the hedging instrument.

The new standard should be applied prospectively for periods beginning after June 30, 2009.

- "*IFRIC 17 — Distributions of non-cash assets to owners*". The interpretation clarifies matters relating to the distribution of non-cash dividends to owners. In particular:

  - dividends shall be recognized as soon as they are authorized;

  - the company shall measure dividends at the fair vale of the net assets to be distributed;

  - the company shall recognize the difference between the carrying amount of the dividend and its fair value through profit or loss.

The new standard should be applied prospectively for periods beginning after October 31, 2009.

- "*IFRIC 18 — Transfers of assets from customers*" clarifies the recognition and measurement of property, plant and equipment received by the entity from its customers. In some cases, the entity receives cash from a customer that must be used to acquire or construct the items of property, plant and equipment in order to connect the customer to a network and /or provide the customer with ongoing access to a supply of goods or services. IFRIC 18 must be applied prospectively for periods beginning on or after 31 October 2009. The Group currently is currently assessing the impact of this new interpretation.

Additionally, a new version of "IFRS 1 — First-time adoption of International Financial Reporting Standard", was issued which is effective for annual periods beginning on or after July 1, 2009. The new standard eliminates some transitional regulations and rationalizes the approach for first time adoption of IFRS.

During 2009, the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) also published new standards and interpretations that, as of December 31, 2009 had not yet been endorsed by the European Commission. The standards are set out below:

- "*Amendment to IFRS 2 — Group cash-settled share-based payment transactions*", issued in June 2009. The amendments, which incorporate the guidelines contained in IFRIC 8 and IFRIC 11, clarify the accounting treatment of cash-settled share-based payments involving different Group companies (e.g., when a parent company is obliged to pay the employees of a subsidiary an amount for their services based on the price of its own shares).

  The new rules will take effect, subject to endorsement, for periods beginning on or after January 1, 2010.

- "*IFRS 9 — Financial instruments*", issued in November 2009: the standard is the first of three phases in the project to replace IAS 39. The standard establishes new criteria for the classification of financial assets, based on the business model of the entity and the cash flow characteristics of the financial assets. The new standard requires financial assets to be measured initially at fair value plus, in the case of financial assets not at fair value through profit or loss, any transaction costs. Subsequently, they are measured at fair value or amortized cost. As regards equity instruments not held for trading, an entity can make an irrevocable election to measure it at fair value through other comprehensive income. Any dividend income shall be recognized through profit or loss. The new standard will take effect, subject to endorsement, for periods beginning on or after January 1, 2013.

- "*Revised IAS 24 — Related party disclosures*", issued in November 2009: the new version allows companies under control or significant influence of a government-related entity to adopt special disclosure of transactions with the government-related entities and with other companies controlled or under significant influence of the same government-related entities. The new version of IAS 24 also amends the definition of related parties for the purposes of disclosure in the notes to the financial statements. The new version of the standard will take effect retrospectively, subject to endorsement, for periods beginning on or after January 1, 2011.

- "*Amendments to IFRIC 14 — Prepayments of a minimum funding requirement*", issued in November 2009: the changes clarify the circumstances in which a company that prepays a minimum funding requirement for an employee benefit plan can recognize such payments as an asset. The new rules will take effect, subject to endorsement, for periods beginning on or after January 1, 2011.

- "*IFRIC 19 — Extinguishing financial liabilities with equity instruments*", issued in November 2009: the interpretation clarifies the accounting treatment that a debtor must apply in the case of liability being extinguished through the issue of equity instruments to the creditor. In particular, the equity instruments issued represent the consideration for extinguishing the liability and must be measured at fair value as of the date of extinguishment. Any difference between the carrying amount of the extinguished liabilities

and the initial value of the equity instruments shall be recognized through profit or loss. The interpretation will take effect retrospectively, subject to endorsement, for financial periods beginning on or after July 1, 2010.

4. Financial risk management

In the ordinary course of business the Group is exposed to a variety of risks including market risk (commodity price, exchange rate and interest rate risk), credit risk and liquidity risk. The Group's risk management strategy is aimed to minimize the potential negative impact of financial risks on the Group's financial performance. Certain risk exposures are generally hedged using derivative financial instruments.
Risk management is centralized in the treasury function which identifies, assesses and implements the hedging instruments together with the Group's operating units. The treasury function monitors and manages these risks as a part of overall risk management strategy including use of derivatives and non-derivative instruments.
The following is a brief description of management policies and sensitivity analysis carried out by the Group with respect to the above risks.

Market risk
As a part of its operations, the Group is exposed to different market risks, notably the risk of changes in interest rates, exchange rates and commodity prices.
Interest rate risk is mainly related to interest payments on long-term debt.
Exchange rate risk is based on the fact that the Group has loans denominated in foreign currencies and sales of energy in Italy with hedges indexed to energy commodity prices which are denominated in US dollars.
In compliance with the Group policies for managing financial risks, these exposures are generally hedged using over-the-counter derivative contracts (OTC) conducted within the Enel Group. To be specific, the internal counterparty for commodity derivatives is Enel Trade S.p.A., while for interest rate and foreign exchange derivatives, Enel S.p.A.
The Group does not use derivates for speculative purposes.
Derivative transactions may be designated as cash flow hedges (CFH) or fair value hedges (FVH) if the formal requirements of IAS 39 are met; otherwise, they are classified as trading derivatives.
The fair value of a derivative contract is determined using the official prices for instruments traded on regulated markets. The fair value of instruments not listed on regulated markets is determined using valuation models appropriate for each type of financial instrument and market data as of the close of the period (such as interest rates, exchange rates, volatility), discounting expected future cash flows on the basis of the market yield curve at the balance sheet date and translating amounts in currencies other than the euro using the period-end exchange rates provided by the European Central Bank.
The notional value of a derivative is the amount on which cash flows are exchanged. This amount can be expressed as a value or a quantity (for example tons, converted into Euro by multiplying the notional amount by the agreed price). Amounts denominated in currencies other than the euro are converted into euro at the exchange rate as of the balance sheet date.

Interest rate risk

The twin objectives of reducing the amount of debts exposed to changes in interest rates and of containing borrowing costs are pursued by the use of a variety of derivative contracts, notably interest rate swaps and interest rate options.

Interest rate swaps normally provide for the periodic exchange of floating-rate interest flows for fixed-rate interest flows, both of which are calculated on the basis of notional principal amount.
Interest rate options involve the exchange of interest differences calculated on a notional principal amount once certain thresholds (strike prices) are reached. These thresholds specify the effective maximum rate (cap) or the minimum rate (floor) on the debt as a result of hedge. Hedging strategies can also make use of combinations of options (collars) that establish the minimum and maximum rates at the same time. In this case, the strike prices are normally set so that no premium is paid on the contract (zero-cost collars).
The term of such contracts does not exceed the maturity of the underlying financial liability, so that any change in the fair value and/or cash flows of such contracts is offset by a corresponding change in the fair value and/or cash flows of the underlying position.
The Group had interest rate swaps with a notional amount amounting to Euro 368 million as of December 31, 2009 (Euro 273 million as of January 1, 2009) and interest rate options with a notional amount amounting to Euro 47 million as of December 31, 2009 (Euro 52 million as of January 1, 2009).
The following tables set forth the notional amount and fair value of interest rate derivative contracts as of December 31, 2009 and January 1, 2009 analyzed by type of instrument.

in millions of Euro

	Notional amount	Fair value	Fair value — assets	Fair value — liabilities
		As of December 31, 2009		
Cash flow hedge derivatives	**374**	**(21)**	**—**	**(21)**
Interest rate swaps	*365*	*(21)*	—	*(21)*
Interest rate options	*9*	—	—	—
Trading derivatives	**41**	**(1)**	**—**	**(1)**
Interest rate swaps	*3*	—	—	—
Interest rateb option	38	(1)	—	(1)
Total interest rate options	**47**	**(1)**	**—**	**(1)**
Total interest rate derivatives	**415**	**(22)**	**—**	**(22)**

in millions of Euro

	Notional amount	Fair value	Fair value — assets	Fair value — liabilities
		As of January 1, 2009		
Cash flow hedge derivatives	**268**	**(15)**	**—**	**(15)**
Interest rate swaps	*267*	*(15)*	—	*(15)*
Interest rate options	*1*	—	—	—
Trading derivatives	**57**	**—**	**—**	**—**
Interest rate swaps	*6*	—	—	—
Interest rate options	*51*	—	—	—
Total interest rate swaps	**273**	**(15)**	**—**	**(15)**
Total interest rate options	**52**	**—**	**—**	**—**
Total interest rate derivatives	**325**	**(15)**	**—**	**(15)**

The following table sets forth the future expected cash flows relating to financial derivatives.

in millions of Euro

	Fair value	Expected future cash flows					
	As of December 31, 2009	2010	2011	2012	2013	2014	Later
Cash flow hedge derivatives							
Derivative assets	—	—	—	—	—	—	—
Derivative liabilities	(22)	(11)	(6)	(4)	(2)	(1)	2

The amount of floating-rate debt that is not hedged against interest rate risk is the main factor that could impact the income statement (raising borrowing costs) in the event of an increase in the market interest rates. As of December 31, 2009, 72% of the Group's long term financial liabilities were floating rate (72% as of January 1, 2009). After considering the effect of interest rate cash flow hedges, as of December 31, 2009, 44% of long-term financial liabilities were floating rate (45% as of January 1, 2009). Considering also interest rate derivatives which management consider to be for hedging purposes but which do not qualify for hedge accounting, 41% of long-term financial liabilities were floating rate (40% as of January 1, 2009).

If interest rates had been 1 basis point higher as of December 31, 2009, all other variables being equal, shareholders' equity would have been Euro 206 thousand higher as a result of the increase in the fair value of interest rate CFH derivatives (Euro 100 thousand as of December 31, 2008). Conversely, if interest rates had been 1 basis point lower at that date, all other variables being equal, shareholders' equity would have been Euro 206 thousand lower as a result of the decrease in the fair value of interest rate CFH derivatives (Euro 100 thousand as of December 31, 2008).

The negative (positive) effect on the income statement in terms of higher (lower) annual financial expense on the unhedged portion of long term financial liabilities is estimated to be approximately Euro 50 thousand.

Exchange rate risk

In order to reduce exchange rate risk on assets, liabilities and expected cash flows in foreign currencies, Enel Green Power uses currency forward contracts with Enel S.p.A. to hedge its cash flows in currencies other than the euro, typically the US dollar. The maturity of existing forward contracts does not exceed twelve months.

The notional amount of forward contracts amounted to Euro 47 million as of December 31, 2009 (Euro 185 million as of January 1, 2009). Forward contracts in place as of December 31, 2009 were used to hedge the exchange risk connected to sales of energy and cash flows on loans.

The following tables set forth the notional amount and fair value of exchange rate derivative contracts as of December 31, 2009 analyzed by type of instrument.

in millions of Euro

	Notional amount	Fair value	Fair value — assets	Fair value — liabilities
			As of December 31, 2009	
Trading derivatives	**47**	**—**	**—**	**—**
Forwards:	47	—	—	—
Total exchange rate derivatives	**47**	**—**	**—**	**—**

As of December 31, 2009, all currency forwards were classified as trading derivatives. The notional amount of assets amounted to Euro 26 million (FV of nil), while the notional amount of liabilities amounted to Euro 21 million (FV of nil).

The following table sets forth the notional amount and fair value of currency forward derivative contracts as of January 1, 2009, analyzed by type of instrument.

in millions of Euro

	Notional amount	Fair value	Fair value — assets	Fair value — liabilities
			As of January 1, 2009	
Cash flow hedge derivatives	**31**	**3**	**3**	**—**
Forwards	31	3	3	—
Trading derivatives	**148**	**(5)**	**1**	**(6)**
Forwards	148	(5)	1	(6)
Total forwards	**179**	**(2)**	**4**	**(6)**
Total exchange rate derivatives	**179**	**(2)**	**4**	**(6)**

Based on an analysis of the Group's indebtedness, as of December 31, 2009, 29% of the Group's long-term financial liabilities were denominated in currencies other than the euro (35% as of January 1, 2009) and were denominated in the functional currency of Group company holding the liability. Therefore there is no significant impact on the Group's income statement.

Electricity price risk

The exposure to the risk of changes in commodity prices is mainly related to sale of electricity at variable prices (sales on the Power Exchange).

In order to limit this exposure, the Group uses two-way contracts for differences (CFDs) in which differences are paid to the counterparty if the Single National Price (SNP) exceeds the strike price. There is no set premium for these contracts. Two-way CFDs were entered into by the Group with Enel Trade S.p.A.

As of December 31, 2009, the fair value of these contracts was determined using forward electricity prices taking into account the increased liquidity of the market.

The residual exposure in respect of sales on the Power Exchange which are not hedged through two-way CFDs is quantified and managed on the basis of estimation of generation costs in Italy. The

residual positions are aggregated on the basis of uniform risk factors which can be managed through various hedging strategies, in particular *swaps*.

The following table sets forth the notional amounts and fair values of commodity derivative contracts as of December 31, 2009 and January 1, 2009.

in millions of Euro

	Notional amount	Fair value	Fair value — assets	Fair value — liabilities
		As of December 31, 2009		
Cash flow hedge derivatives	**507**	**84**	**85**	**(1)**
Two-way contracts for differences	450	73	73	—
Other energy derivatives	57	11	12	(1)
Trading derivatives	**5**	**—**	**—**	**—**
Other energy derivatives	5	—	—	—
Total commodity derivatives	**512**	**84**	**85**	**(1)**

in millions of Euro

	Notional amount	Fair value	Fair value of assets	Fair value of liabilities
		As of January 1, 2009		
Cash flow hedge derivatives	**981**	**131**	**133**	**(2)**
Two-way contracts for differences	806	133	133	—
Other derivatives on energy	175	(2)	—	(2)
Trading derivatives	**123**	**42**	**43**	**(1)**
Two-way contracts for differences	4	(1)	—	(1)
Other derivatives on energy	119	43	43	—
Total commodity derivatives	**1,104**	**173**	**176**	**(3)**

in millions of Euro

	Fair value	Expected future cash flows					
	As of December 31, 2009	2010	2011	2012	2013	2014	Later
Cash flow hedge derivatives							
Positive fair value	85	74	2	2	1	1	5
Negative fair value	(1)	(1)	—	—	—	—	—

Enel Green Power analyzes electricity trading contracts in order to determine whether such contracts can be classified as derivative contracts to be accounted for pursuant to IAS 39, or whether such contracts, while not structured as derivative contracts, contain any embedded derivatives that must be accounted for pursuant to IAS 39.

At this time no embedded derivatives have been identified and contracts which qualify as derivatives have been correctly accounted for.

The following table sets forth the effect of a 10% increase or decrease in the price of commodities on the fair values of derivatives and the consequent impact on shareholders' equity as of December 31, 2009 (gross of taxes).

in millions of Euro

	-10%	Fair value	10%
Two-way contracts for differences	110	73	35
Other derivatives on energy	13	11	6

Credit risk

Enel Green Power, in Italy, has a significant concentration of credit risk with entities of the Enel Group, and only as an alternative provides trade credit to external parties, and in particular mainly GSE a related party. On the other hand, the Group has no significant concentration of credit risk abroad, and provides trade credit to selected foreign counterparties considered solvent by the market.
The maximum exposure to credit risk relates to the carrying amount of financial assets before their provision for impairment in addition to financial derivatives with a positive fair value.
The maximum exposure to credit risk amounted to Euro 811 million as of December 31, 2009 (Euro 588 million as of January 1, 2009). The following table sets forth a breakdown of the maximum exposure to credit risk as of December 31, 2009 and January 1, 2009.

in millions of Euro

	As of December 31, 2009	As of January 1, 2009
Medium- and long-term financial receivables and securities	18	14
Non-current financial assets	17	118
Other non-current assets	36	7
Trade receivables	512	258
Short-term financial receivables and securities	153	62
Other current financial assets	75	129
Total	**811**	**588**

Liquidity risk

Capital market volatility may impede or prevent Enel Green Power from obtaining the funding necessary to conduct its operations.
When Enel Green Power is not able to generate sufficient cash flow from ordinary operations for specific investment projects, it has access to the credit markets and from time to time the better opportunities offered by the banking system. The ability of Enel Green Power to access the credit markets is linked with the ability of the Enel Group, which has demonstrated its ability to raise funds on such markets, despite the financial crisis, through its recent bond issuances.
At the same time, through Enel S.p.A. or Enel Finance International S.A., it uses the centralized treasury services provided by the Enel Group in order to secure availability of funds and ensure the optimal management of any cash excess. To ensure the development plans, the Company used different sources of funding including funding provide by related parties (which cover about 78% of needs) and third parties (about 22%) which are directly or indirectly guaranteed by Enel S.p.A. As of December 31, 2009, Enel Green Power had committed credit lines amounting to Euro 5,836 million (of which Euro 4,437 million had been utilized) and Euro 216 million of cash or cash equivalents.

5. Scope of consolidation

The Group prepared the consolidated financial statements for the first time for the year ended December 31, 2009. The main acquisitions carried out in 2009 are detailed below.

Business combinations under common control

On January 1, 2009 Enel Green Power S.p.A. acquired 100% of the share capital of Enel Green Power International B.V. from Enel Investment Holding B.V., a subsidiary of Enel S.p.A., for consideration of Euro 1,690 million. On the same date it also acquired 100% of the share capital of Enel.si S.r.l. from Enel S.p.A. for consideration amounting to Euro 9 million. Both acquisitions were funded through a short term intercompany financing provided by Enel S.p.A.

Enel Green Power International B.V. is a financial holding company operating in the sector of power generation from renewable resources in Europe, North and South America. Enel.si S.r.l. offers integrated services, products and solutions for energy savings and efficiency and sales to third parties in Italy.

In October 2009, Enel Green Power International B.V. acquired 100% of the share capital of Enel Erelis from Enel France S.A.S., a subsidiary of Enel S.p.A., for consideration amounting to Euro 28 million. Enel Erelis S.A.S. operates in wind power generation in France.

The following table sets forth the net assets acquired of Enel Green Power International B.V., Enel.si S.r.l. and Enel Erelis S.A.S.

in millions of Euro

	Book value		
	Enel Green Power International B.V.	**Enel.si S.r.l.**	**Enel Erelis S.A.S.**
Property, plant and equipment	2,007	2	136
Intangible assets	223	—	3
Goodwill	453	—	26
Equity investments accounted for using the equity method	133	—	—
Trade receivables	80	72	—
Cash and cash equivalents	162	1	7
Other financial and operating assets	267	87	3
Total assets	**3,323**	**162**	**175**
Long-term loans	(684)	—	(141)
Short-term loans	(195)	(38)	—
Trade payables	(139)	(98)	(19)
Other financial and operating liabilities	(433)	(17)	(2)
Total liabilities	**(1,451)**	**(153)**	**(162)**
Equity attributable to minority interests	(182)	—	—
Total net assets acquired	**1,690**	**9**	**13**
Transaction value	**1,690**	**9**	**28**
Decrease in shareholders' equity	**—**	**—**	**(15)**
Consideration paid for the acquisition of Enel Erelis S.A.S.			**28**
Cash and cash equivalents acquired			(7)
Cash used for the acquisition			**21**

Acquisitions from third parties

Between April 22, 2009 and June 23, 2009 the subsidiary Enel Green Power International B.V. acquired 100% of the share capital of International Wind Rhodes S.A., International Wind Achaia S.A. and Glafkos Hydroelectric A.E. (collectively, "Elica I Project 2009 Acquisitions") for total consideration amounting to Euro 79 million. In the second half of 2009, the fair value of acquired assets, liabilities and contingent liabilities assumed at the date of acquisition was definitively determined. In 2009 the purchase price allocation was also completed in relation to the acquisitions of Wind Parks of Crete A.E. and Hydro Constructional A.E. performed in 2008 ("Elica I Project 2008 Acquisitions").

The Elica I 2008 and 2009 acquisitions relate to the companies operating in the wind power generation sector in Greece.

The following table sets forth the calculation of goodwill for International Wind Rhodes S.A., International Wind Achaia S.A. and Glafkos Hydroelectric A.E. (Elica I Project 2009 Acquisitions) and International Wind Parks of Crete A.E. and Hydro Constructional A.E. (Elica I Project 2008 Acquisitions) and the related cash payments.

in millions of Euro

	Elica I Project 2008 and 2009 Acquisitions			of which Elica I Project 2009 Acquisitions
	Book value acquired	Fair value adjustments	Fair value	Fair value
Property, plant and equipment	68	1	69	49
Intangible assets	1	23	24	20
Goodwill	—	—	—	—
Equity investments accounted for using the equity method	—	—	—	—
Trade receivables	—	—	—	6
Cash and cash equivalents	1	—	1	1
Other financial and operating assets	11	—	11	4
Total assets	**81**	**24**	**105**	**82**
Long-term loans	(47)	—	(47)	(29)
Short-term loans	—	—	—	(11)
Trade payables	(5)		(5)	(2)
Other financial and operating liabilities	(7)	(5)	(12)	(8)
Total liabilities	**(59)**	**(5)**	**(64)**	**(52)**
Equity attributable to minority interests	—	—	—	—
Total net assets acquired	**22**	**19**	**41**	**30**
Goodwill	**—**	**—**	**49**	**49**
Transaction value			**89**	**79**
Cash and cash equivalents acquired			(1)	0
Cash used for the acquisition			**88**	**79**
of which amount paid in 2008				*66*
of which amount paid in 2009				*13*

On December 30, 2009 Enel Green Power International B.V. acquired 100% of the share capital of Aioliko Voskerou S.A., a company operating in the wind power sector, for total consideration amounting to Euro 5 million. The fair values of the net assets and contingent liabilities acquired were

determined on a preliminary basis and the purchase price allocation was completed subsequent to December 31, 2009.
The following table sets forth the net assets acquired, the preliminary value of goodwill and cash paid, regarding the acquisition of Aioliko Voskerou S.A.

in millions of Euro

	Aioliko Voskerou S.A.
	Book value
Property, plant and equipment	7
Total assets	**7**
Long-term loans	(4)
Other financial and operating liabilities	(2)
Total liabilities	**(6)**
Total net assets acquired	**1**
Transaction value and cash paid	5
Goodwill	**4**

6. Segment information

The criteria for identifying the business segments in which the Group operates were determined by, inter alia, the methods by which the highest operational decision-making power periodically reviews the Group's results for purposes of taking decisions regarding the resources to be allocated to a particular sector and for purposes of assessing said results.

The following table sets forth the business segments, in which the Group operates, and indicators used by the management to monitor segment results as of and for the year ended December 31, 2009:

in millions of Euro

	Italy	Rest of Europe	Central and South America	North America	Adjustments	Total
Revenues from third parties	**1,248**	**123**	**262**	**144**	**—**	**1,777**
Revenues from other segments	**17**	**—**	**—**	**—**	**(17)**	**—**
Net income/(charges) from commodity risk management	118	—	—	—	—	118
Gross operating margin	**884**	**77**	**156**	**90**	**—**	**1,207**
Depreciation, amortization and impairment losses	306	38	31	41	—	416
Operating income	**578**	**39**	**125**	**49**	**—**	**791**
Net financial income/(expenses) and share of income/(charges) from equity investments accounted for using the equity method	—	—	—	—	—	(133)
Income taxes	—	—	—	—	—	219
Net income for the year	**—**	**—**	**—**	**—**	**—**	**439**
Operating assets	**5,298**	**1,165**	**855**	**857**	**(20)**	**8,155**
Operating liabilities	**472**	**164**	**53**	**47**	**(20)**	**716**
Capital Expenditure (gross of grants received)	**344**	**256**	**108**	**36**	**—**	**744**

Financial income and expense are reported on a net basis as management review net financial expense in order to assess the performance of the individual business segments and to make decisions on allocation of the segment's resources.

The following table sets forth a reconciliation of assets and liabilities by geographic area and those reported in the consolidated balance sheet as of December 31, 2009.

in millions of Euro

	As of December 31, 2009
Total assets	**9,494**
- goodwill	532
- equity investments accounted for using the equity method	261
- non-current financial assets	35
- current financial assets	228
- cash and cash equivalents	144
- deferred tax assets	121
- income tax receivables	18
Operating assets	**8,155**
Total liabilities	**6,930**
- loans*	5,659
- non-current financial liabilities	22
- current financial liabilities	85
- post-employment and other employee benefits	59
- deferred tax liabilities	182
- income tax payable	207
Operating liabilities	**716**

* including long-term loans, short-term loans, current portion of long-term loans

On March 8, 2010 the Group adopted a new organizational structure that defines the following geographic areas:

- Italy and Europe;
- Iberia and Latin America;
- North America; and
- Enel.si

See *Note 43 Change in organizational structure*, for further details on the new segments.

Information on the Consolidated Income Statement

7. Revenues

7.a Revenues from sales and services — Euro 1,733 million

The following table set forth a breakdown of revenues from sales and services for the year ended December 31, 2009.

in millions of Euro

	As of December 31, 2009
Electricity	1,508
- of which Enel Group	*172*
Other sales and services	225
- of which Enel Group	*58*
Total	**1,733**

Revenues from the sale of electricity amounting to Euro 1,508 million included Euro 1,323 million from the sale of electricity, Euro 9 million from the transmission of electricity and Euro 176 million from sale of green certificates and other incentives. Revenues from the sale of electricity derived from the Enel Group mainly related to the sale of electricity through bilateral agreements and the sale of green certificates.
Revenues from the other sales and services amounting to Euro 225 million included the direct and indirect sale of photovoltaic materials and the construction of photovoltaic systems amounting to Euro 114 million and benefits derived from Tax Partnership agreements amounting to Euro 42 million.
Revenues from the other sales and services derived from the Enel Group amounting to Euro 48 million mainly related to the sale of white certificates to Enel Distribuzione S.p.A..

7.b Other revenues — Euro 44 million

Other revenues mainly related to services provided including the sale to third parties of water from power plants for purposes other than electricity generation (irrigation) and the sale of thermal energy (Euro 9 million), and grants obtained by the Group under specific agreements (Euro 13 million).

8. Costs

8.a Raw materials and consumables — Euro 206 million

The following table sets forth a breakdown of raw materials and consumables for the year ended December 31, 2009.

in millions of Euro

	As of December 31, 2009
Materials	157
Electricity	37
- of which Enel Group	*6*
Fuel and gas	12
Total	**206**
- of which capitalized costs	*6*

Materials costs mainly related to the material used for the maintenance of production plants (amounting to Euro 12 million) and purchases of photovoltaic material by Enel.si for resale amounting to Euro 78 million.

Electricity costs include cost of energy purchased for ancillary plant services, energy purchased for reserve, illumination and motor force, as well as electricity purchased in Panama as part of the electricity sales contract (Euro 26 million).

Fuels and gas costs mainly relate to the cogeneration plants of the Spanish companies (Cooling Heating and Power).

8.b Services — Euro 275 million

The following table sets forth a breakdown of services costs for the year ended December 31, 2009.

in millions of Euro

	As of December 31, 2009
Maintenance and repairs	53
Leases and rentals	42
- of which Enel Group	*5*
Transmission costs	21
Other costs for services	159
- of which Enel Group	*76*
Total	**275**

Leases and rentals costs amounting to Euro 42 million relate to water derivation government fees and additional fees for mountain and river catchment basins owed to local authorities for concessions to utilize public water for hydroelectric purposes.

Other costs for services amounting to Euro 159 million mainly related to indirect production costs, which are regulated by the agreements with the Enel Group (the content of these agreements is described in Note 40 *Related Parties*); fees for professional, technical, strategic consulting, management and organizational services (Euro 26 million); insurance premiums (Euro 12 million); the cost of personnel-related services, travel expenses (Euro 9 million); and fees and payments for the right to use transmission capacity paid to GME S.p.A. (Euro 8 million).

8.c Personnel — Euro 172 million

The following table provides a breakdown of personnel costs for the year ended December 31, 2009.

in millions of Euro

	As of December 31, 2009
Wages and salaries	121
Social security contributions	30
Post-employment and other employee benefits	4
Other costs	17
Total	**172**
- of which capitalized costs	19

Post-employment and other employee benefits amounting to Euro 4 million included Euro 3 million for pension benefits and Euro 1 million for other benefits as described in the note on "Termination benefits".

Other costs mainly relate to payments for early retirement incentives.

The following table sets forth the number of employees by category as of December 31, 2009.

Senior managers	64
Middle managers	358
Office staff	1,209
Workers	1,054
Total	**2,685**

8.d Depreciation, amortization and impairment losses — Euro 416 million

The following table sets forth a breakdown of depreciation, amortization and impairment losses for the year ended December 31, 2009.

in millions of Euro

	As of December 31, 2009
Depreciation of property, plant and equipment	396
Amortization of intangible assets	17
Impairment losses	3
Total	**416**

Impairment losses relate to the write-down of other current assets.

8.e Other operating expenses — Euro 60 million

The following table sets forth a breakdown of other operating expenses for the year ended December 31, 2009.

in millions of Euro

	As of December 31, 2009
Taxes and duties	19
Royalties	26
Other miscellaneous operating expenses	15
Total	**60**

Royalties includes royalties paid to municipal, provincial and regional authorities where the Group's plants are located, on the basis of specific agreements between the parties.

Other operating expenses mainly relate to charges for provisions for risks and charges.

9. Net income from commodity risk management — Euro 118 million

The following table sets forth a breakdown of net income from commodity risk management for the year ended December 31, 2009.

in millions of Euro

	As of December 31, 2009
Income realized on derivatives	**168**
Commodity price trading derivatives	34
CFH — commodity price hedging	134
Adjustments for derivatives closed during the year	**(44)**
Commodity price trading derivatives	(1)
CFH — commodity price hedging	(43)
Total income from commodity risk management	**124**

in millions of Euro

	As of December 31, 2009
Charges realized on commodity price trading derivatives	**(12)**
Commodity price trading derivatives	(6)
CFH — commodity price hedging	(6)
Adjustments for derivatives closed during the year	**6**
Commodity price trading derivatives	5
CFH — commodity price hedging	1
Total charges from commodity risk management	**(6)**

Net income from commodity risk management includes Euro 156 million for net income realized on commodity derivative contracts closed on December 31, 2009, and Euro 38 million for net charges for adjustments to income from prior year valuations.

The commodity price hedging contracts denominated in US dollars are with Enel Trade S.p.A., a related party. The exchange rate hedging contracts are with Enel S.p.A.

10. Net financial expense — Euro (135) million

The following table sets forth a breakdown of net financial expense for the year ended December 31, 2009.

in millions of Euro

	As of December 31, 2009
Foreign exchange gains	13
Interest and other income from financial assets	7
Income from derivative instruments	5
Other income	1
Total financial income	**26**
- of which Enel Group	*5*
Interest and other charges on financial liabilities	138
- long-term loans	*54*
- short-term loans	*80*
- financial charges on employee benefits	*2*
- financial expense on leases	*2*
Foreign exchange losses	16
Expense on financial derivative instruments	7
Total financial expense	**161**
- of which Enel Group	*90*
Net financial expense	**(135)**

Interest and other charges on short-term loans amounting to Euro 80 million mainly relate to interest accrued on the Enel intercompany current account.

11. Share of income / (expense) from equity investments accounted for using the equity method — Euro 2 million

The following sets forth a breakdown of income/(expense) from equity investments accounted for using the equity method for the year ended December 31, 2009.

in millions of Euro

	As of December 31, 2009
Income from associates	10
Expense on associates	(8)
Total	**2**

Net income from equity investments accounted for using the equity method mainly includes the share of profit of the associate La Geo (Euro 9 million) and the share of the loss of Trade Wind Energy L.L.C. (Euro 6 million).

12. Income taxes — Euro 219 million

The following table sets forth a breakdown of income taxes for the year ended December 31, 2009.

in millions of Euro

	As of December 31, 2009
Current taxes	245
Deferred taxes	(26)
Total	**219**

The Company's taxes were calculated using the effective rates for fiscal year 2009 (27.5% for IRES and 4.07% for IRAP), and include the impact of applying the IRES surtax (6.5%, so-called "Robin Tax").

The following table reconciles the theoretical tax rate with the effective income tax rate for the year ended December 31, 2009.

in millions of Euro

	As of December 31, 2009	
Income before taxes	*658*	
Theoretical taxes	181	27.5%
Effect of local tax rates	(22)	(3.3)%
Robin Tax effect	34	5.2%
Permanent differences and minor items	1	0.2%
Difference on estimates from prior years	(5)	(0.8)%
IRAP	30	4.6%
Total	**219**	**33.3%**

Information on the Consolidated Balance Sheet

Non-current assets

13. Property, plant and equipment — Euro 7,200 million

The following table sets forth the changes in property, plant and equipment for the year ended December 31, 2009.

in millions of Euro

	Land and buildings	Plant and machinery	Other assets	Assets under construction and advances	Total
Cost	1,141	8,065	130	820	10,156
Accumulated depreciation	(260)	(3,069)	(72)	—	(3,401)
Net book value as of January 1, 2009	**881**	**4,996**	**58**	**820**	**6,755**
Capital expenditure	18	209	20	441	688
Assets entering service	17	250	14	(281)	—
Depreciation	(26)	(365)	(5)	—	(396)
Change in scope of consolidation	15	87	7	103	212
Exchange rate differences	4	(20)	(1)	(4)	(21)
Disposals and other changes	22	(36)	(4)	(20)	(38)
Total movements	**50**	**125**	**31**	**239**	**445**
Cost	1,232	8,533	171	1,059	10,995
Accumulated depreciation	(301)	(3,412)	(82)	—	(3,795)
Net book value as of December 31, 2009	**931**	**5,121**	**89**	**1,059**	**7,200**

Land and buildings includes Euro 34 million for land as of December 31, 2009 compared with Euro 32 million as of January 1, 2009.

Plant and machinery includes freely transferable assets with a net book value of Euro 783 million as of December 31, 2009 (Euro 815 million as of January 1, 2009).

Other assets include assets under finance leases amounting to Euro 20 million.

The following table sets forth the minimum lease payments and the related present value.

in millions of Euro

	Minimum lease payments	Present value
2010	2	1
2011-2015	11	6
After 2015	20	13
Total	**33**	**20**
- of which financial expense	*13*	

The following table sets forth a summary of capital expenditures in 2009 by category.

in millions of Euro

	As of December 31, 2009
Power plants	
Hydroelectric	123
Geothermal	151
Wind	400
Other	14
Total	**688**

It should be noted, that capital expenditures in the geothermal sector in North America amounting to Euro 36 million were capitalized net of grants received, amounting to Euro 44 million.

Changes in scope of consolidation for 2009 mainly relate to the following transactions:

- acquisition of wind farms in Greece (Euro 56 million, net of grants received amounting to Euro 2 million);
- acquisition of wind farms in France (Euro 136 million);
- acquisition of wind farms in Spain (Euro 12 million).

14. Intangible assets — Euro 259 million

The following table sets forth the changes in intangible assets for the year ended December 31, 2009.

in millions of Euro

	Concessions, licenses, trademarks and similar rights	Other intangible assets and sales contracts	Total
Cost	117	160	277
Accumulated amortization	(18)	(35)	(53)
Net book value as of January 1, 2009	**99**	**125**	**224**
Capital expenditure	6	6	12
Amortization	(6)	(11)	(17)
Change in scope of consolidation	4	20	24
Exchange rate differences	11	(3)	8
Other changes	0	8	8
Total changes	**15**	**20**	**35**
Cost	140	183	323
Accumulated amortization	(26)	(38)	(64)
Net book value as of December 31, 2009	**114**	**145**	**259**

Concessions, licenses, trademarks and similar rights mainly relate to the rights to use water of hydroelectric power plants in Latin America (Euro 75 million), the right to generate electricity from mini-hydroelectric sources and the electricity distribution concessions in Spain (Euro 33 million).

Other intangible assets and sales contracts mainly relate to the fair value of the Power Purchase Agreements.

Additions amounting to Euro 12 million for the year ended December 31, 2009 mainly relate to the purchase of software and software development licenses.

Change in scope of consolidation mainly relates to the fair value of the power purchase agreements with the Hellenic Transmission System Operator (HTSO), following the completion of the purchase price allocation for the acquisition of the Greek companies which took place in 2008. See *Note 5 Scope of consolidation.*

15. Goodwill — Euro 532 million

The following table sets forth the changes in goodwill for the year ended December 31, 2009.

in millions of Euro

	As of January 1, 2009	Acquisitions in 2009	Exchange rate differences	Other changes	As of December 31, 2009
Inelec S.de R.L.de C.V.	89	—	(4)	—	**85**
Americas Generation Corporation	95	—	8	—	**103**
Enel Latin America L.L.C.	62	—	(11)	—	**51**
Renovables de Guatemala S.A.	0	14	—	—	**14**
Enel Union Fenosa Renovables S.A.	87	2	—	1	**90**
Elica companies(*)	37	53	—	(16)	**74**
Enel Green Power Portoscuso S.r.l. (formerly Portoscuso Energia S.r.l.)	1	—	—	—	**1**
Enel Green Power Romania S.r.l. (formerly Blue Line Impex S.r.l.)	1	4	—	—	**5**
Enel Green Power Bulgaria E.A.D.	—	—	—	3	**3**
Enel Erelis S.A.S.	—	28	—	(2)	**26**
Enel North America Inc.	82	—	(2)	—	**80**
Total	**454**	**101**	**(9)**	**(14)**	**532**

(*) Includes the following Greek companies: International Wind Parks of Thrace, Wind Park of Thrace S.A., International Wind of Crete S.A., International Wind of Achaia S.A., International Wind of Rhodes S.A., Glafkos Hydroelectrical Station S.A., Aioliko Voskerou S.A. and Hydro Constructional A.E..

Acquisitions in 2009 include Euro 14 million relating to the cost of the option to purchase 8.8% of share capital of Renovables de Guatemala held by Simest. In particular the Company has committed to acquire the entire share capital from Simest on June 30, 2017. The option may be exercised starting from June 30, 2015. See *Scope of consolidation — purchases from third parties* for further explanations.

Exchange rate differences include the adjustment for the goodwill of companies with functional currencies other than euro.

Other changes include Euro 16 million relating to the completion of the purchase price allocation for the acquisition of the Greek companies International Wind Parks of Crete A.E. and Hydro Constructional A.E. in 2008.

The recoverable value of goodwill recognized by calculating the value in use of the asset using discounted cash flow models, which involve estimated expected future cash flows and applying an appropriate discount rate. More specifically, the cash flows were determined on the basis of the most recent forecasts and the assumptions underlying those forecasts concerning the economic and financial performance of the Group. To discount the flows, an explicit period was used in line with those forecasts, i.e., the average useful life of the assets or the duration of the concessions. When it was not possible to estimate cash flows reliably for the entire useful life of the assets, a residual value was calculated as perpetuity or annuity at a growth rate equal to inflation as deemed appropriate for the country involved or in any case no higher than the average long-term growth rate of the reference market. The value in use calculated as described above was found to be greater than the amount recognized on the balance sheet. The sensitivity analysis performed did not point to significant impacts on the results of the measurements themselves and consequently on the differences found.

See Note 5 Scope of Consolidation for further details on acquisitions finalized during 2009 for which the allocation of the purchase price to the assets acquired and liabilities assumed has not been completed and thus the related goodwill has been recognized on a provisional basis.
The following table sets forth the goodwill according to the company to which the cash generating unit belongs and the time horizon over which the expected cash flows have been discounted.

in millions of Euro

	As of Dec 31, 2009	Tax rate (2009)	Growth rate	Explicit period of cash flows (years)	Terminal value	Beginning year of perpetuity	Ending year of perpetuity / annuity
Inelec S.de R.L.de C.V.....	85	28.0 %	2.5%	5	Perpetuity	6	—
Americas Generation Corporation	103	30.0 %	2.5%	5	Perpetuity	6	—
Enel Latin America L.L.C.	51	26.5 %(1)	2.5%	5	Annuity	6	29
Renovables de Guatemala S.A.	14	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Enel Union Fenosa Renovables S.A.	90	5.9 %	2.0%	10	Annuity	11	15
Elica	74	25.0%	2.0%	vita utile [3]	valore recuperabile/ rendita perpetua [4]	-	-
Enel Green Power Portoscuso S.r.l. (formerly Portoscuso Energia S.r.l.)	1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Enel Green Power Romania S.r.l. (formerly Blue Line Impex S.r.l.)	5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Enel Green Power Bulgaria E.A.D.	3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Enel Erelis S.A.S.	26	33.3 %	2.0%	6	Annuity	7	16
Enel North America Inc.	80	35.0 %	2.0%	5	Annuity	6	25
Total	**532**						

(1) Country average

(2) Not subject to impairment test

(3) 20 years from COD for wind power; 10 year business plan for hydroelectric

(4) Recoverable value equal to 25% of initial inflated capital expenditure until the end of the useful life for wind power; perpetuity for hydroelectric

16. Deferred tax assets and deferred tax liabilities — Euro 121 million and Euro (182) million

Below is a detail of changes in deferred taxes and liabilities by type of timing difference and calculated based on the tax rates established by applicable regulations. The table also reports the amount of deferred tax assets that, where allowed, can be offset against deferred tax liabilities.

in millions of Euro

	As of January 1, 2009	Increase / (Decrease) taken to income statement	Change in scope of consolidation	Amount recognized directly in shareholder s' equity	Exchange rate differences and other changes	As of December 31, 2009
Deferred tax assets						
- differences in fixed assets and financial assets	8	—	—	—	18	26
- accruals to provisions for risks and charges with deferred deductibility	29	26	—	—	1	56
- measurement of financial instruments	4	—	—	—	1	5
- Tax Credit (North America)	20	2	—	—	—	22
- other items	7	—	3	—	2	12
Total	**68**	**28**	**3**	**—**	**22**	**121**
Deferred tax liabilities						
- differences in fixed assets and financial assets	109	3	3	—	4	119
- measurement of financial instruments	51	—	—	(25)	—	26
- other items	35	(1)	4	—	(1)	37
Total	**195**	**2**	**7**	**(25)**	**3**	**182**
Offsettable net deferred tax assets/ (Deferred tax liabilities)	(49)					(39)
Non-offsettable deferred tax assets	15					84
Non-offsettable deferred tax liabilities	93					106

Change in the scope of consolidation had an impact of Euro 3 million on deferred tax assets and Euro 7 million on deferred tax liabilities.

Exchange rate losses on deferred tax assets amounted to Euro 1 million and Euro 3 million on deferred tax liabilities.

17. Equity investments accounted for using the equity method — Euro 261 million

The following table sets forth a breakdown of equity investments accounted for using the equity method as of December 31, 2009 and January 1, 2009.

in millions of Euro

	As of January 1, 2009					As of December 31, 2009	
	Amount	% holding	Acquisitions/Capital increases	Other changes	Income statement effect	Amount	% holding
La Geo S.A. de C.V.	91	36.2%	—	(14)	9	86	36.2%
Geronimo Wind Energy L.L.C.	—		13	—	—	13	25%
Trade Wind Energy L.L.C.	1	42%	26	—	(6)	21	42%
Elica II(*)	122	30%	11	—	—	133	30%
Other minor companies	9		—	—	(1)	8	
Total	**223**		**50**	**(14)**	**2**	**261**	

(*) more details on the 52 subsidiaries and associates based in Greece can be found in the Annex "Companies and equity investments of the Enel Green Power Group as of December 31, 2009"

The main equity investments are as follows:

- investment in La Geo S.A. de C.V. which develops geothermal projects in El Salvador amounting to Euro 86 million as of December 31, 2009. The movement during the year relates to the distribution of dividends amounting to Euro 14 million and the share of net income for the year amounting to Euro 9 million;
- investment in Geronimo Wind Energy L.L.C., which was acquired during 2009, for Euro 13 million;
- investment in Trade Wind Energy L.L.C. amounting to Euro 21 million as of December 31, 2009. The movement during the year mainly relates to the subscriptions to the capital increase amounting to Euro 26 million partially offset by the share of loss for the year amounting to Euro 6 million;
- investment in Elica II amounting to Euro 133 million as of December 31, 2009. The movement during the year mainly relates to the acquisition of 30% of a number of wind power projects called Elica II with an installed capacity up to 1,400 MW located in the windiest areas of Greece (in particular, Thrace, Peloponnesus and Euboea) and capital increase amounting to Euro 11 million.

The following table sets forth the income statement and balance sheet information for the main equity investments in associates.

in millions of Euro

	Assets	Liabilities	Revenues	Income/ (Losses)
La Geo S.A. de C.V.	295	24	95	39
Geronimo Wind Energy L.L.C.	5	0	0	(3)
Trade Wind Energy L.L.C.	47	27	2	(17)
Elica II(*)	10	1	0	0

(*) See the attachment "Significant companies and equity investments of the Enel Green Power Group" for details on the 52 associates with registered office in Greece, all of which are 30% owned by the Group.

18. Non-current financial assets — Euro 35 million

The following table sets forth a breakdown of non-current financial assets as of December 31, 2009 and January 1, 2009.

in millions of Euro

	As of December 31, 2009	As of January 1, 2009	Change
Long-term financial receivables due from third parties	17	14	3
Derivative contracts	10	51	(41)
Other financial assets	8	67	(59)
Total	**35**	**132**	**(97)**

Long-term financial receivables due from third parties included security deposits amounting to Euro 6 million and an advance paid to SoWiTec GmbH amounting to Euro 10 million in accordance with the project development agreement and wind parks development in Brazil.
Derivative contracts included the fair value of derivative contracts as of December 31, 2009 and January 1, 2009.
The following table sets forth the notional amount and the fair value of derivatives classified by type and nature.

in millions of Euro

	Notional amount		Fair value	
	As of December 31, 2009	As of January 1, 2009	As of December 31, 2009	As of January 1, 2009
Cash flow hedge derivatives	**38**	**244**	**10**	**51**
- commodities	38	244	10	51
Total	**38**	**244**	**10**	**51**

The following table sets forth the fair value of derivatives on the basis of the measurement criteria, as specified in the amendments to IFRS 7.

in millions of Euro

	As of December 31, 2009	Level 1	Level 2	Level 3
Cash flow hedge derivatives	10	—	10	—
Total	**10**	**—**	**10**	**—**

Other financial assets related to advance payments for the acquisition of the Greek companies (International Wind Rhodes, International Wind Achaia and Glafkos Hydroelectric) as of January 1, 2009.

19. Other non-current assets — Euro 34 million

The following sets forth a breakdown of other non-current assets as of December 31, 2009 and January 1, 2009.

in millions of Euro

	As of December 31, 2009	As of January 1, 2009	Change
Tax receivables	11	0	11
Security deposits for operational purposes	3	2	1
Grants to be received	16	0	16
Other receivables	4	4	0
Total	**34**	**6**	**28**

Grants to be received include the receivables accrued in respect of the Greek government for grants approved but not paid as of December 31, 2009.

Current assets

20. Inventories — Euro 31 million

As of December 31, 2009, inventories included geothermal materials amounting to Euro 11 million and white certificates amounting to Euro 9 million.
As of January 1, 2009, Inventories included materials to be used for plant maintenance, operation and construction amounting to Euro 16 million, photovoltaic modules for direct installation or sale to franchisees amounting to Euro 34 million white certificates amounting to Euro 32 million.

21. Trade receivables — Euro 512 million

The following table sets forth a breakdown of trade receivables as of December 31, 2009 and January 1, 2009:

in millions of Euro

	As of December 31, 2009	As of January 1, 2009	Change
Sale and transmission of electricity	433	194	239
- of which Enel Group	204	120	84
Receivables for contract work in progress	—	13	(13)
Other receivables	79	51	28
Total	**512**	**258**	**254**

The increase of Euro 239 million in trade receivables from sale and transport of electricity mainly relates to the increase of operating activity of Enel Green Power S.p.A., which commenced operations on December 1, 2008. Thus, trade receivables as of January 1, 2009 included only one month of

operating activity. As of December 31, 2009 such receivables relate to amounts invoiced in December as well as amounts invoiced in prior months which are still outstanding considering their relative payment terms. Such receivables include trade receivables for green certificates and other forms of incentives amounting to Euro 176 million as of December 31, 2009. Details of related party receivables (Enel Group receivables) are described in details in the Related Parties.

22. Income tax receivables — Euro 18 million

Income tax receivables increased by Euro 3 million compared to January 1, 2009 and related to tax receivables in Latin American.

23. Current financial assets — Euro 228 million

The following table sets forth a breakdown of current financial assets as of December 31, 2009 and January 1, 2009.

in millions of Euro

	As of December 31, 2009	As of January 1, 2009	Change
Derivative contracts	75	129	(54)
Securities	68	48	20
Other financial receivables	85	14	71
Total	**228**	**191**	**37**

Derivative contracts mainly included the value of CFH and commodity derivatives.

The following table sets forth the notional amount and the fair value of derivatives classified by type and nature:

in millions of Euro

	Notional amount		Fair value	
	As of December 31, 2009	As of January 1, 2009	As of December 31, 2009	As of January 1, 2009
Cash flow hedge derivatives	**455**	**593**	**75**	**85**
- commodities	455	562	75	82
- exchange rates	—	31	—	3
Trading derivatives	**26**	**137**	**—**	**44**
- commodities	—	119	—	43
- exchange rates	26	18	—	1
Total	**481**	**730**	**75**	**129**

The following table sets forth the fair value of derivatives on the basis of the measurement criteria, as specified in the amendments to IFRS 7:

in millions of Euro

	As of December 31, 2009	Level 1	Level 2	Level 3
Cash flow hedge derivatives	75	0	75	0
Total	**75**	**0**	**75**	**0**

Securities mainly relate to investments in short-term securities, in particular certificates of deposit, used by subsidiaries in Brazil, Chile and Panama to temporarily invest cash from operating activities as required by the Group's policies.
Other financial receivables include Euro 79 million as of December 31, 2009 relating to Enel Finance International S.A. current accounts.

24. Cash and cash equivalents — Euro 144 million

The following table sets forth a breakdown of cash and cash equivalents as of December 31, 2009 and January 1, 2009.

in millions of Euro

	As of December 31, 2009	As of January 1, 2009	Change
Transferable bank and post office deposits	44	73	(29)
Pledged bank and post office deposits	100	90	10
Total	**144**	**163**	**(19)**

Cash and cash equivalents have no restrictions, with the exception of pledged bank and post office deposits relating to deposits pledged under certain transactions.

25. Other current assets — Euro 119 million

The following sets forth a breakdown of other current assets as of December 31, 2009 and January 1, 2009.

in millions of Euro

	As of December 31, 2009	As of January 1, 2009	Change
Tax receivables	38	37	1
Advances to suppliers	25	21	4
Prepaid operating expenses	15	12	3
Other receivables	41	71	(30)
- of which Enel Group companies	16	28	(12)
Total	**119**	**141**	**(22)**

Tax receivables include Euro 34 million of VAT receivables.
Other receivables mainly relate to grants approved by the government bodies.

Liabilities and shareholders' equity

26. Shareholders' equity — Euro 2,564 million

Share capital — Euro 600 million

Share capital consisted of 1,200,000,000 fully subscribed and paid-up ordinary shares with no nominal value, which were fully owned by Enel S.p.A.

Other reserves — Euro 1,366 million

Legal reserve — Euro 120 million

The legal reserve is formed of the part of net income which pursuant to Article 2430 of the Civil Code, cannot be distributed as dividends.

Reserves from measurement of CFH financial instruments — Euro 40 million

Reserves from measurement of CFH financial instruments include net gains recognized in other comprehensive income resulting from the measurement of cash flow hedging derivatives.

Foreign currency translation reserves — Euro (92) million

Foreign currency translation reserves include the effect of translating the financial statements in currencies other than euro. Exchange rate differences on goodwill had a negative impact of Euro 9 million as of December 31, 2009 and Euro 15 million as of January 1, 2009.

Other reserves (other than the legal reserve) — Euro 1,298 million

Other reserves mainly relate to reserves allocated to the Company after the division with Enel Produzione S.p.A. The revaluation reserve represents the amount of revaluation applied in 2003 in accordance with Law 350/2003. Tax on such reserve is suspended (in the event of a distribution, the gross amount of reserves is subject to ordinary taxes with the recognition of a tax credit of 19%). At present the distribution of this reserve has been deferred indefinitely.

The following table sets forth the changes in losses recognized in other comprehensive income including minority interests, with specific reporting of the related tax effects for the year ended December 31, 2009.

in millions of Euro

	Notes	Gross amount	Tax impact	Amount after tax impact
Losses on cash flow hedge derivatives		(61)	(25)	(36)
Losses from exchange rate differences		(20)	—	(20)
Loss for the year recognized directly in other comprehensive income (net of tax effect)	26	**(81)**	**(25)**	**(56)**
Net income for the year recognized in the income statement		**439**	**—**	**439**
Total income recorded during the year		**358**	**(25)**	**383**
Attributable to:				
- shareholders of the parent company		**360**	**(25)**	**385**
- minority interests		**(2)**	**—**	**(2)**

27. Minority shareholders' equity — Euro 180 million

The equity attributable to minority interests amounting to Euro 180 million represents the portion to be attributed to minority shareholders of consolidated companies, of which Euro 175 million relate to Latin America.

28. Earnings per share — Euro 0.35

The following sets forth the calculation of basic and diluted earnings per share:

	2009
Income for the year attributable to shareholders of the parent company (in millions of Euro)	418
Weighted average of ordinary shares	1,200,000,000
Basic and diluted earnings per share (in Euro)	**0.35**

There were no diluting effects that should be taken into account for the calculation of diluted earnings per share, and thus, it is the same as basic earnings per share.

Non-current liabilities

29. Long-term loans — Euro 1,246 million (including the current portion amounting to Euro 115 million)

Long-term loans include long-term payables in respect of bonds, bank loans and other loans in euro and other currencies including the portion falling due within 12 months.

Listed bonds amounting to Euro 60 million as of December 31, 2009 relate to the bond issued of the Panamanian company Enel Fortuna with an interest rate of 10.125% and maturity in 2013. This issue is administered by the Bank of New York.
Bank loans as of December 31, 2009 included the following (also considering the portion due within 12 months):

- a long-term, fixed-rate bank loan amounting to Euro 34 million as of December 31, 2009 (Euro 30 million as of January 1, 2009) provided by Banco Estado Cileno, of which the current portion amounted to Euro 2 million;
- a long-term, fixed-rate bank loan amounting to Euro 10 million as of December 31, 2009 (Euro 11 million as of January 1, 2009) provided by Banco Industrial del Guatemala, of which the current portion amounted to Euro 0.45 million;
- a bank loan amounting to Euro 44 million provided by Banca Intesa San Paolo in November 2009 to finance the Palo Viejo project in Guatemala. This loan provide an interest subsidy granted by Simest;
- long-term, floating rate bank loans amounting to Euro 496 million as of December 31, 2009 (Euro 385 million as of January 1, 2009) arranged by EUFER with over 20 Spanish banks, including loans provided by BBVA amounting to Euro 225 million, by Caixa amounting to Euro 163 million and by Banesto amounting to Euro 56 million;

- long-term, floating rate bank loans amounting to Euro 27 million as of December 31, 2009 (Euro 20 million as of January 1, 2009) provided by two Greek banks: NBG Bank and Emporiki Bank, of which the current portion amounted to Euro 4 million;
- a loan amounting to Euro 191 million as of December 31, 2009 (Euro 218 million as of January 1, 2009) provided by European Investment Bank to the Company, of which the current portion amounted to Euro 27 million. Such loan bears interest of three-month Euribor plus a spread of 0.25% and the repayment is due in 22 equal semiannual installments starting in June 2006. This loan was obtained as a part of an investment program in the sector of electricity generation from renewable resources.

Other debt mainly relates to financing for the Snyder, Smoky I and Smoky II projects in North America amounting to Euro 250 million as of December 31, 2009 (Euro 166 million as of January 1, 2009). The increase of about Euro 79 million was due to the tax partnership.
The following table provides details of the Group's long-term debt and repayment schedules as of December 31, 2009, classified by loan and interest rate type.

in millions of Euro

	Nominal amount	Book value	FV	Nominal amount	Book value	FV	Current portion	Portion due in more than 12 months	Maturing in				
	As of January 1, 2009			As of December 31, 2009					2011	2012	2013	2014	Beyond
Listed bonds													
- fixed rate	74	74	51	60	60	71	13	47	15	16	16	—	—
Total	**74**	**74**	**51**	**60**	**60**	**71**	**13**	**47**	**15**	**16**	**16**	**—**	**—**
Bank loans													
- fixed rate	41	41	41	44	44	52	3	41	3	30	1	1	6
- floating rate	648	642	615	766	762	774	79	683	73	109	73	65	363
Total	**689**	**683**	**656**	**810**	**806**	**826**	**82**	**724**	**76**	**139**	**74**	**66**	**369**
Other debt													
- fixed rate	157	171	155	241	241	240	16	225	17	27	22	21	138
- floating rate	22	22	19	39	39	42	4	35	12	4	4	3	12
Total	**179**	**193**	**174**	**280**	**280**	**282**	**20**	**260**	**29**	**31**	**26**	**24**	**150**
Loans due to related parties													
- floating rate	32	32	30	100	100	99	—	100	—	—	—	—	100
Total	**32**	**32**	**30**	**100**	**100**	**99**	**—**	**100**	**—**	**—**	**—**	**—**	**100**
TOTAL	**974**	**982**	**911**	**1,250**	**1,246**	**1,278**	**115**	**1,131**	**120**	**186**	**116**	**90**	**619**

The following table sets forth movements in the nominal value of the long-term debt for the year ended December 31, 2009.

in millions of Euro

	Nominal value					Nominal value
	As of January 1, 2009	Repayments	Change in scope of consolidation	New financing	Exchange rate differences	As of December 31 2009
Listed bonds	74	(11)	—	—	(3)	60
Bank loans	689	(133)	12	238	4	810
Other debt	179	(7)	15	102	(9)	280
Loans due to related parties	32	(82)	141	9	—	100
Total	**974**	**(233)**	**168**	**349**	**(8)**	**1,250**

Loans due to related parties relates to the loan provided by Enel Finance International amounting to Euro 80 million as of December 31, 2009 (Euro 32 million as of January 1, 2009) and Euro 20 million due to Enel Lease S.a.r.l. relating to finance lease-back transactions.

The following table sets forth long-term financial liabilities by currency and interest rate.

in millions of Euro

	Book value	Nominal amount	Book value	Average interest rate applied	Effective interest rate applied
	As of January 1, 2009	As of and for the year ended December 31, 2009			
Euro	**624**	**884**	**880**	**1.93%**	**1.96%**
US dollar	301	312	312	7.00%	7.00%
Chilean peso/UF	30	34	34	7.75%	7.75%
Other currencies	27	20	20		
Total non-Euro currencies	**358**	**366**	**366**		
Total	**982**	**1,250**	**1,246**		

The following table sets forth a breakdown of net financial debt.

in millions of Euro

	As of December 31 2009	As of January 1 2009
Bank and post office deposits	144	163
Securities	68	48
Liquidity	**212**	**211**
Current financial receivables	**85**	**14**
Short-term bank debt	(77)	(11)
Current portion of long-term bank debt	(82)	(72)
Bonds (current portion)	(13)	(12)
Other loans (current portion)	(20)	(23)
Other short-term financial payables	(4,336)	(4,572)
Current debt	**(4,528)**	**(4,690)**
Net current financial debt	**(4,231)**	**(4,465)**
Debt to banks	(724)	(611)
Bonds	(47)	(62)
Other loans and payables to related parties	(360)	(202)
Non-current debt	**(1,131)**	**(875)**
Net financial debt	**(5,362)**	**(5,340)**
Long-term financial receivables and securities	17	14
Enel Green Power net financial debt	**(5,345)**	**(5,326)**

It should be noted that the Project financing – equal to Euro 496 million as of December 31, 2009 - is generally attached to a *special purpose vehicle* (hereinafter referred to as "SPV") where the Group usually holds the majority stake. The financed entities, jointly with the SPV, commit to comply with several corporate and financial covenants.

Specifically, as far as corporate covenants are concerned, financial institutions may prompt for early reimbursement in the occurrence of a change of control in the companies receiving the loan or in the SPVs.

Financial covenants generally encompass:

- the obligation for the SPV to comply with several ratios –i.e., 15%/85% (sometimes 10%/90 or 20%/80%) in terms of equity/debt ratio;
- possibility for the SPV to distribute dividends subject to: i) compliance with a debt service cover ratio (i.e. the ratio between a) expected cash-flows from the financed project in a given year and b) interest and capital amount of the debt maturing the same year) higher than 1.10 (occasionally, 1.05 and 1.15); and ii) the liquidity available as resulting from the audited financial statements;
- the right for financial institutions to request early reimbursement if the debt service cover ratio is lower than 1.05 (occasionally, 1 and 1.1);
- the reduction or increase in the interest rates applicable to the relevant loan based on the *debt service cover ratio.* Specifically, the spread over the reference rate increases if the *debt service cover ratio* is higher than 1.25 (occasionally, 1.4) and decreases reversely.

The loans do not include events of default clauses.

The Group is in compliance with these covenants for the years ended December 31, 2009 and neither events of default nor limitation to the utilization of the funds are in place

30. Post-employment and other employee benefits — Euro 46 million

The Group provides its employees with a variety of benefits, including termination benefits, additional months' pay for having reached age limits or eligibility for old-age pension, loyalty bonuses for achievement of seniority milestones, supplementary pension and healthcare plans, residential electricity discounts and similar benefits.

The following table sets forth the change in actuarial liabilities for the year ended December 31, 2009.

in millions of Euro

	Pension benefits	Other benefits
Changes in actuarial liabilities:		
Actuarial liabilities as of January 1, 2009	**34**	**9**
- service cost	1	1
- interest cost	2	—
- benefits paid	(6)	—
- actuarial (gains)/losses	1	1
- other changes	4	—
Actuarial liabilities as of December 31, 2009	36	11
Changes in plan assets:	**—**	**—**
Net actuarial liabilities	36	11
Net unrecognized losses/(gains)	(1)	—
Carrying amount of liabilities as of December 31, 2009	**35**	**11**

Pension benefits cover all employees in the Italy area and correspond to the estimate of provisions to be used to cover supplementary pension benefits for retired managers, while for foreign companies; this item refers to post-employment benefits.
Other benefits include liabilities related to defined benefit plans not included in the pension benefits.
The following table sets forth the effect of employee benefits on the income statement for the year ended December 31, 2009.

in millions of Euro

	Pension benefits	Other benefits
Service cost	1	1
Interest cost	2	—
Amortization of actuarial (gains)/losses	1	1
Total	**4**	**2**

Employee benefit expenses amounted to Euro 6 million for year ended December 31, 2009 including Euro 2 million for net accretion costs recognized under interest cost and Euro 4 million recognized under personnel costs.
The main actuarial assumptions used to calculate the liabilities arising from employee benefits are set out below:

	2009
Discount rate	4.30%
Rate of wage increases	3.00%
Rate of increase in unit expenses	3.00%

31. Provisions for risks and charges — Euro 81 million (including current portion of (Euro 13 million)

The following table sets forth the movements in provisions for risks and charges for the year ended December 31, 2009.

in millions of Euro

	As of January 1, 2009	Accruals	Utilization	Taken to income statement	As of December 31, 2009	Of which current portion
Provision for litigation, risks and other charges						
- litigation	20	10	(2)	(1)	27	—
- plant retirement and site restoration	43	6	(12)	(7)	30	9
- taxes	13	2	(4)	—	11	—
- other	6	—	(1)	—	5	1
Total	**82**	**18**	**(19)**	**(8)**	**73**	**10**
Charges for early-retirement incentives .	2	10	(3)	(1)	8	3
Total	**84**	**28**	**(22)**	**(9)**	**81**	**13**

Litigation provision — Euro 27 million

The litigation provision covers contingent liabilities that could arise with respect of pending litigation and other disputes. It includes an estimate of the potential liability relating to disputes that arose during the period, as well as revised estimates of the potential costs associated with disputes initiated in prior periods, on the basis of the opinions of internal and external legal counsel.

Plant retirement and site restoration — Euro 30 million

Provisions for plants mainly includes an estimate of future charges for the dismantling and restoration of plant sites based on legal, contractual or implicit environmental clean-up obligations or obligations to restore the original environmental conditions if the plant's operations caused damage to the environment, and resulted in charges of various sorts for disputes with local government agencies over taxes and fees of various types.

Provision for early-retirement incentives — Euro 8 million

The provision for early-retirement incentives includes the estimated charges related to binding agreements for the voluntary termination of employment contracts in response to organizational needs.

32. Non-current financial liabilities — Euro 22 million

The following table sets forth the notional amount and the fair value of derivatives classified by type and nature.

in millions of Euro

	Notional amount		Fair value	
	As of December 31, 2009	As of January 1, 2009	As of December 31, 2009	As of January 1, 2009
Cash flow hedge derivatives	**374**	**268**	**21**	**15**
interest rate	374	268	21	15
Trading derivatives	**62**	**67**	**1**	**0**
interest rate	41	57	1	—
exchange rate	21	10	—	—
Total	**436**	**335**	**22**	**15**

The following table sets forth the fair value of derivatives on the basis of the measurement criteria, as specified in the amendments to IFRS 7.

in millions of Euro

	As of December 31, 2009	Level 1	Level 2	Level 3
Cash flow hedge derivatives	21	—	21	—
Trading derivatives	1	—	1	—
Total	**22**	**—**	**22**	**—**

33. Other non-current liabilities — Euro 63 million

The following table sets forth a breakdown of other non-current liabilities as of December 31, 2009 and January 1, 2009.

in millions of Euro

	As of December 31, 2009	As of January 1, 2009	Change
Payables for urbanization fees and contributions	31	14	17
Deferred operating income from third parties	18	18	0
Payables for acquisition of investments	14	0	14
Total	**63**	**32**	**31**

Payables for acquisition of investments relate to the recognition of the option to purchase 8.8% of the share capital of Renovables de Guatemala held by Simest. In particular, the Company has committed to acquire the entire share capital from Simest on June 30, 2017. The option may be exercised starting from June 30, 2015.

Current liabilities

34. Short-term loans — Euro 4,413 million

The following table sets forth a breakdown of short-term loans as of December 31, 2009 and January 1, 2009.

in millions of Euro

	As of December 31, 2009	As of January 1, 2009	Change
Other short-term financial payables	4,336	4,572	(236)
- of which Enel Group	*4,323*	*4,557*	*(234)*
Other short-term loans due to banks	70	5	65
Utilization of revolving credit lines	7	6	1
Total	**4,413**	**4,583**	**(170)**

The fair value of short-term loans is comparable with the book value as of the balance sheet date. Short-term loans included Euro 4,275 million payable to Enel Group relating to the intercompany current account.

35. Trade payables — Euro 454 million

Trade payables amounting to Euro 454 million as of December 31, 2009 increased by Euro 141 million compared to January 1, 2009 and included payables to the Enel Group amounting to Euro 128 million (Euro 75 million as of January 1, 2009), the details of which are provided in the Information on Related Parties.

36. Income tax payables — Euro 207 million

Income tax payables amounting to Euro 207 million as of December 31, 2009 mainly related to tax payables of the Company and included ordinary IRES amounting to Euro 127 million recorded as a payable to Enel S.p.A. relating to the Group participation in the National Tax Consolidation scheme, Euro 31 million for the IRES surtax (6.5% rate) and Euro 27 million for IRAP estimation.

37. Current financial liabilities — Euro 85 million

The following table sets forth a breakdown of current financial liabilities as of December 31, 2009 and January 1, 2009.

in millions of Euro

	As of December 31, 2009	As of January 1, 2009	Change
Other financial liabilities	83	25	58
- of which Enel Group	*83*	*25*	*58*
Deferred financial income	1	2	(1)
Derivative contracts	1	9	(8)
- of which Enel Group	*1*	*7*	*(6)*
Total	**85**	**36**	**49**

Other financial payables mainly included accrued interest expense.

The following table sets forth the notional amount and the fair value of derivatives classified by type and nature.

in millions of Euro

	Notional amount		Fair value	
	As of December 31, 2009	As of January 1, 2009	As of December 31, 2009	As of January 1, 2009
Cash flow hedge derivatives	**14**	**175**	**1**	**2**
commodities	14	175	1	2
Trading derivatives	**5**	**124**	**—**	**7**
commodities	5	4	—	1
exchange rates	—	120	—	6
Total	**19**	**299**	**1**	**9**

The following table sets forth the fair value of derivatives on the basis of the measurement criteria, as specified in the amendments to IFRS 7.

in millions of Euro

	As of December 31, 2009	Level 1	Level 2	Level 3
Cash flow hedge derivatives	1	—	1	—
Total	**1**	**—**	**1**	**0**

38. Other current liabilities — Euro 131 million

The following table sets forth a breakdown of other current liabilities as of December 31, 2009 and January 1, 2009.

in millions of Euro

	As of December 31, 2009	As of January 1, 2009	Change
Payables for urbanization fees and contributions	29	24	5
Payables due to employees and social security payables	22	10	12
Advance payments and accrued expenses	14	5	8
Other tax payables	10	9	1
Other	56	128	(72)
- of which Enel Group	*33*	*97*	*(64)*
Total	**131**	**176**	**(45)**

Payables for urbanization fees and contributions included payables to local government agencies where electricity power plants are located for contributions related to urbanization and other work in the area affected by plant construction, and payables for government rates, surcharges for mountain and river catchment basins and other fees due in relation to concessions to use public waters for hydroelectric purposes.

39. Contractual commitments and guarantees

The following table sets forth the commitments entered into by the Group and the guarantees given to third parties.

in millions of Euro

	As of December 31, 2009
Guarantees given:	
- sureties and other guarantees granted to third parties	69
Commitments to suppliers for:	
- various supplies	893
- tenders	31
Total	**993**

Commitments to suppliers for various supplies amounting to Euro 893 million as of December 31, 2009 included Euro 613 million related to preliminary agreements entered into by the Company to acquire certain equity investments. These contracts are to be completed at the beginning of 2010. See *Subsequent events* for further details.

In addition, the Company has commitments to the Region of Tuscany with regard to the Letter of intent signed in 2007 in which Enel agreed to perform research and technological innovations in the sector of renewable energies. To date, the Region of Tuscany has authorized four projects (Sasso 2 and Nuova Lagoni Rossi in 2008, and Chiusdino and Nuova Radicondoli Group 2 in 2009) amounting to Euro 90 million for total installed capacity of 72 MW.

It should be noted that the Company included also research and technological innovation activities in its business plan; that are separate from the agreement with the Region of Tuscany. These commitments cannot be determined until a detailed list of abovementioned activities can be agreed with the Region.

40. Related parties

Related parties have been identified in accordance with IFRS.
The following related parties of the Enel Green Power Group were identified:

- Enel S.p.A., which owns 100% of the Enel Green Power S.p.A.;
- the holding companies of Enel S.p.A. and their subsidiaries;
- companies under the joint control of Enel S.p.A.;
- individuals who have direct or indirect voting rights in the company that prepares financial statements giving them a dominant influence over the company;
- managers with strategic responsibilities, i.e., those persons who have the power and responsibility for the planning, management and control of the activities of the company that prepares the financial statements including the company's directors and executives and their close family members.

All transactions with related parties are performed under normal market terms and conditions.
These transactions provide advantages based on the use of pooled services and expertise and benefits based on Group synergies and the application of standard financial policies.
Transactions with related-parties for the year ended December 31, 2009 included the following:

- treasury services, interest rate risk management, financing and guarantees issuance;
- provision of professional and other services;
- management of common services.
- energy trading;
- trading of green and white certificates.

In addition there is also an option to participate in the national tax consolidation scheme together with Enel.
Pursuant to the Income Tax Consolidation Act (Article 117 *et seq.* of Presidential Decree 917/86), in 2008 the Company and Enel.si opted to become part of the Enel Group National Tax Consolidation scheme for the period 2008-2009, which governs all mutual obligations and responsibilities.

The following tables set forth the income statement and balance sheet effect of transactions carried out in 2009 between the Group and its related parties:

in millions of Euro

Year ended December 31, 2009	Parent Company Enel S.p.A.	Related parties within the Enel Group	Related parties outside the Enel Group	Total
Revenues from sales and services	**—**	**230**	**729**	**959**
GME S.p.A.	—	—	*477*	*477*
GSE S.p.A.	—	—	*178*	*178*
Terna S.p.A.	—	—	*28*	*28*
Acquirente Unico S.p.A.	—	—	*46*	*46*
Enel Produzione S.p.A.	—	*20*	—	*20*
Enel Servizio Elettrico S.p.A.	—	*3*	—	*3*
Enel Energia S.p.A.	—	*1*	—	*1*
Enel Trade S.p.A.	—	*148*	—	*148*
Enel Distribuzione S.p.A.	—	*58*	—	*58*
Raw materials and consumables	**—**	**6**	**9**	**15**
Enel Energia S.p.A.	—	*4*	—	*4*
Enel Distribuzione S.p.A.	—	*1*	—	*1*
Enel Produzione S.p.A.	—	*1*	—	*1*
GME S.p.A.	—	—	*2*	*2*
Terna S.p.A.	—	—	*2*	*2*
ENI S.p.A.	—	—	*1*	*1*
Other related parties	—	—	*4*	*4*
Services	**32**	**49**	**10**	**91**
Enel Servizi S.r.l.	—	*27*	—	*27*
Enel Produzione S.p.A.	—	*16*	—	*16*
Enel Ingegneria e Innovazione S.p.A.	—	*5*	—	*5*
Hydro Dolomiti Enel S.r.l.	—	*1*	—	*1*
GSE S.p.A.	—	—	*7*	*7*
Terna S.p.A.	—	—	*3*	*3*
Net income from commodity risk management	**—**	**118**	**—**	**118**
Enel Trade S.p.A.	—	*118*	—	*118*
Financial income	**5**	**—**	**—**	**5**
Financial expense	**80**	**10**	**—**	**90**
Enel Finance International S.A.	—	*8*	—	*8*
Other related parties	—	*2*	—	*2*

Trade receivables	**2**	**202**	**26**	**230**
Enel Produzione S.p.A.	*—*	*83*	*—*	*83*
Enel Trade S.p.A.	*—*	*39*	*—*	*39*
Enel Distribuzione S.p.A.	*—*	*78*	*—*	*78*
Other companies of the Enel Group	*—*	*2*	*—*	*2*
Acquirente Unico S.p.A.	*—*	*—*	*8*	*8*
GSE S.p.A.	*—*	*—*	*18*	*18*
Current financial assets	**—**	**154**	**—**	**154**
Enel Trade S.p.A.	*—*	*75*	*—*	*75*
Enel Finance International S.A.	*—*	*79*	*—*	*79*
Other current assets	**—**	**16**	**—**	**16**
Enel Trade S.p.A.	*—*	*16*	*—*	*16*
Long-term loans	**—**	**100**	**—**	**100**
Enel Finance International S.A.	*—*	*80*	*—*	*80*
Enel Lease S.a.r.l.		*20*		*20*
Non-current financial liabilities	**13**	**—**	**—**	**13**
Short-term loans	**4,275**	**48**	**—**	**4,323**
Enel Finance International S.A.	*—*	*48*	*—*	*48*
Trade payables	**42**	**86**	**—**	**128**
Enel Servizi S.r.l.	*—*	*26*	*—*	*26*
Enel Factor S.p.A.	*—*	*33*	*—*	*33*
Enel Produzione S.p.A.	*—*	*17*	*—*	*17*
Enel Energia S.p.A.	*—*	*4*	*—*	*4*
Enel Servizio Elettrico S.p.A.	*—*	*1*	*—*	*1*
Enel Ingegneria e Innovazione S.p.A.	*—*	*1*	*—*	*1*
Enel Distribuzione S.p.A.	*—*	*1*	*—*	*1*
Other minor companies	*—*	*3*	*—*	*3*
Income tax payables	**127**	**—**	**—**	**127**
Current financial liabilities	**82**	**1**	**—**	**83**
Enel Trade S.p.A.	*—*	*1*	*—*	*1*
Other current liabilities	**8**	**25**	**—**	**33**
Enel Produzione S.p.A.		*21*		*21*
Enel Finance International S.A.		*1*		*1*
Enel Servizi S.r.l.		*1*		*1*
Other companies of the Enel Group	*—*	*2*	*—*	*2*

Parent company Enel S.p.A.

Transactions with the parent company Enel S.p.A. mainly relate to: i) the centralized financial, legal, human resources, corporate secretarial, administrative, planning and control activities carried out by Enel S.p.A. for Enel Green Power and its subsidiaries; ii) management and coordination services performed by Enel S.p.A. for Enel Green Power and its subsidiaries.

Related parties within the Enel S.p.A. Group

The most significant transactions with subsidiaries of Enel S.p.A. involved the following companies:

- Enel Trade S.p.A.: sale of power and green certificates by Enel Green Power S.p.A. to Enel Trade S.p.A. and commodity risk management performed by Enel Trade S.p.A. for companies of the Enel Group;
- Enel Distribuzione S.p.A.: sale of white certificates by Enel.si to Enel Distribuzione S.p.A.;
- Enel Produzione S.p.A.: sale of power by Enel Green Power S.p.A. to Enel Produzione S.p.A. and provision of remote control services for hydroelectric and wind power plants, dam safety services and maintenance of hydroelectric plants performed by Enel Produzione S.p.A. for Enel Green Power S.p.A.
- Enel Servizi S.r.l.: management of procurement services, property management, administrative services, catering and management of automobile fleet by Enel Servizi S.r.l. for Enel Green Power S.p.A.;
- Enel Ingegneria e Innovazione S.p.A.: consulting services and technical management of new plant construction projects by Enel Ingegneria e Innovazione S.p.A. for Enel Green Power S.p.A. and Group companies;
- Enel Finance International S.A.: loans provided to Enel Green Power S.p.A. and Group companies.

Related parties outside the Enel S.p.A. Group

As an operator in the sector of electricity generation from renewable resources, Enel Green Power sells electricity and uses the distribution and transmission services of a number of companies owned by the government (which is a shareholder of the Enel S.p.A. Group).

Transactions with companies held or controlled by the government primarily relate to:

- Gestore del Mercato Elettrico S.p.A.
- Gestore del Servizio Elettrico S.p.A.
- Acquirente Unico S.p.A.

Staff with strategic responsibilities

Below are the compensation and benefits paid to key managers for services rendered:

in millions of Euro	
Gross annual compensation	1.060
Gross annual variable incentives (MBO)	0.375

41. Contingent assets and liabilities

Tax disputes

At the present time, in addition to pending disputes, new disputes concerning the municipal property tax could arise.

Article 1-*quinquies* of Decree Law No. 44 of March 31, 2005, "containing emergency provisions regarding Local Authorities," and supplemented during conversion by Law No. 88 of May 31, 2005, specified that Article 4 of the Land Law, approved with Royal Decree Law No. 652 of April 13, 1939, will be interpreted, solely with respect to electric power plants, "in the sense that fixed buildings and structures consist of the ground and the parts structurally connected to it, even temporarily, which may be joined by any means of connection with movable parts for the purpose of making a single whole unit".

The Regional Tax Commission of Emilia Romagna, in Ordinance No. 16/13/06 (filed on July 13, 2006) referred the case to the Constitutional Court on the issue of the constitutionality of Article 1-*quinquies*, finding it relevant and not manifestly unfounded.

On May 20, 2008, the Constitutional Court, in judgment no. 162/08, ruled that the issues raised by the Emilia Romagna Regional Tax Commission had no foundation and, therefore, confirmed the legitimacy of the new interpretation, whose primary effects on the Group are as follows:

- the inclusion of the value of the "turbines" in the land registry valuation of the plants;
- the power of local Land Registry Offices to modify, without a time limit, the income proposed by Enel.

In the judgment it was furthermore stated that "…the principle whereby the constituent elements of the works…even if physically not built into the ground contribute to the determination of the land registry revenues is valid for all of the buildings referred to in Article 10 of Royal Decree Law No. 652 of 1939" and not only for electric power plants.

No assessment criterion has been introduced to date for the movable property deemed to be significant from the land registry viewpoint either in relation to the assessment method or in relation to the actual identification of the object to be assessed, and the aforementioned judgment does not seem to provide any guidance on this issue.

Therefore, with regard to the pending litigation, Enel Green Power will continue to pursue the case to request a substantial reduction of the values originally assigned by the Land Registry Offices to these plant parts, and has allocated an adequate amount to the provision for risks and charges in order to adequately address any risk of losing the suit altogether, including in relation to the new assessments received to date.

The Company, however, does not believe that it should make additional allocations to take into account any retroactive effects of the rule on income proposals, which to date have not been the subject of comments by the Land Registry Offices and Municipalities.

42. Subsequent events

Italy

Optimization of the capital structure of Enel Green Power

On March 17, 2010, the shareholder Enel S.p.A. decided to recapitalize Enel Green Power in the total amount of Euro 3,700 million to be recognized in shareholders' equity reserves. The transaction was carried out in the form of restructuring the debt due to Enel S.p.A. as of the date of transaction relating to the intercompany current account.

Acquisitions

Altomonte FV S.r.l.

On January 7, 2010 Enel Green Power S.p.A. acquired from Resit S.r.l. 51% of the share capital of Altomonte FV S.r.l., which was founded on December 28, 2009. Altomonte FV S.r.l. constructs the photovoltaic plant with the capacity of 20 MW in the province of Altomonte (CS).

An investment amounting to Euro 60 million is planned for the acquisition and completion of the project. To date, 5 MW has been authorized.

Maicor Wind and Enerlive

On January 13, 2010, Enel Green Power S.p.A. acquired from McKelcey Funds a majority in Maicor Wind S.r.l. and Enerlive S.r.l., the owners of a pipeline of three wind power projects with total capacity of 64 MW in the province of Catanzaro.

An investment of about Euro 70 million is planned for the acquisition and completion of the project.

Italgest Wind S.r.l.

On February 17, 2010 as a part of the development of wind power projects in Puglia, Enel Green Power S.p.A. acquired from Italgest Energia S.p.A. a 100% of share capital of Italgest Wind S.r.l. (later renamed Enel Green Power Puglia S.r.l.), which owns four wind power projects in Puglia with a total capacity of 184 MW, of which 22 MW has been authorized.

Consideration has been set at Euro 6 million in addition to potential bonuses related to moving forward the procedure of development/authorization of the projects.

Taranto Solar S.r.l.

On January 29, 2010 as a part of the development of photovoltaic projects in Puglia, Taranto Solar S.r.l. was founded. It is the owner of a project to construct a photovoltaic plant with total capacity of 4 MW at two industrial sites of the Marcegaglia Group in Taranto.

The total investment needed to complete the plant amounting to Euro 12.9 million.

Enel Green Power Strambino Solar S.r.l.

On March 18, 2010, as a part of the development of photovoltaic projects in Puglia, Enel Green Power S.p.A. and Finpiemonte Partecipazioni founded Enel Green Power Strambino Solar S.r.l. with ownership of 60% and 40% respectively. The company owns the project to construct a "Greenfield" photovoltaic plant with capacity of about 3 MW in an industrial area in the municipality of Strambino (TO) owned by SIT, a subsidiary of Finpiemonte Partecipazioni.

CIS Interporto

As a part of the construction of photovoltaic plants in Italy, Enel Green Power entered into an agreement with Centro Ingrosso Sviluppo Campania (CIS) and Interporto Campano for the

construction of a 25 MW photovoltaic plant in Campania. This is the largest roof-mounted integrated project using innovative technology in Italy, and one of the largest in the world.
The plant, which is owned by Enel Green Power, will be built in the municipality of Nola in the province of Naples, and will be constructed on the roofs of commercial and logistical buildings.
The total cost of the plant is amounting to Euro 75 million.

Incorporation of Enel Green Power Calabria

Enel Green Power Calabria S.r.l. was incorporated on February 9, 2010.
The Board of Directors of Enel Green Power S.p.A. approved the establishment of the company on February 1, 2010 in order to move forward with the submission authorization for the projects of the construction of a wind power plant in the municipality of Bagaladi (RC) and in the municipality of Motta San Giovanni-Montebello Jonico (RC).

Agreement to collaborate with Sharp

As a part of the strategy to develop a photovoltaic value chain, on January 4, Enel Green Power signed an agreement with Sharp Corporation ("Sharp") and STMicroelectronics N.V. ("STM") to build the largest photovoltaic-panel factory in Italy. The plant will be located in Catania and will produce triple-junction thin-film panels. Initially, the factory will have an annual photovoltaic-panel production capacity of 160 MW, which may be increased to 480 MW a year, making it the largest photovoltaic-panel factory in Italy. The production of the panels is scheduled to start at the beginning of 2011. Furthermore, at the research center site in Catania, Enel Green Power and Sharp are conducting experiments on concentrating solar technology.
On the same date, Enel Green Power and Sharp have also signed an agreement for the creation of a joint venture for development of new photovoltaic fields by 2016 with a total installed capacity of around 500 MW in the Mediterranean region, using the panels produced at the Catania plant. The agreements are subject to the approval of the appropriate regulatory authorities.

Desertec Project

On March 22, 2010, Enel Green Power purchased one share of the German-registered company Dii GmbH as a part of the Desertec Project.

Abroad

Padoma Wind Power

On January 11, 2010, Enel North America and NRG Energy reached an agreement for acquisition of Padoma Wind Power, a company specializing in the development of wind power. Padoma is developing projects with a capacity of about 4,000 MW in California. Once completed, these plants will contribute to the achievement, by 2020, of the goal (set by California's Renewable Portfolio Standard) of selling 33% of renewable energy to end consumers.
The two companies have reached an agreement whereby NRG will retain the right of first refusal if Enel North America searches for a partner in Padoma projects.

Process of business reorganization on the Iberian peninsula

On March 22, 2010 Enel Green Power International B.V. acquired a controlling interest in Endesa Cogeneracion y Renovables S.L. (hereinafter, Ecyr), 100% owned by Endesa Generación S.A. which operates in the renewable energy sector in Spain and Portugal. At the end of 2009, the company had total installed capacity of about 800 MW, including 720 MW in wind power, 27 MW in mini-hydroelectric power, 12 MW in photovoltaic power and 44 MW from cogeneration for total EBITDA amounting to Euro 108 million.

This transaction was carried out in the following steps:

- Ecyr reduced its capital by distributing dividends and equity reserves amounting to Euro 544 million (Euro 128 million as a capital reduction and Euro 416 million as a distribution of dividends);
- Enel Green Power International B.V. then purchased a 30% in Ecyr (after the capital reduction and distribution of dividends and reserves) for consideration amounting to Euro 326 million, which was estimated by two banks assigned by Enel Green Power and Endesa Generación;
- Finally, Ecyr approved a capital increase reserved only for Enel Green Power International B.V. which was subscribed through the transfer of the 50% equity investment held by Enel Green Power in the capital of Eufer amounting to Euro 280 million and a cash payment amounting to Euro 534 million.

This transaction gave Enel Green Power International B.V. an overall 60% of Ecyr share capital.

43. Changes in organizational structure

On March 8, 2010, the Enel Green Power Group adopted a new organizational structure which identifies the following geographic areas:

- Italy and Europe;
- Iberia and Latin America;
- United States.

There is also a structure dedicated to Enel.si, which has an independent responsibility from the Italy and Europe area.

The following tables set forth the main income statement, balance sheet and financial indicators as of and for the year ended December 31, 2009 reclassified as indicated below:

- Italy and Europe: includes the information attributed to Italy (excluding Enel.si) and the rest of Europe (excluding Eufer) on the basis of the previous structure;

- Iberia and Latin America: includes the information attributed to the Latin America area and Eufer on the basis of the previous structure;
- United States: coincides with the previous area;
- Enel.si: includes figures for Enel.si attributed to the Italy area in Note 6

Results by geographical area

in millions of Euro

	Italy and Europe	Enel.si	Iberia and Latin America	North America	Adjustments	Total
Revenues from third parties	**1,103**	**178**	**352**	**144**	**—**	**1,777**
Revenues from other segments	**17**	**—**	**—**	**—**	**(17)**	**—**
Net income/(charges) from commodity risk management	118	—	—	—	—	**118**
Gross operating margin	**898**	**7**	**212**	**90**	**—**	**1,207**
Depreciation, amortization and impairment losses	317	1	57	41	—	**416**
Operating income	**581**	**6**	**155**	**49**	**—**	**791**
Net financial income/(Charges) and share of income/(charges) from equity investments accounted for using the equity method	—	—	—	—	—	**(133)**
Income taxes	—	—	—	—	—	**219**
Net income for the year	**—**	**—**	**—**	**—**	**—**	**439**
Segment assets	**5,619**	**125**	**1,574**	**857**	**(20)**	**8,155**
Segment liabilities	**465**	**79**	**145**	**47**	**(20)**	**716**
Capital expenditure	**453**	**1**	**254**	**36**	**—**	**744**

The following table sets forth a reconciliation of assets and liabilities by geographic areas and assets and liabilities reported in the consolidated balance sheet.

in millions of Euro	**As of December 31, 2009**
Total assets	**9,494**
- goodwill	*532*
- equity investments accounted for using the equity method	*261*
- non-current financial assets	*35*
- current financial assets	*228*
- cash and cash equivalents	*144*
- deferred tax assets	*121*
- income tax receivables	*18*
Operating assets	**8,155**
Total liabilities	**6,930**
*- loans**	*5,659*
- non-current financial liabilities	*22*
- current financial liabilities	*85*
- post-employment and other employee benefits	*59*
- deferred tax liabilities	*182*
- income tax payable	*207*
Operating liabilities	**716**

* include long-term loans, short-term loans, current portion of long-term loans

Details for Italy and Europe

in millions of Euro	
Revenues	1,120
Net income/(charges) from commodity risk management	118
Gross operating margin	898
Depreciation, amortization and impairment losses	317
Operating income	581
Operating assets	5,619
Operating liabilities	465
Employees at the period-end (no.)	1,752
Capital expenditure	453

Details for Enel.si

in millions of Euro	
Revenues	178
Gross operating margin	7
Depreciation, amortization and impairment losses	1
Operating income	6
Operating assets	125
Operating liabilities	79
Employees at the period-end (no.)	88
Capital expenditure	1

Details for Iberia and Latin America

in millions of Euro

	As of and for the year ended December 31, 2009
Revenues	352
Gross operating margin	212
Depreciation, amortization and impairment losses	57
Operating income	155
Operating assets	1,574
Operating liabilities	145
Employees at the period-end (no.)	565
Capital expenditure	254

Details for North America

in millions of Euro

	As of and for the year ended December 31, 2009
Revenues	144
Gross operating margin	90
Depreciation, amortization and impairment losses	41
Operating income	49
Operating assets	857
Operating liabilities	47
Employees at the period-end (no.)	280
Capital expenditure	36

Disclaimer
This Report issued in Italian has been translated into English solely for the convenience of international readers.

ANNEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

Companies and equity investments of Enel Green Power Group as of December 31, 2009

Below are lists of the subsidiaries and associates of Enel Green Power S.p.A. as of December 31, 2009 prepared in accordance with Article 2359 of the Civil Code, as well as lists of other significant equity investments. All equity investments are held with ownership rights. The following information is provided for each company: company name, registered office, activity, share capital, currency, the Group companies that hold an equity investment in the company and the respective holding percentages as well as holding percentages pertaining to the Group.

Companies consolidated on a line-by-line basis as of December 31, 2009

Company name	Registered office	Country	Activity	Share capital as of December 31, 2009	Currency	Held by	% holding	Group % holding
Parent company:								
Enel Green Power S.p.A.	Rome	Italy	Holding company	600,000,000	Euro	Enel S.p.A.	100.00%	
Subsidiaries:								
Enel Green Power International B.V.	Amsterdam	Netherlands	Holding company	244,532,298	Euro	Enel Green Power S.p.A.	100.00%	100.00%
Enel.si S.r.l.	Rome	Italy	Plant engineering and energy services	5,000,000	Euro	Enel Green Power S.p.A.	100.00%	100.00%
Geotermica Nicaraguense S.A.	Managua	Nicaragua	Electricity generation from renewable resources	50,000	Nicaraguan Cordoba Oro	Enel Green Power S.p.A.	60.00%	60.00%
Enel Green Power Portoscuso S.r.l. (formerly Portoscuso Energia S.r.l.)	Rome	Italy	Electricity generation from renewable resources	10,000	Euro	Enel Green Power S.p.A.	100.00%	100.00%
Consorzio Sviluppo Solare	Rome	Italy	—	100,000	Euro	Enel Produzione S.p.A. Enel.si S.r.l.	30.00% 70.00%	100.00%
Enel North America Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	50	U.S. Dollar	Enel Green Power International B.V.	100.00%	100.00%
Enel Latin America B.V.	Amsterdam	Netherlands	Electricity generation from renewable resources	244,450,298	Euro	Enel Green Power International B.V.	100.00%	100.00%
Enel Green Power Bulgaria E.A.D.	Sofia	Bulgaria	Construction, operation and maintenance of plants	35,231,000	Bulgarian Leva	Enel Green Power International B.V.	100.00%	100.00%
WP Bulgaria 1 EOOD	Sofia	Bulgaria	Construction, operation and maintenance of plants	5,000	Bulgarian Leva	Enel Green Power Bulgaria E.A.D.	100.00%	100.00%
WP Bulgaria 3 EOOD	Sofia	Bulgaria	Construction, operation and maintenance of plants	5,000	Bulgarian Leva	Enel Green Power Bulgaria E.A.D.	100.00%	100.00%
WP Bulgaria 6 EOOD	Sofia	Bulgaria	Construction, operation and maintenance of plants	5,000	Bulgarian Leva	Enel Green Power Bulgaria E.A.D.	100.00%	100.00%

Company name	Registered office	Country	Activity	Share capital as of December 31, 2009	Currency	Held by	% holding	Group % holding
WP Bulgaria 8 EOOD	Sofia	Bulgaria	Construction, operation and maintenance of plants	5,000	Bulgarian Leva	Enel Green Power Bulgaria E.A.D.	100.00%	100.00%
WP Bulgaria 19 EOOD	Sofia	Bulgaria	Construction, operation and maintenance of plants	5,000	Bulgarian Leva	Enel Green Power Bulgaria E.A.D.	100.00%	100.00%
WP Bulgaria 21 EOOD	Sofia	Bulgaria	Construction, operation and maintenance of plants	5,000	Bulgarian Leva	Enel Green Power Bulgaria E.A.D.	100.00%	100.00%
WP Bulgaria 26 EOOD	Sofia	Bulgaria	Construction, operation and maintenance of plants	5,000	Bulgarian Leva	Enel Green Power Bulgaria E.A.D.	100.00%	100.00%
Enel Green Power Romania S.r.l. (formerly Blue Line Impex S.r.l.)	Sat Rusu de Sus Nuseni	Romania	Electricity generation from renewable resources	128,000,000	New Romanian Leu	Enel Green Power International B.V.	100.00%	100.00%
Blue Energy S.r.l.	Tulcea	Romania	Electricity generation from renewable resources	1,000	New Romanian Leu	Blue Line Impex S.r.l.	100.00%	100.00%
Electrogroup S.r.l.	Baia Mare	Romania	Electricity generation from renewable resources	200	New Romanian Leu	Blue Line Impex S.r.l.	100.00%	100.00%
International Wind Parks of Achaia S.A.	Maroussi	Greece	Electricity generation from renewable resources	7,121,000	Euro	Enel Green Power International B.V.	100.00%	100.00%
International Wind Parks of Crete S.A.	Maroussi	Greece	Construction, operation and maintenance of plants; energy trading in electricity sector	3,093,000	Euro	Enel Green Power International B.V.	100.00%	100.00%
International Wind Parks of Rhodes S.A.	Maroussi	Greece	Construction, operation and maintenance of plants; energy trading in electricity sector	5,070,000	Euro	Enel Green Power International B.V.	100.00%	100.00%
International Wind Parks of Thrace S.A.	Maroussi	Greece	Construction, operation and maintenance of plants; energy trading in electricity sector	13,957,500	Euro	Enel Green Power Hellas S.A.	100.00%	100.00%
Wind Parks of Thrace S.A.	Maroussi	Greece	Construction, operation and maintenance of plants; energy trading in electricity sector	13,537,200	Euro	Enel Green Power Hellas S.A.	100.00%	100.00%
International Wind Power S.A.	Maroussi	Greece	Construction, operation and maintenance of plants; energy trading in electricity sector	6,615,300	Euro	Enel Green Power Hellas S.A.	100.00%	100.00%
Glafkos Hydroelectric Station S.A.	Maroussi	Greece	Construction, operation and maintenance of plants; energy trading and services in electricity sector	4,690,000	Euro	Enel Green Power International B.V.	100.00%	100.00%
Hydro Constructional S.A.	Maroussi	Greece	Electrical engineering,	4,230,000	Euro	Enel Green Power	100.00%	100.00%

Company name	Registered office	Country	Activity	Share capital as of December 31, 2009	Currency	Held by	% holding	Group % holding
			energy trading and energy services			International B.V.		
Enel Green Power Hellas S.A.	Maroussi	Greece	Holding company, energy services	1,060,000	Euro	Enel Green Power International B.V.	100.00%	100.00%
Aioliko Voskero S.A.	Heraklion, Crete	Greece	Construction and use of plants generating electricity from renewable resources	955,600	Euro	Enel Green Power International B.V.	100.00%	100.00%
Enel Erelis S.A.S	Lyon	France	Electricity generation from renewable resources	60,200,000	Euro	Enel Green Power International B.V.	100.00%	100.00%
Parc Eolien de Beauséjour S.A.S.U.	Lyon	France	Electricity generation from renewable resources	37,000	Euro	Enel Erelis S.A.S	100.00%	100.00%
Parc Eolien de Bouville S.A.S.U.	Lyon	France	Electricity generation from renewable resources	37,000	Euro	Enel Erelis Sas	100.00%	100.00%
Parc Eolien de Coulonges-Thouarsais Sasu	Lyon	France	Electricity generation from renewable resources	37,000	Euro	Enel Erelis S.A.S.	100.00%	100.00%
Parc Eolien de la Chapelle Gaudin S.A.S.U.	Lyon	France	Electricity generation from renewable resources	37,000	Euro	Enel Erelis S.A.S.	100.00%	100.00%
Parc Eolien de la Grande Epine S.A.S.U.	Lyon	France	Electricity generation from renewable resources	37,000	Euro	Enel Erelis S.A.S.	100.00%	100.00%
Parc Eolien de la Parigodière S.A.S.U.	Lyon	France	Electricity generation from renewable resources	37,000	Euro	Enel Erelis S.A.S.	100.00%	100.00%
Parc Eolien de la Terre aux Saints S.A.S.U.	Lyon	France	Electricity generation from renewable resources	37,000	Euro	Enel Erelis S.A.S.	100.00%	100.00%
Parc Eolien de la Vallière S.A.S.U.	Lyon	France	Electricity generation from renewable resources	37,000	Euro	Enel Erelis S.A.S.	100.00%	100.00%
Parc Eolien de la Vigne de Foix S.A.S.U.	Lyon	France	Electricity generation from renewable resources	37,000	Euro	Enel Erelis S.A.S.	100.00%	100.00%
Parc Eolien de Noirterre S.A.S.U.	Lyon	France	Electricity generation from renewable resources	37,000	Euro	Enel Erelis S.A.S.	100.00%	100.00%
Parc Eolien de Pouille L'Hermenault S.A.S.U.	Lyon	France	Electricity generation from renewable resources	37,000	Euro	Enel Erelis S.A.S.	100.00%	100.00%
Parc Eolien des Ramiers S.A.S.U.	Lyon	France	Electricity generation from renewable resources	37,000	Euro	Enel Erelis S.A.S.	100.00%	100.00%
Parc Eolien de Thire S.A.S.U.	Lyon	France	Electricity generation from renewable resources	37,000	Euro	Enel Erelis S.A.S.	100.00%	100.00%
Parc Eolien du Mesnil S.A.S.U.	Lyon	France	Electricity	37,000	Euro	Enel Erelis	100.00%	100.00%

Company name	Registered office	Country	Activity	Share capital as of December 31, 2009	Currency	Held by	% holding	Group % holding
			generation from renewable resources			S.A.S.		
Société Armoricaine d'Energie Eolienne S.a.r.l.	Lyon	France	Electricity generation from renewable resources	1,000	Euro	Enel Erelis S.A.S.	100.00%	100.00%
Société du Parc Eolien des Champs D'Eole S.a.r.l.	Lyon	France	Electricity generation from renewable resources	1,000	Euro	Enel Erelis S.A.S.	100.00%	100.00%
Société du Parc Eolien du Chemin de la Ligue Snc	Meyzieu	France	Electricity generation from renewable resources	1,000	Euro	Enel Erelis S.A.S.	100.00%	100.00%
Société du Parc Eolien du Mazet Saint Voy S.a.r.l.	Mese	France	Electricity generation from renewable resources	4,000	Euro	Enel Erelis S.A.S.	100.00%	100.00%
Société du Parc Eolien de Family S.a.r.l.	Lyon	France	Electricity generation from renewable resources	10,000	Euro	Enel Erelis S.A.S.	100.00%	100.00%

The companies held by Enel North America Inc. and Enel Latin America B.V., which are fully consolidated on a line-by-line basis, are listed separately.

Subsidiaries held by Enel North America Inc. consolidated on a line-by-line basis as of December 31, 2009[1]

Company name	Registered office	Country	Share capital[2] as of December 31, 2009	Currency	Held by[3]	% holding	Group % holding
Parent company:							
Enel North America Inc.	Wilmington (Delaware)	U.S.A.	50	U.S. Dollar	Enel Green Power International B.V.	100.00%	100.00%
Subsidiaries:							
Agassiz Beach L.L.C.	Minneapolis (Minnesota)	U.S.A.	—		Chi Minnesota Wind L.L.C.	49.00%	49.00%
Aquenergy Systems Inc.	Greenville (South Carolina)	U.S.A.	10,500	U.S. Dollar	Consolidated Hydro Southeast Inc.	100.00%	100.00%
Asotin Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Enel North America Inc.	100.00%	100.00%
Autumn Hills L.L.C.	Minneapolis (Minnesota)	U.S.A.	—		Chi Minnesota Wind L.L.C.	49.00%	49.00%
Aziscohos Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Enel North America Inc.	100.00%	100.00%
Barnet Hydro Company	Burlington (Vermont)	U.S.A.	—		Sweetwater Hydroelectric Inc.	100..00%	100.00%
Beaver Falls Water Power Company	Philadelphia (Pennsylvania)	U.S.A.	—		Beaver Valley Holdings Ltd.	67.50%	67.50%
Beaver Valley Holdings Ltd.	Philadelphia (Pennsylvania)	U.S.A.	2	U.S. Dollar	Hydro Development Group Inc.	100.00%	100.00%
Beaver Valley Power Company	Philadelphia (Pennsylvania)	U.S.A.	30	U.S. Dollar	Hydro Development Group Inc.	100.00%	100.00%
Black River Hydro Assoc.	New York	U.S.A.	—		(Cataldo) Hydro	75.00%	75.00%

Company name	Registered office	Country	Share capital[2] as of December 31, 2009	Currency	Held by[3]	% holding	Group % holding
					Power Associates		
Boott Field L.L.C.	Wilmington (Delaware)	U.S.A.	—		Boott Hydropower Inc.	100.00%	100.00%
Boott Hydropower Inc.	Boston (Massachusetts)	U.S.A.	—		Boott Sheldon Holdings L.L.C.	100.00%	100.00%
Boott Sheldon Holdings L.L.C.	Wilmington (Delaware)	U.S.A.	—		Hydro Finance Holding Company Inc.	100.00%	100.00%
BP Hydro Associates	Boise (Idaho)	U.S.A.	—		Chi Idaho Inc.	68.00%	100.00%
					Chi Magic Valley Inc.	32.00%	
BP Hydro Finance Partnership	Salt Lake City (Utah)	U.S.A.	—		BP Hydro Associates	75.92%	100.00%
					Fulcrum Inc.	24.08%	
Bypass Limited	Boise (Idaho)	U.S.A.	—		El Dorado Hydro	100.00%	100.00%
Bypass Power Company	Los Angeles (California)	U.S.A.	—		Chi West Inc.	100.00%	100.00%
Canastota Wind Power L.L.C.	Wilmington (Delaware)	U.S.A.	—		Essex Company	100.00%	100.00%
Castle Rock Ridge Limited Partnership	Wilmington (Delaware)	U.S.A.	1,000	Canadian Dollar	Enel Alberta Wind Inc.	100.00%	100.00%
(Cataldo) Hydro Power Associates	New York (New York)	U.S.A.	—		Hydro Development Group Inc.	50.00%	100.00%
					Chi Black River Inc.	50.00%	
Chi Acquisitions Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Enel North America Inc.	100.00%	100.00%
Chi Acquisitions II Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Chi Finance L.L.C.	100.00%	100.00%
Chi Black River Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Chi Finance L.L.C.	100.00%	100.00%
Enel Green Power Canada, Inc.	Montreal (Quebec)	Canada	1,757,364	Canadian Dollar	Chi Finance L.L.C.	100.00%	100.00%
Chi Dexter Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Chi Finance L.L.C.	100.00%	100.00%
Chi Finance L.L.C.	Wilmington (Delaware)	U.S.A.	—		Enel North America Inc.	100.00%	100.00%
Chi Highfalls Inc.	Wilmington (Delaware)	U.S.A.	—		Chi Finance L.L.C.	100.00%	100.00%
Chi Hydroelectric Company Inc	St. John (Newfoundland)	Canada	6,834,448	Canadian Dollar	Enel Green Power Canada, Inc.	100.00%	100.00%
Chi Idaho Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Chi Acquisitions Inc.	100.00%	100.00%
Chi Magic Valley Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Chi Acquisitions Inc.	100.00%	100.00%
Chi Minnesota Wind L.L.C.	Wilmington (Delaware)	U.S.A.	—		Chi Finance L.L.C.	100.00%	100.00%
Chi Mountain States Operations Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Chi Acquisitions Inc.	100.00%	100.00%
Chi Operations Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Enel North America Inc.	100.00%	100.00%
Chi Power Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Enel North America Inc.	100.00%	100.00%

Company name	Registered office	Country	Share capital[2] as of December 31, 2009	Currency	Held by[3]	% holding	Group % holding
Chi Power Marketing Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Enel North America Inc.	100.00%	100.00%
Chi S. F. LP	Montreal (Quebec)	Canada	—		Chi Hydroelectric Company Inc.	100.00%	100.00%
Chi Universal Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Enel North America Inc.	100.00%	100.00%
Chi West Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Chi Acquisitions Inc.	100.00%	100.00%
Chi Western Operations Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Chi Acquisitions Inc.	100.00%	100.00%
Coneross Power Corporation Inc.	Greenville South Carolina)	U.S.A.	110,000	U.S. Dollar	Aquenergy Systems Inc.	100.00%	100.00%
Consolidated Hydro Mountain States Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Chi Acquisitions Inc.	100.00%	100.00%
Consolidated Hydro New Hampshire Inc.	Wilmington (Delaware)	U.S.A.	130	U.S. Dollar	Chi Universal Inc.	100.00%	100.00%
Consolidated Hydro New York Inc.	Wilmington (Delaware)	U.S.A.	200	U.S. Dollar	Enel North America Inc.	100.00%	100.00%
Consolidated Hydro Southeast Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Chi Acquisitions II Inc.	95.00%	100.00%
					Gauley River Power Partners LP	5.00%	
Consolidated Pumped Storage Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Enel North America Inc.	80.00%	80.00%
Copenhagen Associates	New York (New York)	U.S.A.	—		Hydro Development Group Inc.	50.00%	99.00%
					Chi Dexter Inc.	50.00%	
Crosby Drive Investments Inc.	Boston (Massachusetts)	U.S.A.	—		Asotin Hydro Company Inc.	100.00%	100.00%
Enel Green Power Geronimo Holding Company Inc.	Wilmington (Delaware)	U.S.A.	1,000	U.S. Dollar	Enel North America Inc.	100.00%	100.00%
Enel Green Power Padoma Holding Company Inc.	Wilmington (Delaware)	U.S.A.	1,000	U.S. Dollar	Enel North America Inc.	100.00%	100.00%
Enel Green Power Solar 1 L.L.C.	Wilmington (Delaware)	U.S.A.			Enel North America Inc.	100.00%	100.00%
El Dorado Hydro	Los Angeles (California)	U.S.A.	—		Olympe Inc.	82.50%	100.00%
					Motherlode Hydro Inc.	17.50%	
Enel Alberta Wind Inc.	Calgary	Canada	16,251,021	Canadian Dollar	Enel Green Power Canada, Inc.	100.00%	100.00%
Enel Cove Fort L.L.C.	Wilmington (Delaware)	U.S.A.	—		Enel Geothermal L.L.C.	100.00%	100.00%
Enel Cove Fort II L.L.C.	Wilmington (Delaware)	U.S.A.	—		Enel Geothermal L.L.C.	100.00%	100.00%
Enel Geothermal L.L.C.	Wilmington (Delaware)	U.S.A.	—		Essex Company	100.00%	100.00%
Enel Kansas L.L.C.	Wilmington (Delaware)	U.S.A.	—		Enel North America Inc.	100.00%	100.00%
Enel Nevkan Inc.	Wilmington (Delaware)	U.S.A.	—		Enel North America Inc.	100.00%	100.00%
Enel Salt Wells L.L.C.	Wilmington	U.S.A.	—		Enel Geothermal	100.00%	100.00%

Company name	Registered office	Country	Share capital[2] as of December 31, 2009	Currency	Held by[3]	% holding	Group % holding
	(Delaware)				L.L.C.		
Enel Stillwater L.L.C.	Wilmington (Delaware)	U.S.A.	—		Enel Geothermal L.L.C.	100.00%	100.00%
Enel Surprise Valley L.L.C.	Wilmington (Delaware)	U.S.A.	—		Enel Geothermal L.L.C.	100.00%	100.00%
Enel Texkan Inc.	Wilmington (Delaware)	U.S.A.	—		Chi Power Inc.	100.00%	100.00%
Enel Washington DC L.L.C.	Wilmington (Delaware)	U.S.A.	—		Chi Acquisitions Inc.	100.00%	100.00%
Essex Company	Boston (Massachusetts)	U.S.A.	—		Enel North America Inc.	100.00%	100.00%
Florence Hills L.L.C.	Minneapolis (Minnesota)	U.S.A.	—		Chi Minnesota Wind L.L.C.	49.00%	49.00%
Fulcrum Inc.	Boise (Idaho)	U.S.A.	1,003	U.S. Dollar	Consolidated Hydro Mountain States Inc.	100.00%	100.00%
Gauley Hydro L.L.C.	Wilmington (Delaware)	U.S.A.	—		Essex Company	100.00%	100.00%
Gauley River Management Corporation	Willison (Vermont)	U.S.A.	—		Chi Finance L.L.C.	100.00%	100.00%
Gauley River Power Partners LP	Willison (Vermont)	U.S.A.	—		Gauley River Management Corporation	100.00%	100.00%
Hadley Ridge L.L.C.	Minneapolis (Minnesota)	U.S.A.	—		Chi Minnesota Wind L.L.C.	49.00%	49.00%
Highfalls Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	—		Chi Finance L.L.C.	100.00%	100.00%
Hope Creek L.L.C.	Minneapolis (Minnesota)	U.S.A.	—		Chi Minnesota Wind L.L.C.	49.00%	49.00%
Hosiery Mills Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Chi Acquisitions Inc.	100.00%	100.00%
Hydrodev Inc.	Montreal (Quebec)	Canada	7,587,320	Canadian Dollar	Enel Green Power Canada, Inc.	100.00%	100.00%
Hydrodev Limited Partnership	Montreal (Quebec)	Canada	—		Hydrodev Inc.	100.00%	100.00%
Hydro Development Group Inc.	Albany (New York)	U.S.A.	12	U.S. Dollar	Chi Acquisitions II Inc.	100.00%	100.00%
Hydro Energies Corporation	Willison (Vermont)	U.S.A.	5,000	U.S. Dollar	Chi Finance L.L.C.	100.00%	100.00%
Hydro Finance Holding Company Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Enel North America Inc.	100.00%	100.00%
Jack River L.L.C.	Minneapolis (Minnesota)	U.S.A.	—		Chi Minnesota Wind L.L.C.	49.00%	49.00%
Jessica Mills L.L.C.	Minneapolis (Minnesota)	U.S.A.	—		Chi Minnesota Wind L.L.C.	49.00%	49.00%
Julia Hills L.L.C.	Minneapolis (Minnesota)	U.S.A.	—		Chi Minnesota Wind L.L.C.	49.00%	49.00%
Kings River Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Chi Finance L.L.C.	100.00%	100.00%
Kinneytown Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Enel North America Inc.	100.00%	100.00%
LaChute Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Enel North America Inc.	100.00%	100.00%

Company name	Registered office	Country	Share capital[2] as of December 31, 2009	Currency	Held by[3]	% holding	Group % holding
Lawrence Hydroelectric Associates LP	Boston (Massachusetts)	U.S.A.	—		Essex Company	92.50%	100.00%
					Crosby Drive Investments Inc.	7.50%	
Littleville Power Company Inc.	Boston (Massachusetts)	U.S.A.	—		Hydro Development Group Inc.	100.00%	100.00%
Lower Saranac Corporation	New York (New York)	U.S.A.	2	U.S. Dollar	Twin Saranac Holdings L.L.C.	100.00%	100.00%
Lower Saranac Hydro Partners, LP	Wilmington (Delaware)	U.S.A.	—		Lower Saranac Corporation	100.00%	100.00%
Mascoma Hydro Corporation	Concord (New Hampshire)	U.S.A.	—		Chi Acquisitions II Inc.	100.00%	100.00%
Metro Wind L.L.C.	Minneapolis (Minnesota)	U.S.A.	—		Chi Minnesota Wind L.L.C.	49.00%	49.00%
Mill Shoals Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Chi Finance L.L.C.	100.00%	100.00%
Minnewawa Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Enel North America Inc.	100.00%	100.00%
Missisquoi Associates	Los Angeles (California)	U.S.A.	—		Sheldon Vermont Hydro Company Inc.	1.00%	
					Sheldon Springs Hydro Associates LP	99.00%	100.00%
Motherlode Hydro Inc.	Los Angeles (California)	U.S.A.	—		Chi West Inc.	100.00%	100.00%
Nevkan Renewables L.L.C.	Wilmington (Delaware)	U.S.A.	—		Enel Nevkan Inc.	100.00%	100.00%
Newbury Hydro Company	Burlington (Vermont)	U.S.A.	—		Sweetwater Hydroelectric Inc.	100.00%	100.00%
NeWind Group Inc.	St. John (Newfoundland)	Canada	578,192	Canadian Dollar	Enel Green Power Canada, Inc.	100.00%	100.00%
North Canal Waterworks	Boston (Massachusetts)	U.S.A.	—		Essex Company	100.00%	100.00%
Northwest Hydro Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Chi West Inc.	100.00%	100.00%
Notch Butte Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Chi Finance L.L.C.	100.00%	100.00%
O&M Cogeneration Inc.	Montreal (Quebec)	Canada	15	Canadian Dollar	Hydrodev Inc.	66.66%	66.66%
Olympe Inc.	Los Angeles (California)	U.S.A.	—		Chi West Inc.	100.00%	100.00%
Ottauquechee Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Chi Finance L.L.C.	100.00%	100.00%
Pelzer Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Consolidated Hydro Southeast Inc.	100.00%	100.00%
Pyrites Associates	New York (New York)	U.S.A.	—		Hydro Development Group Inc.	50.00%	100.00%
					Chi Dexter Inc.	50.00%	
Rock Creek Limited Partnership	Los Angeles (California)	U.S.A.	—		El Dorado Hydro	100.00%	100.00%
Ruthton Ridge L.L.C.	Minneapolis (Minnesota)	U.S.A.	—		Chi Minnesota Wind L.L.C.	49.00%	49.00%

Company name	Registered office	Country	Share capital[2] as of December 31, 2009	Currency	Held by[3]	% holding	Group % holding
SE Hazelton A. LP	Los Angeles (California)	U.S.A.	—		Bypass Power Company	100.00%	100.00%
Sheldon Springs Hydro Associates LP	Wilmington (Delaware)	U.S.A.	—		Sheldon Vermont Hydro Company Inc.	100.00%	100.00%
Sheldon Vermont Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	—		Boott Sheldon Holdings L.L.C.	100.00%	100.00%
Slate Creek Hydro Associates LP	Los Angeles (California)	U.S.A.	—		Slate Creek Hydro Company Inc.	100.00%	100.00%
Slate Creek Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Chi Acquisitions II Inc.	100.00%	100.00%
Smoky Hills Wind Farm L.L.C.	Topeka (Kansas)	U.S.A.	—		Texkan Wind L.L.C.	100.00%	100.00%
Smoky Hills Wind Project II L.L.C.	Topeka (Kansas)	U.S.A.	—		Nevkan Renewables L.L.C.	100.00%	100.00%
Snyder Wind Farm L.L.C.	Dallas (Texas)	U.S.A.	—		Texkan Wind L.L.C.	100.00%	100.00%
Soliloquoy Ridge L.L.C.	Minneapolis (Minnesota)	U.S.A.	—		Chi Minnesota Wind L.L.C.	49.00%	49.00%
Somersworth Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	100	U.S. Dollar	Chi Universal Inc.	100.00%	100.00%
Southwest Transmission L.L.C.	Minneapolis (Minnesota)	U.S.A.	—		Chi Minnesota Wind L.L.C.	49.00%	49.00%
Spartan Hills L.L.C.	Minneapolis (Minnesota)	U.S.A.	—		Chi Minnesota Wind L.L.C.	49.00%	49.00%
St.-Felicien Cogeneration	Montreal (Quebec)	Canada	—		Chi S.F. LP	96.00%	96.00%
Summit Energy Storage Inc.	Wilmington (Delaware)	U.S.A.	8,200	U.S. Dollar	Enel North America Inc.	75.00%	75.00%
Sun River L.L.C.	Minneapolis (Minnesota)	U.S.A.	—		Chi Minnesota Wind L.L.C.	49.00%	49.00%
Sweetwater Hydroelectric Inc.	Concord (New Hampshire)	U.S.A.	250	U.S. Dollar	Chi Acquisitions II Inc.	100.00%	100.00%
Texkan Wind L.L.C.	Wilmington (Delaware)	U.S.A.	—		Enel Texkan Inc.	100.00%	100.00%
TKO Power Inc.	Los Angeles (California)	U.S.A.	—		Chi West Inc.	100.00%	100.00%
Triton Power Company	New York (New York)	U.S.A.	—		Chi Highfalls Inc.	2.00%	100.00%
					Highfalls Hydro Company Inc.	98.00%	
Tsar Nicholas L.L.C.	Minneapolis (Minnesota)	U.S.A.	—		Chi Minnesota Wind L.L.C.	49.00%	49.00%
Twin Falls Hydro Associates	Seattle (Washington)	U.S.A.	—		Twin Falls Hydro Company Inc.	.51%	99.51%
					Twin Saranac Holdings L.L.C.	99.00%	
Twin Falls Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	10	U.S. Dollar	Twin Saranac Holdings L.L.C.	100.00%	100.00%
Twin Lake Hills L.L.C.	Minneapolis (Minnesota)	U.S.A.	—		Chi Minnesota Wind L.L.C.	49.00%	49.00%
Twin Saranac Holdings L.L.C.	Wilmington (Delaware)	U.S.A.	—		Enel North America Inc.	100.00%	100.00%

Company name	Registered office	Country	Share capital[2] as of December 31, 2009	Currency	Held by[3]	% holding	Group % holding
Western New York Wind Corporation	Albany (New York)	U.S.A.	300	U.S. Dollar	Enel North America Inc.	100.00%	100.00%
Willimantic Power Corporation	Hartford (Connecticut)	U.S.A.	—		Chi Acquisitions Inc.	100.00%	100.00%
Winter's Spawn L.L.C.	Minneapolis (Minnesota)	U.S.A.	—		Chi Minnesota Wind L.L.C.	49.00%	49.00%

(1) All the companies are engaged in electricity generation from renewable resources.

(2) In many cases, the subsidiaries are formed as entities that do not require the payment of share capital.

(3) For companies in which the holding is less than 50%, Enel North America Inc. holds preference shares that enable it to determine the financial and operational policies of the company and therefore to exercise a dominant influence.

Subsidiaries held by Enel Latin America B.V. consolidated on a line-by-line basis as of December 31, 2009[1]

Company name	Registered office	Country	Share capital[2] as of December 31, 2009	Currency	Held by[3]	% holding	Group % holding
Parent company:							
Enel Latin America B.V.	Amsterdam	Netherlands	244,450,298	Euro	Enel Green Power International B.V.	100.00%	100.00%
Subsidiaries:							
Apiacàs Energia S.A.	Rio de Janeiro	Brazil	21,216,846	Brazilian Real	Enel Brasil Participações Ltda	100.00%	100.00%
Central American Power Services Inc.	Wilmington (Delaware)	U.S.A.	1	U.S. Dollar	Enel Latin America B.V.	100.00%	100.00%
Conexion Energetica Centroamericana El Salvador S.A. de C.V.	San Salvador	El Salvador	7,950,600	Salvadoran Colon	Grupo EGI S.A. de C.V.	40.86%	100.00%
					Enel Latin America B.V.	59.14%	
Empresa Electrica Panguipulli S.A.	Santiago	Chile	14,053,147	Chilean Peso	Energia Alerce Ltda	0.01%	100.00%
					Enel Chile Ltda	99.99%	
Empresa Electrica Puyehue S.A.	Santiago	Chile	11,169,752,000	Chilean Peso	Energia Alerce Ltda	0.10%	100.00%
					Enel Chile Ltda	99.90%	
Empresa Nacional de Geotermia S.A.	Santiago	Chile	—		Enel Chile Ltda	51.00%	51.00%
Enel Brasil Participações Ltda	Rio de Janeiro	Brazil	419,400,000	Brazilian Real	Enel Green Power International B.V.	0.01%	100.00%
					Enel Latin America B.V.	99.99%	
Enel Chile Ltda	Santiago	Chile	15,414,240,752	Chilean Peso	Hydromac Energy B.V.	0.01%	100.00%

Company name	Registered office	Country	Share capital[2] as of December 31, 2009	Currency	Held by[3]	% holding	Group % holding
					Energia Alerce Ltda	99.99%	
Enel de Costa Rica S.A.	San Josè	Costa Rica	30,000,000	Costa Rican Colon	Enel Latin America B.V.	100.00%	100.00%
Enel Fortuna S.A.	Panama	Republic of Panama	100,000	U.S. Dollar	Enel Panama S.A.	50.06%	50.06%
Enel Guatemala S.A.	Guatemala	Guatemala	5,000	Guatemalan Quetzal	Enel Green Power International B.V.	2.00%	100.00%
					Enel Latin America B.V.	98.00%	
Enel Panama S.A.	Panama	Republic of Panama	3,000	U.S. Dollar	Enel Latin America B.V.	100.00%	100.00%
Enelpower do Brasil Ltda	Rio de Janeiro	Brazil	1,242,000	Brazilian Real	Enel Brasil Participações Ltda	99.99%	100.00%
					Enel Latin America B.V.	0.01%	
Energia Alerce Ltda	Santiago	Chile	1,000,000	Chilean Peso	Hydromac Energy B.V.	99.90%	100.00%
					Enel Latin America B.V.	0.10%	
Energia Global de Mexico (ENERMEX) S.A. de C.V.	Mexico City	Mexico	50,000	Mexican Peso	Enel Latin America B.V.	99.00%	99.00%
Energia Global Operaciones S.A.	San Josè	Costa Rica	10,000	Costa Rican Colon	Enel de Costa Rica S.A.	100.00%	100.00%
Energia Nueva Energia Limpia Mexico S.r.l. de C.V.	Mexico City	Mexico	5,339,650	Mexican Peso	Enel Latin America B.V.	99.99%	100.00%
					Enel Guatemala S.A.	0.01%	
Generadora de Occidente Ltda	Guatemala	Guatemala	16,261,697	Guatemalan Quetzal	Enel Latin America B.V.	99.00%	100.00%
					Enel Guatemala S.A.	1.00%	
Generadora Montecristo S.A.	Guatemala	Guatemala	5,000	Guatemalan Quetzal	Enel Latin America B.V.	99.00%	100.00%
					Enel Guatemala S.A.	1.00%	
Geotermica del Norte S.A.	Santiago	Chile	—		Enel Chile Ltda	51.00%	51.00%
Grupo EGI S.A. de C.V.	San Salvador	El Salvador	3,448,800	Salvadoran Colon	Enel Green Power International B.V.	0.01%	100.00%
					Enel Latin America B.V.	99.99%	
Hidroelectricidad del Pacifico	Mexico City	Mexico	30,890,636	Mexican Peso	Impulsora Nacional de	99.99%	99.99%

Company name	Registered office	Country	Share capital[2] as of December 31, 2009	Currency	Held by[3]	% holding	Group % holding
S.r.l. de C.V.					Electricidad S.r.l. de C.V.		
Hydromac Energy B.V.	Amsterdam	Netherlands	18,000	Euro	Enel Latina America B.V.	100.00%	100.00%
Impulsora Nacional de Electricidad S.r.l. de C.V.	Mexico City	Mexico	308,628,665	Mexican Peso	Enel Green Power International B.V.	0.01%	100.00%
					Enel Latin America B.V.	99.99%	
Isamu Ikeda Energia S.A.	Rio de Janeiro	Brazil	82,974,476	Brazilian Real	Enel Brasil Participações Ltda	100.00%	100.00%
Mexicana de hidroelectricidad Mexhidro S.r.l. de C.V.	Mexico City	Mexico	181,727,301	Mexican Peso	Impulsora Nacional de Electricidad S.r.l. de C.V.	99.99%	99.99%
Molinos de Viento del Arenal S.A.	San José	Costa Rica	9,709,200	U.S. Dollar	Enel de Costa Rica S.A.	49.00%	49.00%
Operacion Y Mantenimiento Tierras Morenas S.A.	San José	Costa Rica	30,000	Costa Rican Colon	Enel de Costa Rica S.A.	85.00%	85.00%
P.H. Chucas S.A.	San José	Costa Rica	100,000	Costa Rican Colon	Enel de Costa Rica S.A.	28.57%	100.00%
					Inversiones Eòlicas La Esperanza S.A.	71.43%	
P.H. Don Pedro S.A.	San José	Costa Rica	100,001	Costa Rican Colon	Enel de Costa Rica S.A.	33.44%	33.44%
P.H. Guacimo S.A.	San José	Costa Rica	50,000	Costa Rican Colon	Enel de Costa Rica S.A.	40.00%	40.00%
P.H. Rio Volcan S.A.	San José	Costa Rica	100,001	Costa Rican Colon	Enel de Costa Rica S.A.	34.32%	34.32%
Primavera Energia S.A.	Rio de Janeiro	Brazil	29,556,576	Brazilian Real	Enel Brasil Participações Ltda	100.00%	100.00%
Proveedora de Electricidad de Occidente S.r.l. de C.V.	Mexico City	Mexico	89,707,135	Mexican Peso	Impulsora Nacional de Electricidad S.r.l. de C.V.	99.99%	99.99%
Quatiara Energia S.A.	Rio de Janeiro	Brazil	12,148,512	Brazilian Real	Enel Brasil Participações Ltda	100.00%	100.00%
Renovables de Guatemala S.A.	Guatemala	Guatemala	1,118,466,700	Guatemalan Quetzal	Enel Latin America B.V.	40.35%	91.22%
					Enel Green Power S.p.A.	50.86%	
					Enel Guatemala S.A.	0.01%	
Socibe Energia S.A.	Rio de Janeiro	Brazil	33,969,032	Brazilian Real	Enel Brasil Participações Ltda	100.00%	100.00%

Company name	Registered office	Country	Share capital[2] as of December 31, 2009	Currency	Held by[3]	% holding	Group % holding
Tecnoguat S.A.	Guatemala	Guatemala	30,948,000	Guatemalan Quetzal	Enel Latin America B.V.	75.00%	75.00%
Vale Energética S.A.	Rio de Janeiro	Brazil	18,589,344	Brazilian Real	Enel Brasil Participações Ltda	100.00%	100.00%

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(3) For companies in which the holding is less than 50%, Enel Latin America B.V. holds preference shares that enable it to determine the financial and operational policies of the company and therefore to exercise a dominant influence.

Companies consolidated proportionately as of December 31, 2009

Company name	Registered office	Country	Activity	Share capital as of December 31, 2009	Currency	Held by	% holding	Group % holding
Parent company:								
Enel Union Fenosa Renovables S.A.	Madrid	Spain	Electricity generation from renewable resources	32,505,000	Euro	Enel Green Power International B.V.	50.00%	50.00%
Subsidiaries:								
Parque Eólico de A Capelada, A.I.E.	Santiago de Compostela	Spain	Electricity generation from renewable resources	5,857,586	Euro	Enel Union Fenosa Renovables S.A.	50.00%	25.00%
APROVECHAMIENTOS ELÉCTRICOS, S.A.	Madrid	Spain	(empty)	420,705	Euro	Enel Union Fenosa Renovables S.A.	100.00%	50.00%
Aridos Energias Especiales, S.L.	Villalbilla	Spain	Electricity generation from renewable resources	600,000	Euro	Enel Union Fenosa Renovables S.A.	41.00%	20.5%
Azucarera Energías, S.A.	Madrid	Spain	Electricity generation from renewable resources	570,600	Euro	Enel Union Fenosa Renovables S.A.	40.00%	20.00%
Barbao, S.A.	Madrid	Spain	Electricity generation from renewable resources	284,879	Euro	Enel Union Fenosa Renovables S.A.	100.00%	50.00%
Boiro Energía, S.A.	Boiro	Spain	Electricity generation from renewable resources	601,010	Euro	Enel Union Fenosa Renovables S.A.	40.00%	20.00%
Cogeneracion del Noroeste, S.L.	Santiago de Compostela	Spain	Electricity generation from renewable resources	3,606,000	Euro	Enel Union Fenosa Renovables S.A.	40.00%	20.00%
Depuracion Destilacion Reciclaje, S.L.	Boiro	Spain	Electricity generation from renewable resources	600,000	Euro	Enel Union Fenosa Renovables S.A.	40.00%	20.00%
Energía Termosolar de los Monegros, S.L.	Zaragoza	Spain	Electricity generation from	400,000	Euro	Enel Union Fenosa Renovables S.A.	80.00%	40.00%

Company name	Registered office	Country	Activity	Share capital as of December 31, 2009	Currency	Held by	% holding	Group % holding
			renewable resources					
Energías Ambientales de Somozas, S.A.	La Coruna	Spain	Electricity generation from renewable resources	1,250,000	Euro	Enel Union Fenosa Renovables S.A.	44.60%	22.3%
Energías Ambientales EASA, S.A.	La Coruna	Spain	Electricity generation from renewable resources	15,491,460	Euro	Enel Union Fenosa Renovables S.A.	33.34%	16.67%
Energías Especiales Alcoholeras, S.A.	Madrid	Spain	Electricity generation from renewable resources	232,002	Euro	Enel Union Fenosa Renovables S.A.	82.34%	41.17%
Energías Especiales de Belmonte, S.A.	Madrid	Spain	Electricity generation from renewable resources	120,400	Euro	Enel Union Fenosa Renovables S.A.	50.00%	25.08%
Energías Especiales de Careon, S.A.	La Coruna	Spain	Electricity generation from renewable resources	270,450	Euro	Enel Union Fenosa Renovables S.A.	77.00%	38.50%
Energías Especiales de Extremadura, S.L.	Badajoz	Spain	Electricity generation from renewable resources	6,000	Euro	Enel Union Fenosa Renovables S.A.	88.34%	44.17%
ENERGÍAS ESPECIALES DE GATA, S.L.	Badajoz	Spain	(empty)	3,100	Euro	Enel Union Fenosa Renovables S.A.	100.00%	50.00%
ENERGÍAS ESPECIALES DE PADUL, S.L.	Madrid	Spain	(empty)	3,100	Euro	Enel Union Fenosa Renovables S.A.	100.00%	50.00%
Energías Especiales de Peña Armada, S.A.	Madrid	Spain	Electricity generation from renewable resources	963,300	Euro	Enel Union Fenosa Renovables S.A.	80.00%	40.00%
Energías Especiales del Alto Ulla, S.A.	Madrid	Spain	Electricity generation from renewable resources	1,722,600	Euro	Enel Union Fenosa Renovables S.A.	100.00%	50.00%
Energías Especiales del Bierzo, S.A.	Torre del Bierzo	Spain	Electricity generation from renewable resources	1,635,000	Euro	Enel Union Fenosa Renovables S.A.	50.00%	25.00%
Energías Especiales del Noroeste, S.A.	Madrid	Spain	Electricity generation from renewable resources	6,812,040	Euro	Enel Union Fenosa Renovables S.A.	100.00%	50.00%
Energías Especiales Montes Castellanos, S.L.	Madrid	Spain	Electricity generation from renewable resources	6,241,000	Euro	Enel Union Fenosa Renovables S.A.	100.00%	50.00%
ENERGÍAS ESPECIALES MONTES DE ANDALUCÍA, S.L.	Seville	Spain	(empty)	3,100	Euro	Enel Union Fenosa Renovables S.A.	100.00%	50.00%
ENERGÍAS ESPECIALES SANTA BARBARA, S.L.	Badajoz	Spain	(empty)	3,100	Euro	Enel Union Fenosa Renovables S.A.	100.00%	50.00%
Energías Especiales Valencianas,	Valencia	Spain	Electricity	60,000	Euro	Enel Union	100.00%	50.00%

Company name	Registered office	Country	Activity	Share capital as of December 31, 2009	Currency	Held by	% holding	Group % holding
S.L.			generation from renewable resources			Fenosa Renovables S.A.		
Energías Renovables Montes de San Sebastián, S.L.	Madrid	Spain	Electricity generation from renewable resources	1,305,000	Euro	Enel Union Fenosa Renovables S.A.	100.00%	50.00%
Eólica del Cordal de Montouto, S.L.	Madrid	Spain	Electricity generation from renewable resources	160,000	Euro	Enel Union Fenosa Renovables S.A.	100.00%	50.00%
Eólica el Molar, S.L.	Fuente Alamo	Spain	Electricity generation from renewable resources	1,235,300	Euro	Enel Union Fenosa Renovables S.A.	100.00%	50.00%
Eólica Galaicoasturiana, S.A.	La Coruna	Spain	Electricity generation from renewable resources	64,999	Euro	Enel Union Fenosa Renovables S.A.	100.00%	50.00%
EUFER — Energías Especiais de Portugal, Unipessoal ,LDA	Lapa (Lisbon)	Portugal	Electricity generation from renewable resources	5,000	Euro	Enel Union Fenosa Renovables S.A.	100.00%	50.00%
EUFER Operación, S.L. (formerly EUFER Comercializadora, S.L.)	Madrid	Spain	Electricity generation from renewable resources	60,000	Euro	Enel Union Fenosa Renovables S.A.	100.00%	50.00%
EUFER Renovables Ibéricas 2004, S.A.	Madrid	Spain	Electricity generation from renewable resources	15,653,000	Euro	Enel Union Fenosa Renovables S.A.	100.00%	50.00%
Gallega de Cogeneracion, S.A.	Santiago de Compostela	Spain	Electricity generation from renewable resources	1,803,000	Euro	Enel Union Fenosa Renovables S.A.	40.00%	20.00%
Parque Eólico Cabo Villano, S.L.	Madrid	Spain	Electricity generation from renewable resources	6,625,792	Euro	Enel Union Fenosa Renovables S.A.	100.00%	50.00%
Parque Eólico Corullón, S.L.	Madrid	Spain	Electricity generation from renewable resources	60,000	Euro	Enel Union Fenosa Renovables S.A.	100.00%	50.00%
Parque Eólico de Malpica, S.A.	La Coruna	Spain	Electricity generation from renewable resources	950,000	Euro	Enel Union Fenosa Renovables S.A.	35.42%	17.71%
Parque Eólico de Padul, S.L.	Madrid	Spain	Electricity generation from renewable resources	240,000	Euro	Enel Union Fenosa Renovables S.A.	100.00%	50.00%
Parque Eólico de San Andrés, S.A.	La Coruna	Spain	Electricity generation from renewable resources	552,920	Euro	Enel Union Fenosa Renovables S.A.	82.00%	41.00%
Parque Eólico Montes de las Navas, S.A.	Madrid	Spain	Electricity generation	6,540,000	Euro	Enel Union Fenosa	20.00%	10.00%

Company name	Registered office	Country	Activity	Share capital as of December 31, 2009	Currency	Held by	% holding	Group % holding
			from renewable resources			Renovables S.A.		
Parque Eólico Sierra del Merengue, S.L.	Cáceres	Spain	Electricity generation from renewable resources	30,000	Euro	Enel Union Fenosa Renovables S.A.	50.00%	25.00%
Prius Enerólica, S.L.	Madrid	Spain	Electricity generation from renewable resources	3,600	Euro	Enel Union Fenosa Renovables S.A.	100.00%	50.00%
Promociones Energeticas del Bierzo, S.L.	Ponferrada	Spain	Electricity generation from renewable resources	12,020	Euro	Enel Union Fenosa Renovables S.A.	50.00%	25.00%
Proyectos Universitarios de Energías Renovables, S.L.	Alicante	Spain	Electricity generation from renewable resources	180,000	Euro	Enel Union Fenosa Renovables S.A.	33.34%	16.67%
Punta de las Olas Eòlica Marina, S.L.	La Coruna	Spain	(empty)	3,100	Euro	Enel Union Fenosa Renovables S.A.	100.00%	50.00%
Punta de Lens Eòlica Marina, S.L.	La Coruna	Spain	(empty)	3,100	Euro	Enel Union Fenosa Renovables S.A.	100.00%	50.00%
Sistemas Energeticos Mañón Ortigueira, S.A.	La Coruna	Spain	Electricity generation from renewable resources	4,507,500	Euro	Enel Union Fenosa Renovables S.A.	96.00%	48.00%
Ufefys, S.L.	Aranjuez	Spain	Electricity generation from renewable resources	2,373,950	Euro	Enel Union Fenosa Renovables S.A.	40.00%	20.00%
Vientos del Noroeste, S.A.	Bajo Leòn	Spain	Electricity generation from renewable resources	60,101	Euro	Enel Union Fenosa Renovables S.A.	99.70%	49.85%

Associates accounted for using the equity method as of December 31, 2009

Company name	Registered office	Country	Activity	Share capital as of December 31, 2009	Currency	Held by	% holding	Group % holding
Energías de Villarrubia, S.L.	Barcelona	Spain	Electricity generation from renewable resources	3,010	Euro	Enel Union Fenosa Renovables S.A.	20.00%	10.00%
Enerlasa, S.A.	Madrid	Spain	Electricity generation from renewable resources	1,021,700	Euro	Enel Union Fenosa Renovables S.A.	45.00%	22.50%
Sotavento Galicia, S.A.	Santiago de Compostela	Spain	Electricity generation from renewable resources	601,000	Euro	Enel Union Fenosa Renovables S.A.	18.00%	9.00%
Tirmadrid, S.A.	Valdemingómez	Spain	Electricity generation	16,828,000	Euro	Enel Union Fenosa	18.64%	9.32%

Company name	Registered office	Country	Activity	Share capital as of December 31, 2009	Currency	Held by	% holding	Group % holding
			from renewable resources			Renovables S.A.		
LaGeo S.A. de C.V.	Ahuachapan	El Salvador	Electricity generation from renewable resources	2,562,826,700	Salvadoran Colon	Enel Green Power S.p.A.	36.20%	36.20%
International Eolian of Grammatiko, S.A.	Maroussi	Greece	Electricity generation from renewable resources	184,000	Euro	Enel Green Power International B.V.	30.00%	30.00%
International Eolian of Korinthia S.A.	Maroussi	Greece	Electricity generation from renewable resources	318,000	Euro	Enel Green Power International B.V.	30.00%	30.00%
International Eolian of Peloponnisos 1 S.A.	Maroussi	Greece	Electricity generation from renewable resources	89,000	Euro	Enel Green Power International B.V.	30.00%	30.00%
International Eolian of Peloponnisos 2 S.A.	Maroussi	Greece	Electricity generation from renewable resources	96,500	Euro	Enel Green Power International B.V.	30.00%	30.00%
International Eolian of Peloponnisos 3 S.A.	Maroussi	Greece	Electricity generation from renewable resources	89,000	Euro	Enel Green Power International B.V.	30.00%	30.00%
International Eolian of Peloponnisos 4 S.A.	Maroussi	Greece	Electricity generation from renewable resources	93,000	Euro	Enel Green Power International B.V.	30.00%	30.00%
International Eolian of Peloponnisos 5 S.A.	Maroussi	Greece	Electricity generation from renewable resources	96,500	Euro	Enel Green Power International B.V.	30.00%	30.00%
International Eolian of Peloponnisos 6 S.A.	Maroussi	Greece	Electricity generation from renewable resources	91,000	Euro	Enel Green Power International B.V.	30.00%	30.00%
International Eolian of Peloponnisos 7 S.A.	Maroussi	Greece	Electricity generation from renewable resources	89,000	Euro	Enel Green Power International B.V.	30.00%	30.00%
International Eolian of Peloponnisos 8 S.A.	Maroussi	Greece	Electricity generation from renewable resources	89,000	Euro	Enel Green Power International B.V.	30.00%	30.00%
International Eolian of Skopelos S.A.	Maroussi	Greece	Electricity generation from renewable resources	134,500	Euro	Enel Green Power International B.V.	30.00%	30.00%
Thracian Eolian 1 S.A.	Maroussi	Greece	Electricity generation from renewable resources	79,500	Euro	Enel Green Power International B.V.	30.00%	30.00%
Thracian Eolian 2 S.A.	Maroussi	Greece	Electricity generation from	79,500	Euro	Enel Green Power International B.V.	30.00%	30.00%

Company name	Registered office	Country	Activity	Share capital as of December 31, 2009	Currency	Held by	% holding	Group % holding
			renewable resources					
Thracian Eolian 3 S.A.	Maroussi	Greece	Electricity generation from renewable resources	79,500	Euro	Enel Green Power International B.V.	30.00%	30.00%
Thracian Eolian 4 S.A.	Maroussi	Greece	Electricity generation from renewable resources	79,500	Euro	Enel Green Power International B.V.	30.00%	30.00%
Thracian Eolian 5 S.A.	Maroussi	Greece	Electricity generation from renewable resources	79,500	Euro	Enel Green Power International B.V.	30.00%	30.00%
Thracian Eolian 6 S.A.	Maroussi	Greece	Electricity generation from renewable resources	79,500	Euro	Enel Green Power International B.V.	30.00%	30.00%
Thracian Eolian 7 S.A.	Maroussi	Greece	Electricity generation from renewable resources	79,500	Euro	Enel Green Power International B.V.	30.00%	30.00%
Thracian Eolian 8 S.A.	Maroussi	Greece	Electricity generation from renewable resources	79,500	Euro	Enel Green Power International B.V.	30.00%	30.00%
Thracian Eolian 9 S.A.	Maroussi	Greece	Electricity generation from renewable resources	79,500	Euro	Enel Green Power International B.V.	30.00%	30.00%
Wind Parks of Anatoli-Prinia S.A.	Maroussi	Greece	Electricity generation from renewable resources	166,000	Euro	Enel Green Power International B.V.	30.00%	30.00%
Wind Parks of Bolibas S.A.	Maroussi	Greece	Electricity generation from renewable resources	97,000	Euro	Enel Green Power International B.V.	30.00%	30.00%
Wind Parks of Distomos S.A.	Maroussi	Greece	Electricity generation from renewable resources	97,000	Euro	Enel Green Power International B.V.	30.00%	30.00%
Wind Parks of Drimonakia S.A.	Maroussi	Greece	Electricity generation from renewable resources	217,000	Euro	Enel Green Power International B.V.	30.00%	30.00%
Wind Parks of Folia S.A.	Maroussi	Greece	Electricity generation from renewable resources	86,500	Euro	Enel Green Power International B.V.	30.00%	30.00%
Wind Parks of Gagari S.A.	Maroussi	Greece	Electricity generation from renewable resources	84,500	Euro	Enel Green Power International B.V.	30.00%	30.00%
Wind Parks of Goraki S.A.	Maroussi	Greece	Electricity generation from renewable	97,000	Euro	Enel Green Power International B.V.	30.00%	30.00%

Company name	Registered office	Country	Activity	Share capital as of December 31, 2009	Currency	Held by	% holding	Group % holding
			resources					
Wind Parks of Gourles S.A.	Maroussi	Greece	Electricity generation from renewable resources	97,000	Euro	Enel Green Power International B.V.	30.00%	30.00%
Wind Parks of Grammatikaki S.A.	Maroussi	Greece	Electricity generation from renewable resources	127,500	Euro	Enel Green Power International B.V.	30.00%	30.00%
Wind Parks of Kafoutsi S.A.	Maroussi	Greece	Electricity generation from renewable resources	97,000	Euro	Enel Green Power International B.V.	30.00%	30.00%
Wind Parks of Kathara S.A.	Maroussi	Greece	Electricity generation from renewable resources	193,000	Euro	Enel Green Power International B.V.	30.00%	30.00%
Wind Parks of Kerasia S.A.	Maroussi	Greece	Electricity generation from renewable resources	175,250	Euro	Enel Green Power International B.V.	30.00%	30.00%
Wind Parks of Korfovouni S.A.	Maroussi	Greece	Electricity generation from renewable resources	147,000	Euro	Enel Green Power International B.V.	30.00%	30.00%
Wind Parks of Korinthia S.A.	Maroussi	Greece	Electricity generation from renewable resources	300,000	Euro	Enel Green Power International B.V.	30.00%	30.00%
Wind Parks of Makriakkoma S.A.	Maroussi	Greece	Electricity generation from renewable resources	167,500	Euro	Enel Green Power International B.V.	30.00%	30.00%
Wind Parks of Megavouni S.A.	Maroussi	Greece	Electricity generation from renewable resources	149,000	Euro	Enel Green Power International B.V.	30.00%	30.00%
Wind Parks of Milia S.A.	Maroussi	Greece	Electricity generation from renewable resources	336,500	Euro	Enel Green Power International B.V.	30.00%	30.00%
Wind Parks of Mirovigli S.A.	Maroussi	Greece	Electricity generation from renewable resources	70,000	Euro	Enel Green Power International B.V.	30.00%	30.00%
Wind Parks of Mitika S.A.	Maroussi	Greece	Electricity generation from renewable resources	178,500	Euro	Enel Green Power International B.V.	30.00%	30.00%
Wind Parks of Organi S.A.	Maroussi	Greece	Electricity generation from renewable resources	241,000	Euro	Enel Green Power International B.V.	30.00%	30.00%
Wind Parks of Paliopirgos S.A.	Maroussi	Greece	Electricity generation from renewable resources	143,500	Euro	Enel Green Power International B.V.	30.00%	30.00%

Company name	Registered office	Country	Activity	Share capital as of December 31, 2009	Currency	Held by	% holding	Group % holding
Wind Parks of Pelagia S.A.	Maroussi	Greece	Electricity generation from renewable resources	203,000	Euro	Enel Green Power International B.V.	30.00%	30.00%
Wind Parks of Petalo S.A.	Maroussi	Greece	Electricity generation from renewable resources	97,000	Euro	Enel Green Power International B.V.	30.00%	30.00%
Wind Parks of Platanos S.A.	Maroussi	Greece	Electricity generation from renewable resources	136,500	Euro	Enel Green Power International B.V.	30.00%	30.00%
Wind Parks of Politis S.A.	Maroussi	Greece	Electricity generation from renewable resources	118,000	Euro	Enel Green Power International B.V.	30.00%	30.00%
Wind Parks of S.A.gias S.A.	Maroussi	Greece	Electricity generation from renewable resources	187,500	Euro	Enel Green Power International B.V.	30.00%	30.00%
Wind Parks of Skoubi S.A.	Maroussi	Greece	Electricity generation from renewable resources	91,000	Euro	Enel Green Power International B.V.	30.00%	30.00%
Wind Parks of Spilia S.A.	Maroussi	Greece	Electricity generation from renewable resources	201,500	Euro	Enel Green Power International B.V.	30.00%	30.00%
Wind Parks of Stroboulas S.A.	Maroussi	Greece	Electricity generation from renewable resources	97,000	Euro	Enel Green Power International B.V.	30.00%	30.00%
Wind Parks of Triforko S.A.	Maroussi	Greece	Electricity generation from renewable resources	119,500	Euro	Enel Green Power International B.V.	30.00%	30.00%
Wind Parks of Vitalio S.A.	Maroussi	Greece	Electricity generation from renewable resources	93,000	Euro	Enel Green Power International B.V.	30.00%	30.00%
Wind Parks of Vourlas S.A.	Maroussi	Greece	Electricity generation from renewable resources	97,000	Euro	Enel Green Power International B.V.	30.00%	30.00%
Geronimo Wind Energy L.L.C.	Minneapolis (Minnesota)	U.S.A.	Electricity generation from renewable resources	—	—	EGP Geronimo Holding Company Inc.	25.00%	25.00%
Star Lake Hydro Partnership	St. John (Newfoundland)	Canada	Electricity generation from renewable resources	—	—	Chi Hydroelectric Company Inc.	49.00%	49.00%
Trade Wind Energy L.L.C.	Topeka (Kansas)	U.S.A.	Electricity generation from renewable resources			Enel Kansas L.L.C.	42.00%	42.00%