Half-Year Financial Report at June 30, 2010

Enel

Enel's Reports:

- Annual Report
- Report and Financial Statements of Enel SpA at December 31
- Interim Financial Report at March 31
- Half-Year Financial Report at June 30
- Interim Financial Report at September 30
- Sustainability Report
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Half-Year Financial Report at June 30, 2010

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Enel SpA

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Enel Servizio Elettrico
Enel Energia
Vallenergie

Generation and Energy Management

Enel Produzione
Enel Trade
Enel Trade Hungary
Enel Trade Romania
Nuove Energie
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Enel Sole
Deval

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International

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Enel Operations Belgium

Renewable Energy

Enel Green Power
Enel.si
Enel Latin America
Enel Green Power España (formerly Endesa Cogeneración y Renovables)
Enel Unión Fenosa Renovables
Enel Green Power Romania (formerly Blue Line)
Enel North America
Enel Green Power Bulgaria
Enel Green Power France (formerly Enel Erelis)
Enel Green Power Hellas (1)
Enel Green Power Portoscuso
Enel Green Power Calabria
Maicor Wind
Enel Green Power Puglia (formerly Italgest Wind)
Enel Green Power Strambino Solar
Altomonte FV (formerly Resit Altomonte)
Enerlive
Enel Green Power TSS (formerly Anemos 1)
Energia Eolica

Services and Other Activities

Enel Servizi (2)
Enelpower
Enel.NewHydro
Enel.Factor
Enel.Re

(1) In 2010 includes data for International Wind Parks of Thrace, International Wind Power, Wind Parks of Thrace, Hydro Constructional, International Wind Parks of Crete, International Wind Parks of Rhodes, International Wind Parks of Achaia and Glafkos Hydroelectric Station.
(2) In 2010 includes data for Sfera.

The Sales Division operates in the end-user market for electrical power and gas in Italy, developing an integrated package of products and services for the various customer segments and ensuring that commercial services meet quality standards.
The Generation and Energy Management Division is responsible for generating power at competitive costs while safeguarding the environment.
The mission of the Infrastructure and Networks Division is to distribute electricity and gas, optimizing the management of Enel's networks and ensuring the efficient operation of metering systems and compliance with technical service quality standards.
The Iberia and Latin America Division focuses on developing Enel's presence and coordinating its operations in the electricity and gas markets of Spain, Portugal and Latin America, formulating growth strategies in the related regional markets.
The Engineering and Innovation Division is charged with managing the engineering processes associated with the development and construction of generation facilities on behalf of the Group, ensuring achievement of the quality, temporal and financial objectives set for it. In addition, it is responsible for coordinating and supplementing Group research activities, ensuring the scouting, development and leveraging of innovation opportunities in all Group business areas, with a special focus on the development of major environmental initiatives.
The International Division's mission is to support Enel's international growth strategy, consolidate the management and integration of foreign operations (with the exception of the Spanish, Portuguese and Latin American markets and the renewables operations included in the Renewable Energy Division), seeking out opportunities for acquisitions in the electricity and gas markets.
The Renewable Energy Division has the mission of developing and managing operations for the generation of electricity from renewable resources, ensuring their integration within the Group in line with Enel's strategies.
The activities of the operational Divisions are supported by the "Parent Company" and "Services and Other Activities" areas, which aim to leverage Group synergies and optimize the management of services supporting Enel's core business.

In the half-year financial report at June 30, 2010, the results of the Divisions have therefore been presented in accordance with the current structure and are fully comparable with the figures for the same period of the previous year.

Corporate boards

Board of Directors

Chairman

Piero Gnudi

Chief Executive Officer
and General Manager

Fulvio Conti

Directors

Giulio Ballio
Lorenzo Codogno
Renzo Costi
Augusto Fantozzi
Alessandro Luciano
Fernando Napolitano
Gianfranco Tosi

Secretary

Claudio Sartorelli

Board of Auditors

Chairman

Sergio Duca

Auditors

Carlo Conte
Gennaro Mariconda

Alternate auditors

Antonia Francesca Salsone
Franco Tutino

Independent auditors

KPMG SpA

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 with the powers to represent the Company legally and to sign on its behalf, presides over Shareholders' Meetings, convenes and presides over the Board of Directors, and ascertains that the Board's resolutions are carried out. Pursuant to a Board resolution of June 18, 2008, the Chairman has been vested with a number of additional non-executive powers.

Chief Executive Officer

The Chief Executive Officer is also vested by the bylaws with the powers to represent the Company legally and to sign on its behalf, and in addition is vested by a Board resolution of June 18, 2008 with all powers for managing the Company, with the exception of those that are otherwise assigned by law or the bylaws or that the aforesaid resolution reserves for the Board of Directors.

Summary of results

The figures in this half-year financial report concerning the 2nd Quarters of 2009 and 2010 have not undergone a full or limited audit.

The figures below refer to a number of alternative performance indicators to those obtained directly from the condensed interim consolidated financial statements. The criteria used for their construction are discussed in a specific section of this report.

Performance and financial position

2nd Quarter		Millions of euro	1st Half		
2010	2009		**2010**	2009	
16,685	13,341	Revenues	34,802	28,457	
4,400	4,089	Gross operating margin	8,878	7,939	
2,953	2,839	Operating income	6,083	5,579	
1,727	1,850	Net income before minority interests	3,053	3,974	
1,375	1,616	Group net income	2,425	3,524	
		Group net income per share in circulation at period-end (euro)	0.26	0.37	(1)
		Net capital employed	103,823	96,803	(2)
		Net financial debt	53,894	50,870	(3)
		Shareholders' equity (including minority interests)	49,929	45,933	(2)
		Group shareholders' equity per share in circulation at period-end (euro)	3.80	3.54	(2)
		Cash flows from operating activities	3,603	2,614	
		Capital expenditure on tangible and intangible assets (4)	2,629	2,590	

(1) For comparative purposes, Group net income per share at the end of the period has been calculated to take account of the diluting effect of the capital increase carried out in 2009.
(2) At December 31, 2009 restated.
(3) At December 31, 2009.
(4) Does not include capital expenditure of units classified as "Held for sale".

Revenues in the 1st Half of 2010 amounted to €34,802 million, an increase of €6,345 million or 22.3% compared with the 1st Half of 2009. The rise is essentially attributable to the increased revenues earned abroad from the sale and transport of electricity by the Iberia and Latin America Division, whose revenues were affected by the change in the consolidation method used for Endesa (from proportionate to full line-item), and the International Division, especially thanks to the greater revenues produced by generation and sales operations in Russia.

These positive effects were only partially offset by lower revenues from the sale of electricity in Italy, mainly attributable to lower sales volumes.

The *gross operating margin* amounted to €8,878 million, an increase of €939 million or 11.8% on the year-earlier period. The increase reflects the change in the consolidation method used for Endesa and the improvement in the margin on the sale and transport of electricity in the Iberian market.

Operating income totaled €6,083 million, an increase of 9.0% on the €5,579 million posted in the 1st Half of 2009. Taking account of a rise in depreciation and amortization of €435 million, partly attributable to the impact on depreciable assets of the completion of the price allocation process in respect of the purchase of 25.01% of Endesa, the change in operating income is in line with developments in the gross operating margin.

Group net income was €2,425 million in the 1st Half of 2010, compared with €3,524 million in the same period of 2009 (down 31.2%). More specifically, strong operating performance was more than offset by the performance of financial operations, which in the 1st Half of 2009 had benefited from the income of €970 million in respect of the early exercise of the put option granted by Enel to Acciona on 25.01% of Endesa.

Net capital employed, including net assets held for sale amounting to €2,201 million, totaled €103,823 million at June 30, 2010 (€96,803 million at December 31, 2009), and was financed by shareholders' equity of €49,929 million and net financial debt of €53,894 million. At June 30, 2010, the debt/equity ratio was 1.08, compared with 1.11 at the end of 2009.

Net financial debt, excluding debt in respect of assets held for sale totaling €416 million at June 30, 2010 (€63 million at December 31, 2009), amounted to €53,894 million, up by €3,024 million compared with the €50,870 million posted at the end of 2009.

Capital expenditure amounted to €2,629 million in the 1st Half of 2010, up €39 million compared with the 1st Half of 2009.

Results by Division

Millions of euro	2nd Quarter					
	Revenues		Gross operating margin		Operating income	
	2010	2009	**2010**	2009	**2010**	2009
Sales	4,060	4,615	36	44	(27)	(64)
Generation and Energy Management	3,768	4,024	569	959	440	784
Engineering and Innovation	154	182	5	10	4	9
Infrastructure and Networks	1,717	1,913	924	1,121	697	911
Iberia and Latin America	7,348	3,420	2,046	1,245	1,261	753
International	1,473	1,251	464	317	345	139
Renewable Energy	517	448	325	327	233	269
Parent Company	187	173	(5)	18	(7)	16
Services and Other Activities	276	259	41	54	12	28
Eliminations and adjustments	(2,815)	(2,944)	(5)	(6)	(5)	(6)
Total	**16,685**	**13,341**	**4,400**	**4,089**	**2,953**	**2,839**

Millions of euro	1st Half					
	Revenues		Gross operating margin		Operating income	
	2010	2009	**2010**	2009	**2010**	2009
Sales	9,148	10,613	193	160	51	(9)
Generation and Energy Management	8,236	9,294	1,229	1,877	960	1,533
Engineering and Innovation	328	457	7	13	5	12
Infrastructure and Networks	3,414	3,471	1,845	2,016	1,405	1,596
Iberia and Latin America	14,843	7,149	4,047	2,416	2,578	1,462
International	3,111	2,649	841	698	581	392
Renewable Energy	974	863	651	620	495	507
Parent Company	323	356	(3)	54	(6)	50
Services and Other Activities	524	509	73	89	19	40
Eliminations and adjustments	(6,099)	(6,904)	(5)	(4)	(5)	(4)
Total	**34,802**	**28,457**	**8,878**	**7,939**	**6,083**	**5,579**

	Employees (no.)	
	at June 30, 2010	at Dec. 31, 2009
Sales	3,943	3,962
Generation and Energy Management	6,637	6,703
Engineering and Innovation	1,242	1,202
Infrastructure and Networks	19,626	19,700
Iberia and Latin America (1)	25,490	26,305
International (2)	15,457	15,752
Renewable Energy (3)	2,907	2,685
Parent Company	782	731
Services and Other Activities	4,136	4,168
Total	**80,220**	**81,208**

(1) Of which 1,556 and 1,330 in units classified as "Held for sale" at June 30, 2010 and December 31, 2009, respectively.
(2) Of which 554 in units classified as "Held for sale" at June 30, 2010.
(3) Of which 6 in units classified as "Held for sale" at June 30, 2010.

Operations

2nd Quarter							1st Half					
Italy	Abroad	Total	Italy	Abroad	Total		Italy	Abroad	Total	Italy	Abroad	Total
2010			2009				**2010**			2009		
20.2	48.1	**68.3**	21.6	37.6	**59.2**	Net electricity generated by Enel (TWh)	40.9	100.0	**140.9**	42.3	80.1	**122.4**
59.4	45.0	**104.4**	57.9	30.1	**88.0**	Electricity transported on the Enel distribution network (TWh)	121.4	91.2	**212.6**	118.1	61.8	**179.9**
26.1	44.5	**70.6**	30.7	32.6	**63.3**	Electricity sold by Enel (TWh) (1)	55.8	94.3	**150.1**	64.3	66.7	**131.0**
0.8	1.0	**1.8**	0.7	0.6	**1.3**	Gas sales to end users (billions of cubic meters)	3.2	2.1	**5.3**	2.9	1.2	**4.1**
						Employees at period-end (no.) (2)	38,011	42,209	**80,220**	38,121	43,087	**81,208** (3)

(1) Excluding sales to resellers.
(2) Of which 2,116 and 1,330 in units classified as "Held for sale" at June 30, 2010 and December 31, 2009, respectively.
(3) At December 31, 2009.

Net electricity generated by Enel in the 1st Half of 2010 rose by 18.5 TWh or 15.1%, with an increase in generation abroad (up 19.9 TWh) being partially offset by a decrease in generation in Italy (down 1.4 TWh). More specifically, the increase in net electricity generation abroad is essentially attributable to the change in the method used to consolidate Endesa (23.2 TWh), which since the end of June 2009 has been consolidated on a line-item basis rather than proportionately, and to greater output by the International Division (4.5 TWh). These effects were partially offset by lower generation by the Iberia and Latin America Division (down 8.6 TWh).

Electricity transported on the Enel distribution network in the 1st Half of 2010 came to 212.6 TWh, up 32.7 TWh or 18.2%, largely attributable to the change in the method used to consolidate Endesa and the trend in electricity demand in the main markets in which Enel operates.

Electricity sold by Enel in the 1st Half of 2010 rose by 19.1 TWh or 14.6%, essentially due to the new basis of consolidating Endesa (up 24.8 TWh), greater sales by the Iberia and Latin America Division (up 1.8 TWh) and the International Division (up 1.0 TWh), with the latter coming in the French market, partially offset by the decline in sales in the Italian market (down 8.5 TWh).

Gas sales to end users came to 5.3 billion cubic meters in the 1st Half of 2010, an increase of 1.2 billion cubic meters. The bulk of the increase was achieved abroad, essentially due to the change in the method used to consolidate Endesa.

At June 30, 2010 Enel Group employees numbered 80,220 (81,208 at December 31, 2009). The change reflects the net balance between new hires and terminations (a net decrease of 1,011) and the change in the scope of consolidation (an increase of 23). At June 30, 2010, the number of employees with Group companies headquartered abroad totaled 42,209.

Significant events in the 1st Half of 2010

Enel Green Power, Sharp and STMicroelectronics agreement for the manufacture of photovoltaic panels

On January 4, 2010, Enel Green Power, Sharp and STMicroelectronics signed an agreement for the construction of one of the largest photovoltaic manufacturing plants in Italy. The factory will be built in Catania and will manufacture triple-junction thin-film photovoltaic panels. The plant is expected to have an initial production capacity of 160 MW and the project will require a total investment of €320 million. At the same time, Enel Green Power and Sharp signed an additional accord for the joint development of photovoltaic plants with a total installed capacity of about 500 MW by 2016.

Exploration and development of a gas field in Algeria

On January 18, 2010, a consortium formed by Enel (27.5%), Repsol (52.5%) and GDF-SUEZ (20%) signed an agreement with Algeria's national hydrocarbon agency and the Sonatrach oil company for the exploration and development of a gas field in Algeria ("South-East Illizi").

Acquisition of Padoma Wind Power

On January 21, 2010, Enel North America and NRG Energy reached an agreement for Enel Green Power's American subsidiary to acquire Padoma Wind Power, a specialized wind power development company, from NRG. Padoma is developing about 4,000 MW of potential projects in California that, once built, will help the state meet its Renewable Portfolio Standard target of 33% of sales to end users from renewable energy resources by 2020.

The two companies also reached an agreement under which NRG will retain a right of first offer should Enel North America seek an equity partner in the Padoma projects.

€3 billion bond issue

On February 10, 2010, CONSOB approved publication of the prospectus relating to the offering and listing on the electronic bond market (MOT) of Enel fixed- and floating-rate bonds reserved for investors in Italy and other European countries (specifically France, Germany, Belgium and Luxembourg) for an original maximum aggregate amount of €2 billion, raised to €3 billion on February 18, 2010, in response to investor demand.

Both the fixed- and floating-rate bonds have a 6-year maturity (March 2016). The fixed-rate bond, issued in the amount of €2 billion, will pay annual effective gross interest of 3.52% (the sum of a spread of 73 basis points and the 6-year mid-swap rate), while the floating-rate bond, issued in the amount of €1 billion, will pay interest equal to 6-month Euribor plus a spread of 73 basis points.

Reorganization of renewables operations in Spain and Portugal

On March 15 and 17, 2010 respectively, the boards of directors of Endesa and Enel approved the integration of the operations of ECyR (Endesa Cogeneración y Renovables – the Endesa company that engages in renewables operations in the Iberian peninsula, now renamed Enel Green Power España) and Enel Green Power (EGP) in the renewable energy sector in Spain and Portugal. The aim of the agreement is to ensure the unified management, within EGP, of development on the Iberian peninsula of all of the activities of EGP and Endesa in the renewable energy field. This objective will be pursued through Enel Green Power España, which will be held by EGP (60%) and Endesa (40%) following the reorganization. The integration took place in the following stages:

> Enel Green Power International (EGPI) acquired 30% of ECyR for about €326 million;

> capital increase for Enel Green Power España reserved for EGPI, which subscribed the offering with the transfer of its holding in Enel Unión Fenosa Renovables and a cash payment of about €534 million.

The acquisition of the stake and the subsequent subscription of the capital increase of Enel Green Power España were carried out at market values, as appraised by a number of independent investment banks, which have issued a fairness opinion for the transaction.

Sale of Endesa Hellas

On March 16, 2010, Endesa reached an agreement with its partner Mytilineos Holding for the sale of Endesa Hellas. In particular, Mytilineos agreed to acquire Endesa's 50.01% stake in Endesa Hellas for €140 million. In turn, Endesa will acquire hydroelectric and wind plants (part already operational and part under construction) with a total capacity of 15 MW for €20 million from Mytilineos. The transaction was conditional upon obtaining a number of permits and was completed on July 1, 2010.

Gazprom completes payment of 51% of SeverEnergia

On March 31, 2010, Gazprom paid Eni and Enel $1,182 million (of which $473 million paid to Enel) as the second and final tranche under the agreement of June 5, 2009 for the sale of 51% of SeverEnergia (owned 60% by Eni and 40% by Enel). The total price paid by Gazprom, including the first tranche paid on September 23, 2009, amounted to about $1.6 billion.

New agreement for nuclear power in Italy

On April 9, 2010, Enel, EDF and the Finmeccanica companies Ansaldo Energia and Ansaldo Nucleare signed a major memorandum of understanding. The objective of the agreement is to specify areas of potential cooperation between Enel, EDF and Ansaldo Energia (which wholly owns Ansaldo Nucleare) in the development and construction of at least four Areva EPRs (Evolutionary Pressurized Reactors) that Enel and EDF intend to build in Italy. Enel and EDF will act as investors and architect engineers, with overall responsibility for the project and the management, construction and commissioning of the plants. They will leverage the experience of Ansaldo both in the study, design and commissioning activities of the nuclear systems and in support for licensing.

€10 billion revolving line of credit

On April 19, 2010, Enel agreed a 5-year revolving credit facility for €10 billion to replace a €5 billion syndicated loan. The new credit line can be used directly by Enel and by Enel Finance International SA, offering the Group a highly flexible tool to help manage working capital, as it is not part of the Group's debt refinancing program. At June 30, 2010 no drawings were outstanding on the credit line.

Acquisition of exploration permits and gas assets in northern Italy

On April 20, 2010, Enel Trade finalized the acquisition of the gas sector assets (now Enel Longanesi Development) of Stratic Energy Corporation in northern Italy, in the implementation of the agreement signed in November 2009. The assets include about 0.7 billion cubic meters of reserves and a number of exploration permits, acquired for a total of €33 million. The price will be subject to possible adjustment based on when production starts at the fields.

Agreement with Inter RAO UES for the development of operations in Russia

On April 26, 2010, Enel and Inter RAO UES signed a memorandum of understanding for cooperation in the nuclear power sector, construction of new plants and technological innovation, energy efficiency and distribution in Russia and the countries of Eastern Europe. One major project will be the analysis of the development of a new nuclear plant at Kaliningrad, the first public-private partnership in the nuclear power field in Russia. The plant will consist of two units of 1,170 MW each and will employ the third-generation VVER 1200 technology. The facility is expected to begin operation between 2016 and 2018, with a significant proportion of the electricity generated to go to nearby European markets. Inter RAO UES will provide the terms and conditions of participation by foreign investors in the new nuclear reactor as well as the technical specifications for the distribution of the electricity generated. Enel will study the technical, economic and regulatory aspects
of the project to assess the conditions and form of its possible participation in the initiative.

Agreement between Enel Produzione and SEL to develop hydroelectric power in the province of Bolzano

On June 1, 2010, in implementation of the Final Agreement signed on October 20, 2009, Enel Produzione and Società Elettrica Altoatesina (SEL) established SE Hydro Power, in which Enel Produzione and SEL hold stakes of 40% and 60% respectively. Until December 31, 2010, the joint venture will operate the 12 major hydroelectric diversion concessions currently held by Enel Produzione in the province of Bolzano, which expire at the end of the year.
As from January 1, 2011, SE Hydro Power will operate ten 30-year concessions with a total capacity of about 600 MW that, following the completion of provincial administrative procedures, have been issued to SEL with effect as from that date. The deal was closed following satisfaction of the conditions on which the transaction was contingent, namely obtaining (i) clearance from the Competition Authority and (ii) authorization from the province for the transfer of the hydroelectric concessions to SE Hydro Power.
The Agreement also calls for Enel Produzione to sell the business unit that operates the concessions for minor hydroelectric diversions that it currently holds in the province of Bolzano to SE Hydro Power for €20 million in the second Half of 2010.

Enel Green Power: application for listing on the electronic stock market of Borsa Italiana

On June 18, 2010, Enel Green Power SpA (EGP) submitted an application to Borsa Italiana requesting admission of its shares for trading on the electronic stock market and asked CONSOB to authorize the publication of the prospectus for the public offering and the listing of its shares. Enel may also assess the possibility of seeking a listing for EGP shares on other regulated markets, in particular the Spanish market.

Market conditions permitting, the offering is expected to take place next October. Enel is continuing to assess possible agreements with long-term investors for the sale of a minority stake in EGP, to be carried out in conjunction with or as an alternative to the public offering.

Reference scenario

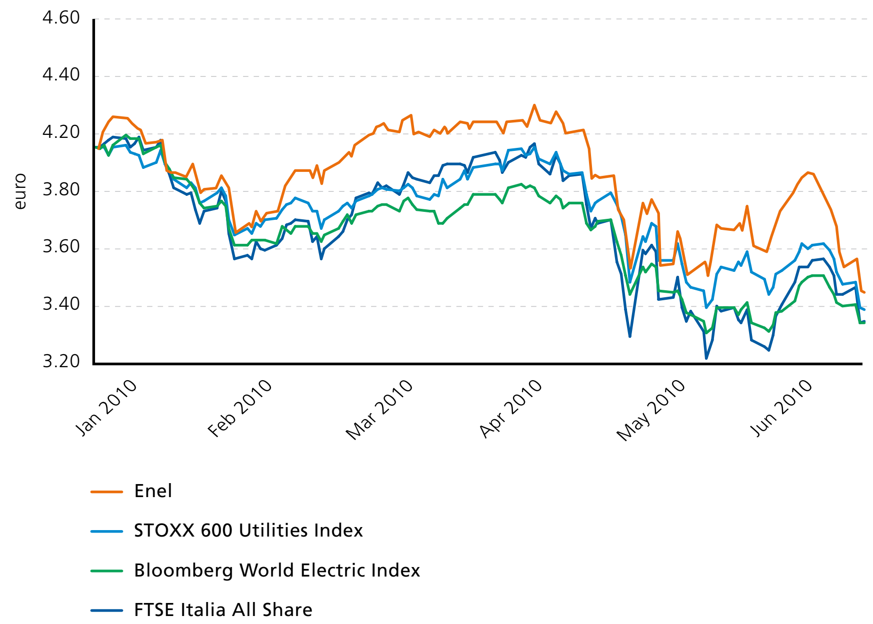
Enel and the financial markets

The early months of 2010 were characterized by a gradual improvement in economic conditions compared with the end of 2009. After hitting a low in February, the main equity markets turned upwards and recovered ground until early April. From mid-April onwards, a sharp rise in tensions on international capital markets – triggered by the grave state of the public finances in Greece – produced a general increase in risk aversion. This was reflected in stock prices, which fell significantly despite the measures adopted by international organizations, first and foremost the European Council and the International Monetary Fund.
In Italy, the benchmark index of the Italian stock market (FTSE Italia All Share) fell more sharply than the average for the main world markets. From the start of the year, the index declined by 16%, worse than the fall of 13.2% posted by the Euro Stoxx 50.
In this economic environment, the utilities segment was especially hard hit. The European benchmark for the industry (STOXX 600 Utilities) fell by 15.7% in the first six months of 2010, while the global sector index (Bloomberg World Electric Index) fell by 16.9%. The factors driving the decline included fears that the need for governments to reduce their deficits could lead to additional taxation for the industry.
In the 1st Half of the year, the Enel stock price declined by 13.8%, a smaller fall than those registered by the domestic benchmark index (FTSE Italia All Share) and the utilities industry indices (DJ STOXX 600 Utilities and Bloomberg World Electric Index), while Enel's main European competitors saw their stock prices fall by an average of more than 20% from the start of the year.
On June 24, 2010 shareholders were paid the balance of the 2009 dividend in the amount of €0.15 per share, which together with the interim dividend paid on November 26, 2009, of €0.10 per share, brought the total return of the stock to about 6.5% (calculated on the basis of the average price for 2009), one of the highest in the industry.

For further information we invite you to visit the Investor Relations section of our corporate website (http://www.enel.com/en-GB/investor/), which contains financial data, presentations, real-time updates on the share price; information on the membership of corporate bodies and the regulations of shareholders' meetings; as well as periodic updates on corporate governance issues.

We have also created contact centers for individual shareholders (which can be reached by phone at +39-0683054000 or by e-mail at azionisti.retail@enel.com) and for institutional investors (phone: +39-0683057975;
e-mail: investor.relations@enel.com).

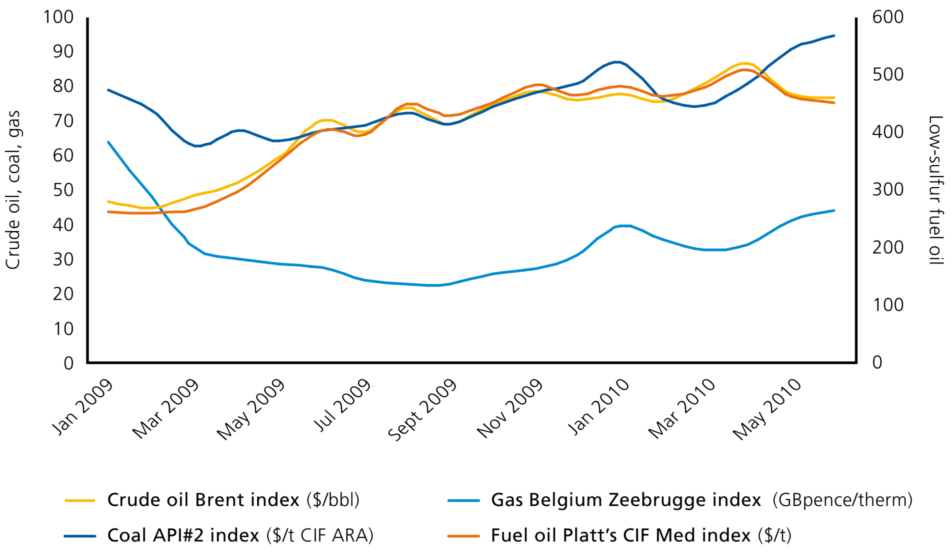
Performance of Enel share price and the STOXX 600 Utilities, Bloomberg World Electric and FTSE Italia All Share indices from January 2010 to June 30, 2010



Developments in the main market indicators

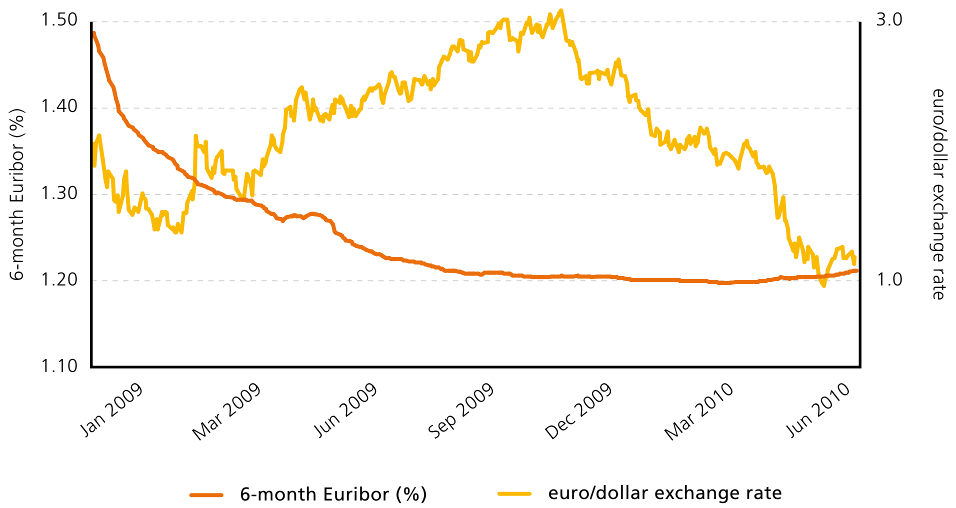
The following charts report developments in the main market indicators in the two reference periods.

Fuel prices (from January 1, 2009 to June 30, 2010)



Prices in the fuel market followed a general rising trend over the two periods under review (with the exception of gas), mainly attributable to the economic recovery in all the main international markets. More specifically, crude oil prices rose by 51.6%, with the average Brent price increasing from $52.8 a barrel in the 1st Half of 2009 to $78.4 a barrel in the 1st Half of 2010 (up 48.5%). In the 1st Half of 2010, the average price of coal came to $83.0 a metric ton, an increase of 22.1% compared with the 1st Half of 2009 ($68.0 per ton). The average price of low-sulfur fuel oil increased by 55.4%, from $301.6 a metric ton in the 1st Half of 2009 to $468.8 a ton in the 1st Half of 2010. Finally, the average price of natural gas (Belgium Zeebrugge index) went from 37.6 pence/therm to 37.0 pence/therm, down 1.6%.

Money market (from January 1, 2009 to June 30, 2010)



Developments in the money markets in the 1st Half of 2010 and the 1st Half of 2009 primarily reflected the financial crisis. In particular, the average euro/dollar exchange rate, despite a fluctuating market in which the euro appreciated until the end of 2009 and then weakened in the 1st Half of 2010, was equal to 1.33 in both periods. Owing to the sharp reductions effected by the leading European banks, 6-month Euribor trended downwards, averaging 1.81% in the 1st Half of 2009 and 0.97% in the 1st Half of 2010.

Italy

The electricity market

DOMESTIC ELECTRICITY GENERATION AND DEMAND

2nd Quarter				Millions of kWh	1st Half			
2010	2009	Change			**2010**	2009	Change	
				Net electricity generation:				
49,400	45,626	3,774	8.3%	- thermal	107,055	99,507	7,548	7.6%
15,026	18,486	(3,460)	-18.7%	- hydroelectric	25,504	30,322	(4,818)	-15.9%
3,242	2,678	564	21.1%	- geothermal and other resources	7,028	5,912	1,116	18.9%
67,668	**66,790**	**878**	**1.3%**	**Total net electricity generation**	**139,587**	**135,741**	**3,847**	**2.8%**
11,224	11,467	(243)	-2.1%	Net electricity imports	22,915	24,152	(1,237)	-5.1%
78,892	**78,257**	**635**	**0.8%**	**Electricity delivered to the network**	**162,502**	**159,893**	**2,609**	**1.6%**
(1,244)	(1,483)	239	16.1%	Consumption for pumping	(2,595)	(2,996)	401	13.4%
77,648	**76,774**	**874**	**1.1%**	**Electricity demand**	**159,907**	**156,897**	**3,010**	**1.9%**

Source: Terna - Rete Elettrica Nazionale (monthly report – June 2010). The volumes for 2009 have been adjusted to the final figures for domestic electricity demand published by Terna on July 7, 2010.

Domestic *electricity demand* increased by 1.9% in the 1st Half of 2010 compared with the same period of 2009, reaching 159.9 TWh. Of this total, 85.7% was met by net domestic electricity generation for consumption (84.6% for the 1st Half of 2009), with the remaining 14.3% being met by net electricity imports (15.4% in the 1st Half of 2009). Developments were similar in the 2nd Quarter of 2010, when electricity demand rose by 1.1% (up 0.9 TWh).

Net electricity imports in the 1st Half of 2010 decreased by 1.2 TWh (with a decrease of 0.2 TWh in the 2nd Quarter) as a result of the narrower electricity price differential between the domestic market and the other European countries in the two periods.

Net electricity generation in the 1st Half of 2010 rose by 2.8% (up 3.8 TWh), largely due to an increase in thermal generation (up 7.5 TWh) and in generation from geothermal and other resources (up 1.1 TWh). These increases were partially offset by a decline in hydroelectric generation (down 4.8 TWh), attributable to better water availability conditions in the year-earlier period. A similar pattern was seen in net electricity generation in the 2nd Quarter, with an increase of 1.3% (up 0.9 TWh).

The gas market

DOMESTIC GAS DEMAND

2nd Quarter				Billions of m3	1st Half			
2010	2009	Change			**2010**	2009	Change	
3.6	3.4	0.2	5.9%	Residential and commercial	19.0	18.7	0.3	1.6%
4.7	3.7	1.0	27.0%	Industrial	9.9	7.8	2.1	26.9%
6.5	5.7	0.8	14.0%	Thermal generation	14.1	12.5	1.6	12.8%
0.5	0.5	-	-	Other (1)	1.1	1.1	-	-
15.3	**13.3**	**2.0**	**15.0%**	**Total**	**44.1**	**40.1**	**4.0**	**10.0%**

(1) Includes other consumption and losses.

Source: Enel based on data from the Ministry for Economic Development and Snam Rete Gas.

Domestic demand for natural gas in the 1st Half of 2010 increased by 10% compared with the year-earlier period, when consumption had declined in reflection of the slowdown in the Italian economy as a result of the financial crisis. Residential and commercial consumption also rose slightly, especially in the 2nd Quarter.

Regulatory and rate issues

Climate and energy package

On February 2, 2010, the Community-level Climate Change Committee approved the draft decision on the financing of renewable energy and carbon capture and storage (CCS) projects through the sale of 300 million emissions allowances of the New Entrant Reserve for the period after 2012 (NER-300). The decision, which provides for the completion of the first call for proposals by the end of 2011, is now undergoing scrutiny by the European Parliament and the Council (under the "comitology" process, this examination will last three months, after which, if no objections are raised, the Commission will adopt the measure).
In addition, on February 18, 2010, the Committee approved the draft Regulation for a standardized and secure system of ETS (Emission Trading Scheme) Registries, which will apply as from January 1, 2012. Among other things, the Regulation, which will replace the current system established with Regulation (EC) no. 2216/2004, provides for the establishment of a European ETS Registry (in place of the existing system of national registries) and the participation of the air transport sector in the emissions trading system. The Regulation also contains measures to enhance the security system with a view to preventing tax fraud and other fraudulent activities. These measures will enter immediate force once the Regulation takes effect. Among the main measures whose adoption is pending within the scope of the revision of Europe's Emission Trading System as from 2013, discussions are currently under way on the European Commission's proposed Regulation on the rules governing the auctioning of emissions allowances. The formal deadline for the adoption of the Regulation (June 30, 2010, pursuant to the ETS Directive) was not met owing to continued differences among the Member States concerning how the auctions should be run.

Long-term electricity import contracts

Enel has a contract for the import of electricity with Atel (on the Swiss border, expiring on December 31, 2011). The power imported under the contract with Atel is sold to the Single Buyer at a set price and is used to supply the enhanced protection market.
On December 18, 2009, the decree of the Minister for Economic Development governing the import procedures for the long-term contract for 2010 was published. The decree confirmed the capacity reserve necessary for the performance of the contract and set the price for the 1st Quarter of 2010 at €59.5/MWh (€78/MWh in the 1st Quarter of 2009). It also confirmed the price updating mechanism, based on the quarterly indexing of the Single National Price (SNP); on this basis the price for the 2nd Quarter amounted to €66.49/MWh, while that for the 3rd Quarter is €63.66/MWh.

Green certificates

On February 9, 2010, the Energy Services Operator (ESO) notified operators of the reference price for green certificates for 2010: €112.82/MWh, equal to the difference between the initial reference price (set at €180/MWh in the 2008 Finance Act) and the annual average sales price for electricity in 2009, defined by the Authority for Electricity and Gas in Resolution ARG/elt no. 10/09.
In addition, the ESO also announced the guaranteed withdrawal price for green certificates issued for generation in 2007, 2008 and 2009 (with the exception of those regarding co-generation plants connected with district heating) at

€88.91/MWh. This corresponds to the weighted average price in green certificate trading on the market run by the Energy Markets Operator in 2007-2009.

Article 2, paragraph 3, of Decree Law 72 of May 20, 2010 repeals paragraphs 18 and 19 of Law 99/2009 (the "Development Act"), which had transferred the obligation of delivering a share of renewable energy to the national electricity system from the producers or importers of electricity from non-renewable resources to those who enter into one or more ancillary services contracts relating to withdrawal with Terna. Law 111 of July 19, 2010 ratifying the decree was published in the *Gazzetta Ufficiale* on July 20, 2010.

The law ratifying the decree law containing budget adjustment measures, which is now at the final approval state, establishes (Article 45) that as from 2011 the charges incurred by the ESO for the withdrawal of expiring green certificates shall be 30% less than those for 2010.

The implementing procedures for this provision will be specified in a subsequent decree to be issued by December 31, 2010.

With regard to incentives for the production of electricity from locally-sourced biomass (i.e. produced within a 70 km radius of the power plant) and biomass under industry agreements or framework agreements pursuant to Articles 9 and 10 of Legislative Decree 102 of 2005, the Ministerial Decree that sets the multiple for the green certificate incentive at 1.8 was published on May 5, 2010.

Sales

Electricity

Sales services

Following the auctions to award safeguard services for the 2009-2010 period, out of a total of twelve areas up for bid, Enel Energia, in addition to the areas in the Centre and the South already served in 2008 (with the exception of Tuscany, Umbria and Marche), was awarded the concessions for Piedmont, Valle d'Aosta, Liguria and Lombardy, served by another operator in 2008. The average premium bid by Enel Energia in the eight areas it was awarded was about €21.5/MWh.

With Resolution ARG/elt no. 112/09, the Authority for Electricity and Gas (Authority) established the disclosure requirements for sellers to enhanced protection customers pertaining to the mandatory imposition of peak/off-peak pricing for domestic customers with meters reprogrammed by hourly band starting from April 1, 2010. In subsequent resolutions, the Authority postponed the application of peak/off-peak prices until July 1, 2010 (Resolution ARG/elt no. 177/09) and introduced a mechanism for the gradual application of prices (Resolution ARG/elt no. 22/10) for the period July 1, 2010 – December 31, 2011. In particular, during the transition period the mechanism will alert customers to the difference in the cost of electricity in peak and off-peak hours.

With Resolution ARG/elt no. 191/09, the Authority adopted a series of measures to mitigate the credit risk of sales companies. More specifically, the Authority doubled the current security deposits to be paid by customers in the enhanced protection market and, in the case of customers returning to the enhanced protection system, allowed operators to refuse service until previous debts have been paid. In the same resolution, the Authority also established a system – to be implemented by the end of 2010 – to indemnify out-going sellers in the event they are unable to collect payment of final invoices from customers that have switched.

With Resolution ARG/elt no. 33/10, the Authority set out the mechanism for settling receivables remaining on the books of operators that temporarily provided safeguard services. More specifically, the Authority established that such receivables shall be recognized net of the margins earned by the individual operators during the same period. The receivables will be paid by the Equalization Fund in the 1st Half of 2011 to operators after quantification of the margins.

Rates and rate updates

With Resolutions ARG/elt no. 205/09 and ARG/com no. 211/09, the Authority set the rates for the enhanced protection service for the 1st Quarter of 2010. The final rate for standard residential customers was set at €162.6/MWh, a reduction of 2.2% from the previous quarter. More specifically, the PED component for sourcing and dispatching costs was reduced by €0.6/MWh to €89.83/MWh; the PPE component covering imbalances in the equalization system for 2008 was reduced by €3.7/MWh to €1.5/MWh; and the UC1 component covering the residual equalization deficit for 2006 and 2007 was raised by €1.5/MWh to €3.02/MWh. The Authority also raised the A3 component, intended to encourage generation using renewable and similar resources, by €0.8/MWh to €8.9/MWh, and reduced the A4 component used to finance special rate mechanisms by €0.3/MWh to €0.73/MWh.

With Resolutions ARG/elt no. 41/10 and ARG/com no. 44/10, the Authority set the rates for the enhanced protection service for the 2nd Quarter of 2010. The final rate for the average residential customer was set at €157.7/MWh, a decrease of 3.1% on the previous quarter. More specifically, the PED was reduced by €0.5/MWh to €89.37/MWh, while the PPE and UC1 were set at zero. The Authority also increased the A3 component by about €1.5/MWh to €10.4/MWh and reduced the A4 component by €0.14/MWh to €0.59/MWh.

With Resolution ARG/elt no. 41/10, the Authority also updated, as from April 1, 2010, the RCV component covering sales costs incurred by enhanced protection service operators, lowering it from €19.27 to €19.09/year for residential customers and from €32.60 to €31.59/year for other low-voltage users, while ensuring annual revenues in line with those for the previous year. With Resolutions ARG/com no. 93/10 and ARG/elt no. 94/10, the Authority set the rates for the enhanced protection service for the 3rd Quarter of 2010. The final rate for the average residential customer was set at €156.8/MWh, a decrease of 0.5% on the previous quarter. More specifically, the PED component for sourcing and dispatching costs was reduced by €1.8/MWh to €87.59/MWh. The Authority also increased the A3 component by about €1.1/MWh to €11.4/MWh.

Rules for the sale of CIP 6 electricity by the Energy Services Operator

The decree of the Ministry for Economic Development of November 27, 2009, governing the sale of CIP 6 electricity, established a total assignable quantity of 4,100 MW, of which 17% designated for the Single Buyer to supply customers in the enhanced protection market. The electricity assigned will be reduced proportionately in the event of the early termination of the CIP 6 agreements by those generators participating voluntarily in the mechanisms envisaged in the implementation of Article 30, paragraph 20, of Law 99/09. The price for the sale of CIP 6 electricity for the 1st Quarter of 2010 was set at €57/MWh, while that for the 2nd Quarter of 2010 comes to €63.69/MWh.

Inquiries and fact-finding investigations

On December 2, 2009, the Competition Authority launched an inquiry into improper commercial practices (PS/5150) against Enel Energia, alleging that its call centers used misleading and aggressive methods to persuade customers to change contracts. On January 21, 2010 the company submitted a number of commitments in order to close the proceeding without a finding of a violation. The Competition Authority is expected to decide shortly.

On March 3, 2010 the Competition Authority initiated a proceeding for improper commercial practices (PS/3317) against Enel Energia. The Competition Authority alleged that the company issued invoices with estimated consumption of electricity and gas in excess of actual consumption and that customers were having difficulty in notifying the company of their self-readings of meters. On May 7, 2010 Enel Energia submitted commitments in order to close the proceeding without a finding of violation. The proceedings are scheduled to be completed by August 10, 2010.

On May 6, 2010 the Competition Authority, following the issue of ruling no. 5290/09 by the Lazio Regional Administrative Court, initiated a proceeding (PS/1554B) to recalculate the fine levied imposed on October 16, 2008 against Enel Energia and Enel Servizio Elettrico as part of proceeding PS/1554, equal to €225,000 and €210,000 respectively. The Competition Authority is required to quantify the penalties by the end of July.

With ruling no. 2507/2010, on May 3, 2010 the Council of State granted the appeal of the Authority for Electricity and Gas against ruling no. 321/08 of February 13, 2008 with which the Lombardy Regional Administrative Court had voided Resolution no. 66/07. With the latter measure, the Authority had levied a fine of €11.7 million on Enel Distribuzione for having failed to meet the provisions of Resolution no. 55/00 concerning the transparency of invoices. Enel Distribuzione lodged an appeal with the Council of State to revoke ruling no. 2507/2010, notifying the Authority on June 1, 2010.

Gas

Rates and rate updates

With Resolution ARG/gas no. 207/09 the Authority for Electricity and Gas (Authority) updated the supply prices for natural gas for the 1st Quarter of 2010, setting a price of 69.34 eurocents/m^3, an increase of 2.8% on the previous quarter. Specifically, the component covering the cost of the raw materials was increased by 9.6% compared with the previous quarter.

With Resolution ARG/gas no. 42/10, the Authority updated the supply prices for natural gas for the 2nd Quarter of 2010, setting a price of 71.81 eurocents/m^3, an increase of 3.6% on the previous quarter. More specifically, the component covering the cost of the raw materials was increased by 10.7% compared with the previous quarter.

With Resolution ARG/gas no. 47/10, the Authority initiated a proceeding for the change of supply prices for natural gas for the enhanced protection service. The Authority published Resolution ARG/gas no. 89/10, with which it reduced the QE component (covering raw materials provisioning costs) by 7.5% compared with the level established using the formula previously in force, thereby taking account of the renegotiation of operators' long-term contracts from October 2010 to September 2011. In the same Resolution, the Authority also initiated a market monitoring exercise to assess possible additional measures to be taken by February 2011 concerning modifications of the QE component after September 2011. Enel will submit its appeal against Resolution ARG/gas no. 89/10 shortly.

With Resolution ARG/gas no. 95/10, the Authority updated the supply prices for natural gas for the 3rd Quarter of 2010, setting a price of 74.13 eurocents/m^3, an increase of 3.2% on the previous quarter. Specifically, the component covering the cost of the raw materials was increased by 8.4% compared with the previous quarter.

Inquiries and fact-finding investigations

On February 2, 2010, Enel Energia lodged an appeal with the Council of State against the decision of the Lazio Regional Administrative Court of September 8, 2009, which had denied Enel Energia's appeal against the Competition Authority's measure PS/1874 of December 3, 2008.

Generation and Energy Management

Virtual Power Plants in Sardinia

Article 30, paragraph 9, of Law 99/2009 (the "Development Act") requires the Authority for Electricity and Gas (Authority) to adopt – based on the guidelines of the Minister for Economic Development – temporary measures aimed at expanding the supply of electricity in Sardinia.
With Resolution ARG/elt no. 115/09, the Authority introduced measures for the assignment of a total of 225 MW for Enel and 150 MW for E.ON of Virtual Power Plant (VPP) capacity for the 2010-2014 period, through contracts for differences (one-way/two-way contracts at the discretion of the producer) based on the Single National Price (SNP). The entire capacity was assigned through the auction for assigning Virtual Power Plants held on October 15, 2009, which had a minimum allotment price set by Enel.

"Ancillary Services Market" (ASM)

Pursuant to the decree of the Minister for Economic Development of April 29, 2009, as of January 1, 2010, the new Ancillary Services Market (ASM) is operational. The new market provides for a programming phase (the day prior to delivery of the electricity) and a real-time balancing market organized into five sessions, with operators allowed to update the quantities and prices of their offers.
On June 23, 2009, the Council of State held a hearing on the Authority's appeal of the Regional Administrative Court decision voiding Resolution ARG/elt no. 97/08. The resolution placed all plants in Sicily and Sardinia under the essential unit system. On May 11, 2010 the full text of the ruling with which the Council of State ordered Terna to pay damages to Enel Produzione was published. The ruling took account of the criteria set out in the report submitted by Terna itself.

Green certificate charges for the regulated market in 2001-2004

The Council of State hearing of the appeal lodged by the Authority concerning payment to Enel Produzione of the green certificate charges for electricity to supply the regulated market for 2003 is pending.
As regards the Authority's appeal to the Council of State against the ruling of the Regional Administrative Court concerning payment of the charges in respect of green certificates incurred by Enel Produzione for hydroelectric pumping stations, on November 4, 2009, the Council of State dismissed the case for want of prosecution. With an order of February 5, 2010, the Council of State denied the Authority's appeal of the dismissal. The Lombardy Regional Administrative Court's ruling in favor of Enel Produzione is therefore definitive.

Inquiries and fact-finding investigations

On February 2, 2010, the Competition Authority opened a proceeding for abuse of a dominant position (A/423) by Enel Produzione and Enel SpA for alleged anti-competitive conduct in the wholesale electricity market for the Sicily macro-area. On May 3, 2010 Enel Produzione submitted a number of commitments in order to close the proceeding with no finding of violation. The proceeding is set to be closed on March 30, 2011.

Emissions trading

With Resolution no. 3/2010, the national committee for the management of Directive no. 2003/87/EC established the volume of allowances for 2010, equal to about 32.7 million metric tons, in addition to those already assigned by the New Entrant Reserve of about 1.9 million metric tons.
On April 16, the ETS Committee adopted Resolution no. 8/2010, which assigned the allowances, drawing on the New Entrant Reserve established in the Allocation Decision for the 2008-2012 period, to the additional combustion plants that increased capacity in phase 1 of the ETS, for a total of 0.55 million metric tons.
In addition, on April 28, the Committee issued Resolution no. 9/2010 fully allocating the residual reserve to new plants that entered service up until April 2009, for a total of about 21.7 million metric tons. Of these, about 1 million were allocated to Enel Produzione for the restored unit at Termini Imerese (for the entire 2008-2012 period) and for the emissions of the first unit at Torrevaldaliga Nord for the start-up period (1st Half of 2009). Allocations to cover the remaining requirements at Torrevaldaliga Nord were not included as they were subsequent to the period considered.
In order to ensure that the New Entrant Reserve would not be fully depleted, the Government, under the commitments made at the time of the Allocation Decision for the 2008-2012 period, adopted Decree Law 72 of May 20, 2010, which establishes an ex-post reimbursement of emissions allowances at market value for new entrants excluded from the allocation. The reimbursement – for an estimated allowance requirement of about 42 million metric tons – will be financed from part of the proceeds of the auctions for the allocation of allowances in phase 3 of the ETS (i.e. after 2012). The decree, which must be ratified within 60 days of its publication in the *Gazzetta Ufficiale*, is now being examined by Parliament.
At June 30, 2010, the emissions produced by Enel Produzione amounted to 16.5 million metric tons. Considering that the allowances assigned under the national allocation plan, calculated on the basis of emissions forecast for the same period, were equal to 17.6 million metric tons, there was no deficit.

Gas transport and metering rates – new regulatory period

Enel has appealed Resolutions ARG/gas nos. 184/09, 192/09 and 198/09. For more information, please see the discussion in the 2009 consolidated financial statements.

Gas exchange and the daily balancing market

Article 30 of Law 99/09 of July 23, 2009 charges the Energy Markets Operator (EMO) with the financial management of the natural gas market (gas exchange), in accordance with rules prepared by the EMO and approved by the Ministry for Economic Development, and provides for the acceptance of gas purchase and sale offers by the EMO on an economic merit basis by February 2010.
Pursuant to Article 30, paragraph 2, the Minister for Economic Development issued a decree on March 18, 2010, establishing the procedures for the EMO

to use in managing transactions in gas lots imported from non-EU countries subject to the mandatory offer requirement. The decree establishes that the EMO shall take on the role of sole central counterparty by October 1, 2010. Resolution ARG/gas no. 58/10 established the offer procedures on the gas exchange for gas lots imported up to September 2011.

Allocation criteria

With Resolution ARG/gas no. 62/09 the Authority initiated a review of the criteria used to allocate gas among users of the transport system's shared redelivery points. The current procedure, established under Article 29 of Resolution no. 138/04 and extended once to September 30, 2010, was extended again to September 30, 2011, with Resolution ARG/gas no. 27/10.
With the same resolution, the Authority established a new calculation method for daily allocation of gas withdrawn by customers not subject to daily metering. The procedure, which will be valid for the period October 2010 – September 2011, will also be applied in recalculating transport and storage fees paid by users in the period October 1, 2007 – September 30, 2010.
The adjustment payments in respect of such fees will be made for the 2007-2008 and 2008-2009 gas years by September 30, 2010 and for the 2009-2010 gas year by February 28, 2011.

Late metering adjustments

With Resolution ARG/gas no. 182/09, the Authority established the criteria for settling payments arising in respect of late adjustments of metering data for final direct customers of the transport network. With Resolution ARG/gas no. 70/10, the scope of application was extended to the shared city-gates in cases where the late adjustments do not give rise to reallocations. As from July 2010, half-yearly netting sessions will be conducted at a regulated monthly price to cover the cost of raw materials and transport. The netting will involve all transport users with contracts as of month M-4.

Infrastructure and Networks

Energy efficiency

The Authority for Electricity and Gas (Authority) rejected two requests from Enel.si concerning certification of energy savings achieved through energy efficiency initiatives involving the free distribution of compact fluorescent light bulbs to residential customers in 2007 and the first half of 2008. Enel.si appealed the decision to the Regional Administrative Court.
The hearing before the Regional Administrative Court was held on April 15, 2010. Subsequently, with an order of April 19, 2010, the Milan Regional Administrative Court set the Authority a deadline of 90 days to rule on the request for re-examination submitted earlier by Enel.si to the Authority and scheduled a new hearing for October 21, 2010.
With Resolution ARG/elt no. 56/10, the Authority extended the scope for residential users with an available capacity of more than 3.3 kW to request a second supplier for the use of heat pumps.

Distribution rates

With Resolution ARG/elt no. 203/09 of December 29, 2009, the Authority updated distribution and metering rates for 2010. The average unit rate was raised by 3.1% compared with 2009.
With Resolution ARG/elt no. 40/10 the Authority set the equalization amounts for revenues in respect of low-voltage metering services for 2008, granting Enel Distribuzione essentially the same amount that the company had recognized in previous years. The receivable was paid by the Electricity Equalization Fund in May.

Service continuity

With Resolution ARG/elt no. 34/10, the Authority assigned the bonuses and penalties for service continuity levels achieved by distribution companies in 2008. In particular, on May 21, 2010, the Electricity Equalization Fund paid Enel Distribuzione about €92.4 million in bonuses. Penalties, equal to about €32.6 million, are to be paid by Enel Distribuzione in three annual installments in the 2009-2011 period unless, over the same period, the trend levels assigned for each geographical area are reached.
With Resolution ARG/elt no. 99/10 the Authority amended (with effect as from July 1, 2010) a number of aspects of the pricing of high-voltage power outage mitigation services provided by distribution companies to Terna. More specifically, the Authority introduced a price structure in which fees decline in relation to the duration of the service and established differentiated fees to be paid for mitigation services on the TELAT network.

Smart grids

With Resolution ARG/elt no. 39/10 the Authority specified the criteria for selecting investments in pilot smart grid projects, which, as already established under the Integrated Rate Code (Annex A to Resolution no. 348/07), will receive a higher rate of remuneration.

Electric cars

With Resolution ARG/elt no. 56/10 the Authority initiated a series of regulatory changes aimed at fostering the spread of electric cars. More specifically, thanks to the changes introduced with the resolution, it will be possible to request the activation of multiple supply points to recharge electric cars in private homes, common areas in apartment buildings or dedicated company areas. Electricity drawn at these recharging points will be metered at the transport rate for low-voltage uses other than residential supply.
With the same resolution the Authority also allowed dedicated electricity supplies for heat pumps to be used to recharge electric vehicles.

Iberia and Latin America

Spain

Rate updates

On December 31, 2009, the government published Ministerial Order 3519/09, which set the electricity rates starting from January 2010.
Access rates were raised by an average of 14.5%. Specifically, customers qualifying for the TUR (*Tarifa de Ultimo Recurso*) without regard to time band will see a 9% increase in their access rates.

The Ministerial Order also calls for, among other things:

> a significant increase in the remuneration for reactive power, which could increase the regulated revenues for the system by up to 3%;

> modification of the formula for calculating the electricity component of the TUR without regard to time band, which could lead to an increase of up to 2% in the cost of electricity payable to the CURs (*Comercializadores de Ultimo Recurso*);

> revision of the remuneration for continuity service in 2010: €450 million (compared with €750 million attributed to system costs for 2009);

> extension of the right of non-TUR customers who are not party to a free-market contract to be supplied by the CURs until December 2010.

With its resolution of December 29, 2009, the Ministry for Industry, Tourism and Trade updated the TUR for the first Half of 2010, increasing the rate without regard to time band by 2.64% over the same rate applicable during the second Half of 2009.

TUR calculation methodology

On June 17, 2010 Ministerial Order 1601/2010 was published. The order amends the rules governing the CESUR auctions, repealing Ministerial Order 400/2007. The new rules are intended to enhance objectivity, transparency and competition in the auction mechanism.

Ministerial Order 1601/2010 also introduces changes in the method used to calculate the energy cost component of the TUR. More specifically, the CURs may no longer use provisioning strategies that sterilize the price risk in the supply of electricity to customers with that rate.

Rate deficit

Royal Decree Law 6/2010 concerning measures to stimulate economic recovery and employment, published on April 13, 2010, contains a specific chapter for the energy sector that introduces a number of amendments to the Electricity Sector Act (no. 54/1997). The changes to the law set out a mechanism for financing any deficits that may arise during the settlement of regulated activities. The amounts necessary to finance the deficits are paid by the leading industry players, who acquire the right to recover those amounts plus interest (calculated at a market rate).

On April 21, 2010 Royal Decree 437/2010 was published. In application of Royal Decree Law 6/2009, it regulates the securitization of the receivables accrued in respect of financing the deficit by the main industry companies. Specifically, for the securitization of all receivables (past and future, peninsular, island and extra-peninsular), the measure:

> sets a price for the transfer of the rights to the fund equal to the value of the receivable to be collected;

> establishes that the fund shall have a maximum of one year as from the assignment of the receivables to issue and place debt securities in an amount sufficient to cover the purchase of the rights assigned by the companies.

Incentives to use domestic coal

Royal Decree 134/10 was published on February 27, 2010, creating an incentive to consume domestic coal. It introduces a new organized market phase, called *Resolución de restrictiones por garantía de suministro*, for ensuring priority dispatching for power plants that burn domestic coal. The plants affected by the measure (Endesa is involved with four of these) will be compensated for a maximum annual production amount at a fixed price corresponding to the unit cost of generation comprised of: the cost of fuel, the financial cost incurred for

storing domestic coal, variable operating cost, fixed costs and the cost of CO_2. The priority dispatching for the coal plants excludes plants originally accepted into the program. Priority will be assigned on the basis of a ranking in descending order of levels of CO_2 emissions or – solely for natural gas plants – an economic merit ranking established on the basis of competitive bidding. For each MWh not produced, plants excluded receive compensation equal to the difference between the marginal hourly price and the variable generation cost, plus any unit commercial margin if they are signatories to take-or-pay contracts.
These rules are transitional and shall only remain in effect until 2014 at the latest. Red Eléctrica de España (the Spanish network operator) has two months from the date of publication of the Royal Decree to propose changes to the operating procedures required under the Network Code to launch the new market phase. Although already published in Spain's official journal (*Boletín Oficial del Estado*), the decree has yet to be approved by the European Commission, as it represents potential state aid. The most controversial part of the decree may be the provisions concerning the compensation for the lost earnings of excluded generation plants. The Ministry of Industry, Tourism and Trade has already prepared an urgent draft of a new royal decree that modifies Royal Decree 134/10 concerning lost earnings. This draft is currently being analyzed by the relevant entities.

Garoña nuclear power plant

On March 24, 2010, Nuclenor, the company that owns the Santa Maria de Garoña nuclear power plant (50% of which held by Endesa), formally argued the appeal filed with the *Sala de lo Contencioso-Administrativo de la Audiencia Nacional* on September 14, 2009 against Ministerial Order 1785/09, which sets the date for termination of operation of the nuclear power plant at July 2013. Among other things, Nuclenor is asking that Ministerial Order 1785/09 be voided and that it be given the right to operate the plant until at least July 6, 2019. The company is also seeking the explicit renewal of the authorization under the terms announced by the Spanish nuclear safety board (*Consejo de Seguridad Nuclear* - CSN), namely that operation can continue through 2019 and perhaps beyond.

Almaraz nuclear power plant

With Ministerial Order ITC/1588/2010, published on June 16, 2010, the Spanish government approved the renewal of the operating license of the two units of the Almaraz nuclear power plant (in which Endesa has a 36% stake). The license takes effect as from June 8, 2010, with a term of 10 years.

Auction of financial contracts for Spain-Portugal interconnection

In application of the provisions of Ministerial Order 1549/09, with a resolution issued on May 7, 2010, the State Secretariat for Energy established the calendar of auctions for 2010 and the characteristics of the financial contracts to be offered. The first auction of 2010 (the third auction overall) was held on June 24, 2010, and involved the offer of forward contracts to hedge exports from Spain to Portugal for 200 MW of capacity with a time horizon of six months (2nd Half of 2010). The second auction of 2010 (the fourth overall) will be held before December 31 and will involve the offer of forward contracts to hedge exports from Spain to Portugal for 200 MW of capacity with a time horizon of both one year (for 2011) and six months (1st Half of 2011).

Emissions trading

In the 1st Half of 2010, Endesa produced emissions totaling around 9.7 million metric tons. Allowances assigned under the national allocation plan on a pro-rated basis for the period amounted to about 12.2 million metric tons.

"*Instalaciones Eléctricas*" proceeding of the *Comisión Nacional de la Competencia* (CNC) of May 10, 2010

On May 10, 2010, the investigative unit of the CNC initiated a proceeding against Endesa for possible abuse of a dominant position in the electrical installation sector. The alleged anti-competitive behavior involves the use of information held in its capacity as a power distribution company in order to develop its operations in the electrical installation market.
On December 3, 2009 the CNC had undertaken similar proceedings against Hidrocantábrico, E.ON-Viesgo and Gas Natural-Unión Fenosa. The CNC has up to 18 months from the start of the proceeding to adopt a resolution.

Argentina

Update of wholesale market rules

With its Note SE no. 496 of January 19, 2010, the Argentine *Secreteria de Energía* (SE) announced that it would not be possible to change the wholesale market rules (MEM, *Mercado Eléctrico Mayorista*) so as to bring them into full compliance with Resolution 1427/2004 and the 2004 and 2005 agreements with the generation companies that contributed to the funding of FONINVEMEM (the fund used to build two CCGT plants that came into operation at the start of 2010).
Resolution 1427/2004 contained, among other things, the commitment to increase the remuneration for capacity and the *precio estacional* (the price paid by the distribution companies to the generation companies) and to eliminate the cap on the spot market introduced by SE Resolution 240/2003.
Negotiations are currently under way (and are expected to last most of 2010) between SE and the generation companies to establish temporary rules for the remuneration of the generation companies for the 2010-11 period. Pending agreement for the entire two-year period, the Argentine government intends to reach specific agreements with individual plants, on the basis of Resolution SE 724/08 (*Mantenimiento Plus*) to facilitate extraordinary maintenance programs that increase the availability of existing plants.

PUREE incentive program

With Resolution 45 of March 8, 2010, the SE established that the new mechanism for calculating incentives under the PUREE program (*Programa de Uso Racional de la Energía Eléctrica*) for residential consumers with consumption above 1,000 kWh per bi-monthly period would apply starting from March 10, 2010. By applying this standard, the amount of the incentives agreed will be reduced, further increasing the difference between the PUREE penalties and incentives that the distribution companies are authorized to withhold to offset their higher costs when the increases for the *Mecanismo de Monitoreo de Costos* (MMC – an indicator of price developments introduced by the *Acta de Acuerdo* in 2005) are not incorporated into the rates. This generates a benefit for Edesur, the distribution company operating in Argentina.

Remuneration of distribution activities

On November 12, 2009 the Argentine government reopened the RTI process (*Revisión Tarifaria Integral*) for the distribution companies Edenor, Edesur and Edelap, which had been suspended in February that year.
Accordingly, Edesur submitted its proposed RTI to ENRE for the next five years, which envisages an increase of 100% in rates from their current levels.

Brazil

Distribution rates

Following public consultation no. 043/2009 and meetings with each distribution company, on February 2, 2010 the regulator ANEEL proposed to the distribution companies a change in the method for calculating the "system costs" component of the distribution rate, so as to eliminate the weaknesses in passing through the cost to consumers and to neutralize revenues attributable to the system costs (so-called *encargos sectoriales*) with respect to the volumes sold.
The introduction of this different method proposed by ANEEL (which will not have retroactive effect) means that a change must be made in the concession agreement (30-year contract, expiring in 2026 and in 2028, respectively, for Ampla and Coelce). On June 23, 2010, ANEEL announced that all the distribution companies operating in the country had agreed to amend the concession agreement.

Annual rate adjustments

On March 15, 2010 the process of adjusting the annual rates for the distribution company Ampla was completed. It received a 1.35% increase in the VAD (*Valor Agregado de Distribución*), the component for compensating distribution activity. This adjustment has not translated into an increase in the rate for end users, who instead saw a 4.7% reduction.
The annual rate adjustment process for the distribution company Coelce was completed on April 22, 2010 with the definitive publication of the rate adjustment index. The measure establishes an increase of 3% in the remuneration paid to the company.

Distribution

In May 2010 ANEEL announced a draft revision of Resolution no. 456/2000, which established the general conditions for electricity distribution activities. The new text, which incorporates a range of resolutions adopted in the past ten years, governs the rights and obligation of distributors and will apply to all final customers.

Argentina-Brazil interconnection line (CIEN)

On December 9, 2009 final approval was given to Law 12111, which modifies national legislation in preparation for the future integration of isolated systems into the *Sistema Nacional Interconectado* (SNI). Among other things, the law establishes that as from 2010 interconnection lines (including CIEN, the Argentina-Brazil interconnection operated by Endesa) may be treated as part of the national transmission grid and can therefore take advantage of regulated rates. Technical negotiations on the value of the lines and, as a result, the applicable rates are currently under way with ANEEL and are expected to last until mid-2010. The discussions are being conducted on the basis of the remuneration method established by ANEEL in Resolution 386/09 and in conjunction with the revision

of the country's transmission rates. The new transmission rate for CIEN should be in effect starting from July 1, 2010 simultaneously with the entry into force of the new transmission rates in Brazil.
In addition, on June 4, 2010 the *Acuerdo de Provisión de Energía Eléctrica* between CIEN and CAMMESA, the Argentine electrical market operator, was signed. The agreement provides for a monthly payment over nine months and will expire following definition of the annual remuneration by ANEEL.

Social rate

On January 20, 2010, Law 12212 on the social rate was promulgated. It changes the amount of the discount granted to low-income residential customers.
The primary changes from the previous rules (Law 10438 of 2002) relate to the eligibility requirements for the social rate: eligibility will no longer be based solely on monthly consumption, but will also take customers' financial situation into account. Specifically, it requires registration in the *Cadastro Único para Programas Sociais do Governo Federal* (CadÚnico), a register of economically disadvantaged households maintained by the Ministry for Social Development and the Fight against Hunger (previously users with consumption of less than 80 kWh/month were exempt from this requirement).
The law also introduces slight reductions in discounts granted to consumers that vary based on monthly consumption: 65% for consumption of less than 30 kWh/month, 40% for consumption of between 30 and 100 kWh/month and 10% for consumption of between 100 and 200 kWh/month. Low-income households with consumption in excess of 200 kWh/month will not receive any discount.
In May a public consultation was initiated on a new draft regulation for the social rate, which requires that registration of a customer in the *Cadastro Único* for the purposes of application of the social rate be approved by ANEEL.
Finally, the law also introduces amendments to the legislation on energy efficiency (Law 9991/2000). The primary change made to the law requires that distribution companies set aside at least 60% of energy efficiency program resources (currently 0.5% of the companies' operating income) for customers benefiting from the social rate.

Rules on climate change

On December 29, 2009, Law 12187/2009 on combating climate change was published. This law introduces the *Plano Nacional sobre Mundança do Clima* (PNMC) and sets the goal of cutting greenhouse gas emissions by between 36.1% and 38.9% of projections as of 2010 by 2020. The expected reductions for each industrial segment have not been determined. The method for implementing the law will be determined in 2010.

Chile

Update of nodal price

As from May 2010 the nodal price was updated by the regulator to $95/MWh, an increase of 1.8% with respect to its level in October 2009 ($93/MWh) and an increase of 9% compared with the price in force after the most recent indexing adjustment in March 2010 ($87/MWh). The price will remain in effect for six months.

Auction price pass-through rules

As from January 2010 the reform of the wholesale sourcing mechanism for electricity to be supplied to customers in the regulated market entered force (provided for under *Ley Corta II* of May 2005). The contracts entered into at the nodal price set by the chilean electricity regulator CNE will be gradually replaced by 15-year contracts at the price established by auctions held by the distribution companies starting from 2006. For the distribution company Chilectra, this will occur starting primarily from November 2010, when several supply contracts entered into prior to 2006 will expire. To finish introducing this mechanism, the draft of the decree establishing the method for calculating the average price that each distributor can pass through to end users to cover the costs of the auctions with the generation companies was presented to the *Contraloria de la República*. The decree was officially published on April 16, 2010, with retroactive effect as from January 1, 2010. The distribution companies may pass through the average sourcing price, with possible adjustments to take account of differences between actual costs and the average price.

Regulations governing emissions by thermal power plants

On December 15, 2009, Resolution no. 7550, containing the draft regulations on thermal power plant emissions, setting the maximum levels allowed for particulates, nitrogen oxide, sulfur dioxide, mercury, nickel and vanadium, was published. The draft is still under discussion.
The document sets different limits for new and existing power plants. More stringent requirements apply to new plants, while existing plants are given a 3-year window in which to comply with the new regulations. The emissions restriction will be the same for new and old plants by 2020.

Constitutional reform bill on water-use rights

On January 6, 2010, the Chamber of Deputies received the constitutional reform bill proposing the amendment of Article 19 of the Chilean constitution, with regard to the law governing water rights in Chile. It introduces the concept of treating water as a national asset for public use. This bill will not have retroactive effect and requires the approval of a three-fifths majority of the Congress.
The bill, which was initially given priority by the Bachelet Government, does not enjoy the support of the Piñera Government (which has also ruled out charging hydroelectric companies royalties).

Colombia

Wholesale market

During the 1st Half of 2010, the Colombian electricity market was affected by numerous temporary measures issued by the Colombian regulator CREG to cope with the joint effects of the shortage of gas and hydroelectric resources (the latter associated with El Niño) between September 2009 and March 2010. Most of the measures were withdrawn in June, when the effects of El Niño were declared over.
More specifically, on February 9, 2010, CREG published Resolution no. 010/2010 introducing temporary rules for the operation of the wholesale electricity market (MEM, *Mercado de Energía Mayorista*). The goal of the resolution is to avoid exhausting reservoirs by taking action on offer prices: reservoirs with a volume less than a pre-determined alert level (*curva de alerta*) are automatically removed from the merit order. The regulator subsequently adopted additional temporary measures (CREG Resolutions no. 036/2010, 049/2010 and 060/2010) to forestall the exhausting of the country's reservoirs and to ensure the short-term security of the system.
In May 2010, with Resolutions no. 070-2010 and 071-2010, CREG ended the

obligation to maintain the level of hydroelectric reservoirs. That same month, the IDEAM (*Instituto de Hidrología, Meteorología y Estudios Ambientales*) officially declared that El Niño risks were over. As a result, certain of the temporary measures affecting the wholesale electricity market are no longer in effect.

Update of distribution rates

After establishing new distribution rates for Codensa and Cundinamarca (October 19, 2009, with CREG Resolutions nos. 100 and 101), on December 16, 2009, CREG announced that it will take steps to correct an error contained in the calculation of the rate for voltage level IV (above 57.5 kV) for Codensa. On June 22, 2010 CREG notified Codensa of Resolution no. 081/2010, which corrects the error. This concluded the distribution rate fixing process for the 2009-2014 period.
In April 2010, CREG Resolution no. 051/2010 was approved. It sets out the procedural rules for calculating and auditing the O&M costs of distribution companies by the regulator.

Peru

Update of wholesale electricity prices

On March 2, 2010, the regulator OSINERGMIN (*Organismo Supervisor de la Inversión en Energía y Minería*) published the draft of Resolution 43/2010 setting out the proposed *tarifas en barra* (wholesale electricity price for regulated-market customers) for May 2010 through April 2011.
The bill aims to reduce the price of electricity by 5% from its current level. This change will involve a slight increase in the capacity component and a larger reduction in the price of electricity.
In April 2010 OSINERGMIN published Resolution no. 79/2010, which sets the definitive *tarifas en barra* at $39.18/MWh, essentially in line with the value announced in March but 5.35% lower than the level in force in the May 2009 – April 2010 period.

Long-term auctions

In April 2010 the first long-term auction of electricity to supply customers in the regulated market was held. Contracts of eight, ten and twelve years were signed. Edelnor, the distribution company controlled by Endesa, obtained contracts for nearly all forecast demand (970 MW out of 1000 MW). The Endesa generation companies Edegel and Eepsa signed contracts for the sale of all the electricity offered (800 and 82 MW respectively). The price ceiling set by OSINERGMIN for this auction was $57/MWh.

Capacity payments and investment incentives

Supreme Decree 1/2010 was published in the *Diario Oficial* on January 5, 2010. It contains a variety of measures relating to capacity payments that seek to ensure the availability of generation capacity. The decree corrects against the risk of a difference emerging between the capacity prices formed in long-term auctions and those calculated by the system operator COES. It adds a component to the final rate to remunerate the cold reserve of emergency plants and penalizes the capacity of plants that do not have a long-term gas transport contract starting from September 2010.
On April 29, 2010 the *Decreto de Urgencia* no. 32/2010 was published. The decree contains measures to accelerate investments and facilitate the financing of generation projects. Among other things, the decree introduces a number of exceptions to the capacity payment criteria established at the end of 2008 to deal

with the restrictions on gas supplies from Camisea and sets out certain powers for Ministerio de Energìa y Minas (MEM) in the event of difficulties in auction procedures. It also establishes the general terms of the rural electrification program.

Operation of the *Mercado de Corto Plazo* (MCP)

The draft Supreme Decree introducing amendments to the operating rules of the *Mercado de Corto Plazo* (MCP) was published in June. The changes are designed to increase the transparency of the market (requiring market agents to declare their expected demand for the subsequent day).

Remuneration of distribution assets

OSINERGMIN has announced a new calculation of the VAD (*Valor Agregado de Distribución*) for distribution companies in response to a number of objections raised by Luz del Sur concerning the VAD set in November 2009 for the November 2009 – October 2013 period. The change, which slightly reduces (0.1%) the distribution rate from the level approved in November 2009, is now being discussed in a consultation process with the companies affected.

International

France

NOME Act

In March 2010, the Ministry for Energy (MEEDDM) distributed the first draft of the bill for the NOME Act (*Nouvelle Organization du Marché de l'Electricité*), setting out the main recommendations of the Champsaur parliamentary committee. In June 2010 the French National Assembly examined the NOME Act at first reading, approving a substantively amended text on June 15, 2010.
The NOME Act, which should be approved by the French Parliament in 2010, contains reform measures that will gradually open up the French electricity market to competition and replace the TaRTAM rate for those end users who, after having opted for a contract with a free-market supplier, seek to benefit once again from regulated electricity supplies. Pending final approval of the NOME Act, the TaRTAM rate has been extended until the end of 2010 in an amendment to the Poniatowski Act.
The main components of this reform are:

> access to nuclear-generated base electricity for alternative suppliers at regulated prices (known as ARENH or "Accès Régulé à l'Electricité Nucléaire Historique"), for a 15-year transitional period, with volumes calculated annually on the basis of the volume of nuclear generation as a percentage of total consumption, with an annual ceiling of 100 TWh;
> suppliers are required to adapt their requests for ARENH to the forecasts for the volume and profile of their portfolios and the share of nuclear energy used to cover consumption;
> responsibility for allocating ARENH volumes to suppliers on an intra-year basis is assigned to CRE;
> an entity independent of EDF and alternative suppliers will be charged with handling the exchange of information regarding ARENH, in order to ensure that EDF does not have access to sensitive information concerning individual suppliers;
> as from 2013 the network operators may acquire ARENH power to offset the entire amount of network losses (currently about 30 TWh). The power

allocated for this purpose will be added (with no ceiling) to the 100 TWh allocated to alternative suppliers (the first version of the NOME Act had provided for an annual ceiling of 20 TWh);

> the ARENH price will be set with a ministerial decree, using the level of the TaRTAM at December 31, 2010 as a benchmark; as from 2013 the ARENH price will be determined directly by CRE;
> each supplier shall provide direct or indirect guarantees of capacity for consumption reduction and electricity generation: this could give rise to the formation of a capacity market;
> the number of CRE commissioners has been reduced, although CRE's responsibilities will increase within the scope of the duties assigned to it under the NOME Act;
> starting from 2015 the regulated rates for major electricity consumers will be eliminated, while the regulated rates for the sale of electricity to minor consumers will be maintained;
> a new local electricity consumption tax will be introduced (TLE), which is expected to take effect as from January 2011.

Poniatowski Act

On June 8, 2010 the Poniatowski Act was officially published. It introduces the option for final customers who have transferred to the free market to return to a regulated supply market, although until 2015 they must remain in the free market for at least one year. The law also extends the TaRTAM until December 2010.

Taxation

A new tax, the IFER (*Imposition Forfaitaire sur les Entreprises de Réseaux*), introduced with the 2010 Finance Act, is in effect starting from 2010. The new tax of €2,913/MW/year, will be paid by hydroelectric and wind power plants with a capacity in excess of 100 kW and by nuclear and conventional power plants with a capacity in excess of 50 MW.

Russia

Capacity market

The volumes of capacity sold on the free market are rising in line with the volume of liberalized electricity envisaged in the decree of April 7, 2007: currently, 80% of capacity for non-residential customers is sold on the free market. This capacity is traded on a "transitional capacity market" that shall remain in operation until the end of 2010, when the long-term capacity market is expected to start operating. At the moment, capacity can be sold on a monthly basis at free-market prices using bilateral contracts or the exchange for trading in forward capacity and electricity contracts (the Arena exchange, which began trading at the end of December 2008).
To be able to sell capacity, generators must first take part in the annual auction for the selection of capacity (KOM), which was held at the end of December 2009 for 2010.
In addition, each month the Administrator of Trading System (ATS) publishes the reference prices for capacity buyers (resellers and large-scale consumers) that have not entered into bilateral agreements.
At the end of November 2009, the Market Council also approved the method for assessing the appropriateness of prices offered by new entrants for 2010.
At the conclusion of the long consultation process, in April 2010 the government

published two decrees regulating the new long-term capacity market and setting out the pricing parameters for both new and existing capacity.
The long-term capacity market will start operation in 2011 in the Europe and Urals zone (Price Zone 1) and Siberia (Price Zone 2), each of which will be subdivided into Free Capacity Transfer Zones, on the basis of interconnection difficulties.
The first auction is scheduled for October 2010 for offers as from January 1, 2011. The auction for offers as from January 1, 2012, 2013, 2014 and 2015 will be held on June 1, 2011. As from 2011, the capacity auctions will be held each year by December 1 for offers for the subsequent four years.
In the auctions, the price will be formed through the matching of supply and demand, with a floor and a price cap that will be introduced in the Free Capacity Transfer Zones where competition between generators is limited.
The FAS (Federal Antimonopoly Service) has not yet established the methodology to be used to determine whether competition is limited: it is most likely that low-competition zones will be those in which a generation company has a market share of more than 20%.
The price cap set for 2011 on the basis of current exchange rate is equal to €2,950/MW/month for Europe and the Urals (Zone 1) and €3,159/MW/month for Siberia. The zones of application and the annual updating method for the price cap have yet to be decided.
As regards new capacity, to be built on the basis of Capacity Contracts (DPM), the new decrees establish that certain investments agreed with the government shall be granted a guaranteed remuneration (capacity payment). In entering into the Capacity Contracts, the OGKs and TGKs make specific commitments to undertake investments in new capacity within specified time limits. The Capacity Contracts for new capacity should be signed by the end of 2010.
In reality, the obligation to invest in new capacity has already been assumed by private investors as part of their acquisition of the OGKs and TGKs from RAO UES: for Enel OGK-5, this capital expenditure will involve two new gas combined-cycle plants at Nevinnomysskaya and Sredneuralskaya, with a capacity of 410 MW each.

Under the Capacity Contracts, the capacity offered by plants has priority access to the capacity market at a price calculated on the basis of the parameters defined in the ministerial decrees issued in April. They guarantee the remuneration of the investments for ten years, as from 2011, with no price cap. The rates are based on standard parameters established on the basis of an analysis of market benchmarks that ensure the partial coverage (71%) of the investment costs, operating expenses, property tax, and 100% of the costs of connection to the electricity and gas networks.
In addition, for plants that enter service before December 31, 2010 (plus a 1-year grace period – for Enel, both plants) ad hoc parameters may be negotiated to cover the actual level of investment.

Electricity rates

With Decree 1045 of December 21, 2009, in force since January 1, 2010, the government granted poor regions having difficulty in collecting receivables (Chechen Republic, Ingushetia, Dagestan, North Ossetia, Kabardino-Balkaria, Karachaevo-Cherkesskaya) subsidies for the payment of electricity, introducing a number of temporary measures for the wholesale market under which electricity and capacity are to be sold at regulated rates.

Ancillary services market

The rules for the ancillary services market were approved with Decree 117 of March 3, 2010. The operator responsible for system security (System Operator of the Unified Energy System of Russia – SO UES) will choose operators to provide ancillary services by the end of 2010. The definition of the method for calculating the remuneration for these services by the Federal Tariff Service (FTS) is pending.

Emissions market

Sberbank, the operator responsible for managing the ERU registries (emission credits from joint implementation – JI projects) and holding the tenders for selecting JI projects on behalf of the government, carried out the first tender for the selection and approval of JI projects up to the amount of 30 million ERUs (1 ERU = 1 metric ton CO_2). Other tenders are expected to be held in 2010.

Slovakia

Must-run plants

With Decision 17/2009, the Ministry for the Economy set the volume of ancillary services that the ENO plant (Nováky) is required to provide in 2010, fixing the prices at the same level set by the regulator URSO for 2010. The primary regulation of 11 MW will be compensated at a rate of €73.02/MWh and the secondary regulation of 31 MW at a rate of €63.06/MWh.

Pursuant to Energy Act no. 656/2004, the Slovakian government issued Decision 47/2010 of January 2010, which extended the domestic coal use obligation until 2020, with the possibility of a further extension until 2035. Each year, the Ministry for the Economy will set requirements for Slovenské elektrárne (SE) to generate and sell electricity produced using domestic coal. Thereafter, URSO will set, again on an annual basis, the prices for electricity generated from domestic resources, as well as ancillary services prices. Therefore, ENO will benefit from guaranteed revenues from the sale of electricity and the provision of ancillary services.

In August 2009, URSO established the amount of the adjustment factor for ENO's remuneration rate (Y=32.6%), leading to a final 2010 system cost rate for ENO of €40.25/MWh. The Y factor is calculated so as to cover fluctuations in the market price of electricity, the cost of coal, remuneration for ancillary services and for the correction of previous periods.

Economic interest law

On July 2, 2008, the Slovakian government published a law to safeguard electricity sales to residential customers and small enterprises. The law provides for a regulated price of energy sold to residential customers and small enterprises (with a ceiling of 6 TWh) starting from 2009 and lasting until the ratio between the average spending on electricity and household income reaches the EU average. Following SE's appeal of the decision to the Lower Court, on March 18, 2010, the Supreme Court affirmed the latter's decision voiding the July 3, 2008 decision by the Ministry for the Economy, which had specified that the government's measure of July 2, 2008 regulating electricity prices only applied to SE.

Emissions trading

In the 1st Half of 2010, SE produced about 1.4 million metric tons of emissions, while the allowances assigned by the allocation plan on a pro rata basis for the same period amounted to about 2.7 million metric tons.

Energy Act no. 656/2004

The amendments approved on April 8, 2010, which entered into force on May 1, 2010, establish that:

> SEPS, the transmission grid operator, shall perform the role of market operator ad interim. In 2013, SEPS will formally act as the Slovakian market operator, controlling 100% of the new electricity exchange;
> the opinion of URSO is required for the construction of new power plants with an installed capacity of more than 1 MW.

URSO Decree no. 2/2008

URSO Decree no. 2/2008 underwent a public consultation and the final version has not been published yet. The section concerning the regulation of the wholesale market (regulated prices for residential users and small and medium-sized enterprises) has been removed from the version currently under discussion.

Government Order 317/2007

The change, approved on April 26, 2010 and effective since June 1, 2010, establishes that the tax on exports shall remain in force even though its value is equal to €0/MWh.

Atomic Act no. 541/2004

The amendment, approved on April 1, 2010 and effective since May 1, 2010, establishes that the fees due from the company-shareholder to the government institution ÚJD SR shall be changed as follows:

> annual fee for operation of a nuclear power plant increased by 10%;
> annual fee for the construction of a nuclear power plant increased by 120%;
> one-off fee of €5,000 for inspection of nuclear equipment.

Romania

Reform of electricity sector

In May 2010, the Antitrust Authority conducted a consultation with market operators on the restructuring of the Romanian electricity sector proposed by the government. The restructuring provides for the creation of two generation companies, into which the existing companies would be folded, thereby concentrating about 92% of generation in the hands of the State.
Enel welcomed the opening of the process to comments from operators and expressed its concerns about a reform that would lead to such a substantial concentration of generation activity and few incentives for potential foreign operators to invest in the sector. Enel also proposed a number of alternative solutions to create greater transparency in the wholesale market, increase liquidity on the trading platforms, generate adequate returns for investors and ensure stability in energy provisioning.

Distribution rates

On March 5, 2010, the Romanian regulator ANRE published a consultation document that amends Order no. 39/2007 on the methodology used to calculate distribution rates. The proposed amendment establishes an annual correction mechanism for distribution rates based on the difference between investments carried out during the year and those planned and remunerated ex ante in rates in the investment plan agreed with the regulator at the start of the regulatory period. The existing rules provided for the adjustment to be made at the end of the regulatory period. The new measure is scheduled to take effect by the end of the summer.

Bulgaria

2008-2012 national allocation plan

In December 2009, the Bulgarian government approved a revised version of the national allocation plan for 2008 through 2012. The plan was sent in early January to the European Commission and approved on April 26, 2010. It is expected that the cumulative emissions produced by Enel Maritza East 3 during the 2008-2012 period will match the allowances allocated for the same time period.
On February 10, 2010, Enel Maritza East 3 signed an agreement with NEK to pass through the cost of purchasing CO_2 allowances in the event such a purchase is needed to comply with the national allocation plan.
In June 2010 the Ministry for the Economy and Water announced that trading on the CO_2 market might be not allowed, owing to a preliminary decision taken by the body responsible for implementing the Kyoto Convention. The final decision was taken on June 28, confirming the non-compliance of Bulgaria and the decision to suspend trading in accordance with the Kyoto mechanisms. In all likelihood, Bulgaria will be readmitted to the trading mechanism as from November 2010.

Greece

Network Code

The Network Code was amended as provided for by the Ministerial Decision of December 30, 2009 as follows:

> it grants priority access to the organized market for major cogeneration plants (dispatching at zero cost for total electricity "co-generated" by the cogeneration plant);
> it gives the Greek regulator Hellenic Transmission System Operator (HTSO) the option of receiving short-term financing to cover the deficit in the fund for financing renewable energy incentive mechanisms;
> for traders that have not purchased physical capacity rights, the Code prohibits bids for the sale or purchase relating to electricity imports and exports (which had been previously permitted);
> it imposes penalties on traders in the event there is a mismatch between the market price and the import and export program submitted to the HTSO.

The Ministry of Energy postponed the date as from which the Network Code will take effect from March 15 to September (although the decision is not yet official).
On April 28, 2010, the regulator, in an effort to respond to accusations that prices on the Pool are not sufficiently transparent, invited all operators to submit proposals (by May 14) for a comprehensive reform of the wholesale market, addressing a number of specific issues:

> offers regarding hydroelectric plants;
> incentives/penalties for the accurate transmission of buy and sell offers;
> a floor for purchase offers.

In the wake of the comments received, on June 12 the regulator published the following proposed amendments:

> mandatory inclusion of the cost of CO_2 in generators' offers on the wholesale market, taking the EU ETS prices as a reference;
> elimination of possibility for generators to offer more than 30% of a plant's available capacity below the marginal cost;

> establishment of a monthly (instead of annual) minimum offer price for large hydroelectric plants;
> establishment of stricter rules and penalties for generators who do not comply with the generation programs of the day-ahead market and the instructions of the dispatching market.

Renewable Energy

Italy

National action plan

As regards implementation of Directive 2009/28/EC on the promotion of the use of energy from renewable sources, on June 11, 2010 the Ministry for Economic Development distributed the draft national renewable energy action plan for consultation, setting June 30, 2010 as the deadline for comments. The plan divides the national development target between the electricity, heating and transport sectors. Specifically, for the electricity sector the plan sets a target for renewables' contribution to gross final electricity consumption of about 29%. Enel submitted its comments, underscoring problematic issues and proposing a number of measures to stabilize and optimize the regulatory framework.

2009 Community Act

Law 96 of June 4, 2010, containing measures for the performance of obligations arising in respect of Italy's membership in the European Communities (the 2009 Community Act) was published in the *Gazzetta Ufficiale* no. 146 of June 25, 2010 and will take effect on July 10.
The enabling measures for the implementation of the renewable resources directive include the simplification of authorization procedures for the construction and operation of plants powered by renewable energy resources, with all plants with a capacity of no more than 1 MW required only to submit a "work start declaration". Essentially, the measure makes it possible to use the work start declaration throughout Italy. Other measures include:
> the joint promotion of energy efficiency and the use of renewable resources;
> the integration of renewable resources in electricity transport and distribution networks, including support for smart grids;
> the reorganization of the incentives system, with the harmonization and reordering of the provisions of the Development Act and the 2008 Finance Act.
The related implementing decrees are scheduled to issued on December 5, 2010.

Energy account and guidelines

On July 8, 2010 the Unified Conference approved the guidelines for authorizing the construction and operation of generation plants powered by renewable resources (see Article 12 of Legislative Decree 387 of December 29, 2003).
In addition, on the same date the decree of the Ministry for Economic Development ("new energy account") was also approved. The decree establishes the criteria for incentives for electricity generation using photovoltaic systems and the development of innovative technologies for photovoltaic conversion.
The new energy account will apply to photovoltaic plants that enter service after December 31, 2010. It sets a national cumulative target for capacity to be installed by 2020 of 8 GW, establishing a ceiling on capacity eligible for incentives

of 3 GW for photovoltaic plants, 300 MW for innovative integrated plants and 200 MW for concentration plants.

Dispatching conditions

With Resolution ARG/elt no. 5/10, the Authority for Electricity and Gas set the conditions for dispatching electricity generated from non-schedulable renewable resources. Specifically, the resolution:

> establishes the procedures for providing remuneration in the event of lack of production by wind plants halted due to dispatching orders placed by Terna in order to ensure system security;
> defines network services (including remote interruption, remote metering and remote signaling) to which wind power plants are subject;
> provides incentive mechanisms for scheduling and forecasting plants powered by non-schedulable renewable resources.

Europe

Implementation of Directive no. 2009/28/EC

Directive no. 2009/28/EC requires each Member State to adopt a national renewable energy action plan by June 30, 2010. The plan must contain the country's national targets in terms of the percentage of energy consumed in the transport, electricity and heating sectors accounted for by renewable resources until 2020. The plan must specify forecast energy consumption for the 2010-2020 period and the measures necessary to achieve the targets set out in the Directive.
Spain and Bulgaria are among the Member States that have already submitted their plans to the European Commission.
Slovakia, Romania and Italy, among other countries, are finalizing the plan consultation process with industry operators.

Bulgaria

National renewable energy action plan (Directive no. 2009/28/EC)

Moreover, the Ministry for Energy and Tourism is preparing amendments to the Bulgarian RES and Alternative Energy Act, which should be ready by the end of 2010, once the principles for implementing Directive no. 2009/28/EC and the broader rules for encouraging investment in renewable energy are determined.
The renewable energy action plan, submitted to the European Commission on June 30, 2010, sets a target of about 16% for the contribution of renewable resources to final gross electricity consumption.

Greece

Renewable energy support law

The ministerial decision of December 28, 2009 approved the proposal made by the regulator, RAE, in August 2009 to raise the feed-in rate by €7.71/MWh (about 9% over 2008) for wind and hydroelectric plants, retroactive to January 1, 2009.

Renewable resources law

On May 26, the Greek Parliament approved the expected amendment to the renewable resources law. It provides for:

> higher size limits for the purposes of license exemptions;
> an increase of 20% in the subsidized rate for renewables plants (excluding

photovoltaic systems) that do not benefit from any financial support;
> higher subsidized rates (to be specified in a subsequent decree) for new wind projects in zones with the lowest number of hours of use;
> offshore wind projects to be developed solely by the State using Build-Operate-Own concessions;
> an increase of 10-25% in subsidized rates (depending on distance and capacity) for renewable energy plants on non-interconnected islands with self-financed submarine connections;
> greater differentiation of subsidized rates on the basis of the size of the plant and the technology used.

France

New remuneration rules for photovoltaic systems

On January 14, 2010, the new decree on feed-in rates for photovoltaic power systems was approved. The following rates will apply to systems coming into operation in 2010:
> €580/MWh for systems integrated into residential buildings;
> €500/MWh for systems integrated into other types of buildings;
> 420 MWh for simplified-integration systems;
> for systems installed on the ground, the remuneration depends on the location of the systems, since is it based on the product of €314/MWh and an "R" location coefficient.

These rates will remain in force until 2011, when they will be cut by 10% per year starting from 2012. The regulation of the sale of electricity generated by photovoltaic systems was further clarified by two decrees published on March 23, 2010. The first decree requires that the system be less than 250 kW for it to be considered integrated into the building. The second decree sets out in detail the conditions photovoltaic systems must meet to qualify for the rates (more favorable on average) found in the July 10, 2006 decree. This clarification was required due to the large number of applications for "*contrat d'achat*" submitted between November 2009 and January 2010.

Renewal of hydroelectric concessions

On April 22, 2010 the Ministry of Energy issued a notice concerning the renewal of hydroelectric concessions expiring in the coming years. The notice sets out the procedure and the schedule for renewals, as well as the scope of the concessions. The term of the new concessions and the ceiling on royalties have yet to be determined.
The first round of concession renewals will begin at the end of 2010 and last until mid-2012. The concessions involved in this first stage are located in the Alps, the Massif Central and the Pyrenees, with a total capacity of about 5,300 MW. Article 35 of the "GrEnelle 2" Act (now before Parliament for approval) will set out the framework for royalties for the renewal of the hydroelectric concessions.

GrEnelle de l'Environnement

On May 11, 2010 the National Assembly approved the "GrEnelle 2" Act, which will implement the provisions of the *GrEnelle de l'Environnement* Act. The law had been approved by the Senate on October 8, 2009. As the measure had been declared urgent, the text did not go through a second reading in the two houses. Instead, it was submitted to the *Commission Mixte Paritaire* (CMP, composed of 7 deputies and 7 senators) established on June 17, 2010 to draft a definitive compromise text for final approval by Parliament. The CMP held its final vote on "GrEnelle 2" on June 28, 2010 and the text was officially published on July 13, 2010. Some of the changes introduced with "GrEnelle 2" have a direct impact on the energy sector. In addition to extending the benefits of the *obligation d'achat* to local authorities, "GrEnelle 2" also introduces a regional planning system for the climate and energy that also provides for the preparation of regional plans for the connection of renewable resources to the network (with priority for a period of ten years for the renewables capacity set out in the regional plan). The law also governs the payments to be made at the time hydroelectric concessions are renewed: royalties will be specific to each concession and will depend on the value of plant output (with a specific ceiling for each plant); the revenues from royalties will be divided among the State, the provinces and the municipalities in the proportion of 1/2, 1/3 and 1/6, respectively. Finally, the rules for authorization of wind projects were tightened: a regional plan for wind development will redefine the ZDEs (*Zone Developpement Eolien*) for each territory; plants must have a minimum of 5 turbines (with the exception of plants less than 30 meters tall and a capacity of less than 250 kW) and be located at least 500 meters from inhabited areas. In addition, wind plants with structures more than 50 meters tall are required to comply with the ICPE, a more complex procedure for plants with a larger potential environmental impact.

Mexico

Regulatory measures in support of renewable energy

In March 2010, the regulator CRE approved the *"Contrato de Interconexión para Centrales de generación de energía eléctrica con energías renovables o con generación eficiente y sus anexos"*, setting out the legal and financial conditions for the contract between the electricity company CFE (*Comisión Federal de Electricidad*) and the alternative generators, for the transmission of electricity produced by the alternative generators.

Although approval has been received from COFEMER (*Comisión Federal de Mejora Regulatoria*), the official standard contract has yet to be published.

The three types of services that CFE will provide to generators are ancillary services (including frequency and voltage monitoring), transmission services and the purchase of electricity in emergency situations (beyond that stipulated in the contract).

The *"Metodología para la determinación de los cargos correspondientes a los servicios de transmisión que preste la CFE a los generadores renovables"* was also approved. This document sets the transmission services rates for 2010, to be revised annually. The high- and medium-voltage rate was set at $2.20/MWh and the low-voltage rate at $4.30/MWh. These rates cover use of the infrastructure, losses, services connected with transmission and a fixed component for contract administration. The new methodology provides an incentive for eligible renewable projects in an amount that varies based on the voltage level.

Peru

Renewable energy support law

On February 12, 2010, the first auction for the sale of energy from renewable resources was held under the law to promote renewable energy resources (Legislative Decree 1002 of May 2008).

The tender, which is run by the regulator OSINERGMIN (*Organismo Supervisor de* *la Inversión en Energía y Minería*), ended with the selection of a total capacity of around 410 MW, for which it awarded 20-year contracts to supply electricity to the SEIN (*Sistema Eléctrico Interconectado Nacional*) at a rate equal to the price resulting from the auction for each project (denominated in US dollars/MWh). The capacity was assigned as follows:

> 161 MW to 17 hydroelectric projects, with bids of between $50 and $70/MWh;
> 142 MW to three wind projects, with bids of between $65 and $87/MWh;
> 80 MW to four photovoltaic projects, with remuneration of between $215 and $225/MWh;
> 27 MW to two biomass projects, with bids of between $52 and $110/MWh.

Since the capacity to be allocated in 2010 was set at 500 MW, the difference between that capacity and the amount awarded on February 12 will be allocated in a new auction scheduled for July 23, 2010. That auction will be dedicated to generation from biomass (419 GWh), photovoltaic (8 GWh) and hydroelectric (no more than 338 MW).

Romania

Renewable energy support law

In December 2009, with Measure 1479/2009, the government issued rules for implementing Law 220/2008 for supporting power generation from renewable energy resources. The government decisions establish that the introduction of the incentive mechanisms (quantitative requirement for electricity suppliers and a system of transferable certificates, which can be traded bilaterally or on a dedicated market) shall be subject to the approval of the European Commission. On July 9, 2010 an amended version of Law 220/2008 was published in the official journal (Law 139/2010): the incentive mechanism for green certificates, which is retained in the new law, does not require approval by the European Commission to be implemented. The main changes with respect to the previous legislation include:

> the mandatory percentage of annual electricity output that must be generated from renewables will rise gradually from 8.3% in 2010 to 20% in 2020;
> the penalty for suppliers who do not have the required amount of green certificates has been increased from €70 to €110 per certificate not held;
> the penalty and the minimum and maximum prices of certificates will be indexed to the EU-27 inflation rate;
> two green certificates per MWh of wind output until 2017 (one certificate thereafter);
> six green certificates per MWh of photovoltaic output.

A government decision will establish the rules governing the trading of excess green certificates. Following the pre-notification of the European Commission of Law 220/2008, the DG Competition recommended proceeding with a formal notification. The initiation of the formal notification process will be handled by Romania's Ministry of the Economy and will include the amendments presented in the new law (139/2010).

National renewable energy action plan (Directive 2009/28/EC)

The plan sets a target of about 38% for the contribution of renewable resources to gross final electricity consumption. The plan was distributed for consultation with operators and will be submitted to the European Commission shortly.

Spain

Remuneration for photovoltaic plants

In application of Royal Decree 1578/08, on February 16, 2010 the Ministry published the results for the first *convocatoria* of 2010. Based on the capacity recorded, the rates that will apply starting from the 2nd Quarter of 2010 were recalculated and set as follows: for integrated installations, €334.65/MWh for plants of less than or equal to 20 kW and €303.10/MWh for those of more than 20 kW; for ground installations, €273.18/MWh.
On April 20, 2010 the Ministry published the results of the second *convocatoria* for 2010. Based on the capacity recorded, the rates that will apply starting from the 3rd Quarter of 2010 were recalculated and set as follows: for integrated installations, €330.60/MWh for plants of less than or equal to 20 kW and €295.20/MWh for those of more than 20 kW; for ground installations, €265,51/MWh.

Rate updates

With Ministerial Order 3519/09 of December 31, 2009, the government updated the rates, bonuses, ceilings and floors for renewable energy plants that fall within the remuneration system set out by Royal Decree 661/2007 (integrated feed-in rate or bonus). The amounts were revised downwards due to the decline in the consumer price index.

National renewable energy action plan (Directive 2009/28/EC)

The plan sets a target of about 38% for the contribution of renewable resources to gross final electricity consumption. The plan was submitted to the European Commission on June 30, 2010.

United States

Carbon Regulation

Following the approval of the American Clean Energy and Security Act (also known as the Waxman-Marley Act, calling for the creation of a federal system for trading CO_2 allowances starting from 2012) by the House of Representatives in June 2009, the Senate began its examination of the proposal for an emissions trading system in the fall, albeit with several changes with respect to the version approved by the House (Clean Energy Jobs and American Power Act, the so-called Kerry-Boxer bill). An analogous bill (but with greater restrictions on the market for emission allowances) was introduced in December (the CLEAR Act). However, the debate in the Senate stalled and currently negotiations are under way to craft a compromise bill that would enjoy the support of the majority of the senators.
Meanwhile on December 7, 2009, the Environmental Protection Agency (EPA), in application of the Supreme Court decision of April 2, 2007, approved the "Endangerment Finding", confirming that greenhouse gases pose a threat to human health. This allows the agency to regulate greenhouse gas emissions under the Clean Air Act. Therefore, the EPA is working on a permit scheme to allow industrial sites meeting certain emission performance standards to release greenhouse gases, in effect starting from 2011.

Law in support of renewable energy

The Recovery Plan, i.e. the stimulus plan approved by the US Congress on February 12, 2009, among other measures targeted at the energy sector, establishes specific incentive mechanisms for renewables including the Investment Tax Credit (ITC) and confirmation of the extension of the Production Tax Credit (PTC) to 2012 for wind power and 2013 for geothermal, incremental hydroelectric and biomass power.

American Power Act

On May 12, 2010 Senators John Kerry and Joe Lieberman announced the details of the "American Power Act", which establishes the financial incentives for the construction of nuclear power plants, a cap-and-trade mechanism with floor ($12) and ceiling ($25) prices that will rise respectively by 3% and 5% over inflation annually and a federal Renewable Portfolio Standard system that establishes mandatory percentages of generation from renewables. The Senate is scheduled to examine the bill in July.

Overview of the Group’s performance and financial position

Definition of performance indicators

In order to present the results of the Group and analyze its financial structure, Enel has prepared separate reclassified schedules that differ from those envisaged under the IFRS-EU adopted by the Group and presented in the condensed interim consolidated financial statements. These reclassified schedules contain different performance indicators from those obtained directly from the condensed interim consolidated financial statements, which management feels are useful in monitoring Group performance and representative of the financial performance of the Group’s business.
In accordance with recommendation no. CESR/05-178b published on November 3, 2005, the criteria used to calculate these indicators are described below:

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

Net non-current assets: calculated as the difference between “Non-current assets” and “Non-current liabilities” with the exception of:
> “Deferred tax assets”;
> “Financial receivables in respect of the Spanish electrical system deficit”, “Other securities designated as at fair value through profit or loss” and other items reported under “Other financial receivables”;
> “Long-term loans”;
> “Post-employment and other employee benefits”;
> “Provisions for risks and charges”;
> “Deferred tax liabilities”.

Net current assets: calculated as the difference between “Current assets” and “Current liabilities” with the exception of:
> “Receivables for factoring advances”, “Long-term financial receivables (short-term portion)”, “Other securities” and other items, reported under “Current financial assets”;
> “Cash and cash equivalents”;
> “Short-term loans” and the “Current portion of long-term loans”.

Net assets held for sale: calculated 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 and "Short-term loans" less "Cash and cash equivalents", "Current financial assets" and "Non-current financial assets" not previously considered in other balance sheet indicators. More generally, the net financial debt of the Enel Group is calculated in conformity with paragraph 127 of Recommendation CESR/05-054b implementing Regulation (EC) no. 809/2004 and in line with the CONSOB instructions of July 26, 2007, net of financial receivables and long-term securities.

Main changes in the scope of consolidation

In the two periods examined here, the scope of consolidation changed as a result of the following main transactions:

> disposal, on April 1, 2009, of the entire share capital of Enel Linee Alta Tensione (ELAT), the company to which Enel Distribuzione transferred, with effect from January 1, 2009, a business unit consisting of high-voltage power lines and the related legal relationships;

> acquisition, between April 22 and June 23, 2009, of 100% of International Wind Parks of Rhodes, Glafkos Hydroelectric Station and International Wind Parks of Achaia, which operate in Greece in the generation of electricity from renewables;

> acquisition, on June 25, 2009, by Enel, acting through its subsidiary Enel Energy Europe, of the 25.01% of Endesa held, directly and indirectly, by Acciona. Following the acquisition, Enel holds 92.06% of Endesa and exercises full control over the company. As a result, as from that date, Endesa is consolidated in the Enel Group on a full, line-by-line basis rather than proportionately, with separate reporting of the minority interest of 7.94%;

> disposal, on September 23, 2009, of 51% of SeverEnergia, a Russian company 100% owned until that date by Artic Russia, in which Enel and Eni had stakes of 40% and 60%, respectively. Taking account of the existing governance mechanisms, which enable Enel to exercise a significant influence over the company through Artic Russia, as from that date SeverEnergia has been accounted for using the equity method rather than being consolidated on a proportionate basis;

> disposal, on September 30, 2009, by Enel Distribuzione of 80% of Enel Rete Gas. Following the transaction, Enel's stake in Enel Rete Gas fell from 99.88% to 19.8%, with the consequent loss of control. Taking account of the existing governance mechanisms, which enable Enel to exercise a significant influence over the company, as from that date Enel Rete Gas has been accounted for using the equity method rather than being consolidated on a line-by-line basis;

> disposal, on December 10, 2009, of the 100% of Avisio Energia held by Hydro Dolomiti Enel; following the disposal, the company, which operates in the gas sale and transport sector in Italy, was deconsolidated;

> acquisition, on December 30, 2009, of 100% of Aioliko Voskero, a company operating in Greece in the renewables generation sector;

> acquisition, in the 1st Quarter of 2010, of a number of companies operating

in the renewables generation sector in Italy (Enel Green Power Calabria, Maicor Wind, Enel Green Power Puglia (formerly Italgest Wind), Enel Green Power Strambino Solar, Altomonte FV (formerly Resit Altomonte), Enerlive and Enel Green Power TSS (formerly Anemos 1);
> acquisition, on April 20, 2010, of Enel Longanesi Development, which operates in Italy in the natural gas extraction field.

In the performance figures for the 1st Half of 2009, reported here for comparative purposes, the income or loss (net of the related tax effect) attributable to Enel Rete Gas is reported under "discontinued operations". These results include €136 million in respect of the adjustment of the value of those assets carried out in the 1st Quarter of 2009 when the parties reached agreement on a consensus valuation of the assets and liabilities involved in the sale.

The changes in the policies used to account for certain assets in respect of services carried out on a concession basis (IFRIC 12) and the transfer of assets from customers (IFRIC 18) gave rise to adjustments of the balances for a number of balance-sheet accounts with respect to those reported in the consolidated financial statements at December 31, 2009. More specifically, the retrospective application as from January 1, 2010, of the interpretations set out in IFRIC 12 involved appropriate reclassifications among balance-sheet accounts at December 31, 2009 and at January 1, 2009, while the prospective application as from July 1, 2009, of the provisions of IFRIC 18 led to the restatement of a number of balance-sheet accounts at December 31, 2009. Neither of these changes had an impact on the profit and loss figures for the 1st Half of 2009 presented in this interim report on operations for comparative purposes.

In addition, the balance-sheet figures reported in the 2009 consolidated financial statements have been restated to take account of the effects of the definitive determination in the 1st Half of 2010 (within the time limit envisaged under IFRS 3) of the fair value of the assets acquired and the liabilities and contingent liabilities assumed with the acquisition of the 25.01% of Endesa on June 25, 2009. The main adjustments of the provisional figures reported at December 31, 2009 of the fair value of the assets acquired and the liabilities and contingent liabilities assumed are attributable to the following factors:
> the adjustment of the value of certain items of property, plant and equipment and intangible assets as a result of the completion of the measurement of their fair value;
> the determination, where applicable, of the tax effects on the above adjustments;
> the allocation, where applicable, of the above adjustments to minority interests.

The performance and balance-sheet figures reported and discussed in this interim report on operations reflect the effects of the changes in accounting policies and the completion of the purchase price allocation process described above.

Group performance

2nd Quarter				Millions of euro	1st Half			
2010	2009	Change			**2010**	2009	Change	
16,685	13,341	3,344	25.1%	Total revenues	34,802	28,457	6,345	22.3%
12,299	9,097	3,202	35.2%	Total costs	26,016	20,105	5,911	29.4%
14	(155)	169	-	Net income/(charges) from commodity risk management	92	(413)	505	-
4,400	4,089	311	7.6%	GROSS OPERATING MARGIN	8,878	7,939	939	11.8%
1,447	1,250	197	15.8%	Depreciation, amortization and impairment losses	2,795	2,360	435	18.4%
2,953	2,839	114	4.0%	OPERATING INCOME	6,083	5,579	504	9.0%
1,637	547	1,090	-	Financial income	2,441	2,141	300	14.0%
2,466	1,072	1,394	-	Financial expense	4,207	2,350	1,857	79.0%
(829)	(525)	(304)	57.9%	TOTAL FINANCIAL INCOME/(EXPENSE)	(1,766)	(209)	(1,557)	-
(3)	12	(15)	-	Share of gains/(losses) on investments accounted for using the equity method	(1)	21	(22)	-
2,121	2,326	(205)	-8.8%	INCOME BEFORE TAXES	4,316	5,391	(1,075)	-19.9%
394	526	(132)	-25.1%	Income taxes	1,263	1,333	(70)	-5.3%
1,727	1,800	(73)	-4.1%	Net income from continuing operations	3,053	4,058	(1,005)	-24.8%
-	50	(50)	-	Net income from discontinued operations	-	(84)	84	-
1,727	**1,850**	**(123)**	**-6.6%**	**NET INCOME (Group and minority interests)**	**3,053**	**3,974**	**(921)**	**-23.2%**
(352)	(234)	(118)	50.4%	Minority interests	(628)	(450)	(178)	39.6%
1,375	**1,616**	**(241)**	**-14.9%**	**GROUP NET INCOME**	**2,425**	**3,524**	**(1,099)**	**-31.2%**

Revenues

2nd Quarter			Millions of euro	1st Half		
2010	2009	Change		**2010**	2009	Change
14,835	11,693	3,142	Revenues from electricity sales and transport and contributions from the Electricity Equalization Fund and similar bodies	30,572	24,518	6,054
654	429	225	Gas sold and transported to end users	1,919	1,673	246
-	308	(308)	Gains on the disposal of assets	7	308	(301)
1,196	911	285	Other services, sales and revenues	2,304	1,958	346
16,685	**13,341**	**3,344**	**Total**	**34,802**	**28,457**	**6,345**

Revenues from electricity sales and transport and contributions from the Electricity Equalization Fund and similar bodies in the 2nd Quarter of 2010 amounted to €14,835 million, up €3,142 million or 26.9% from the same period of the previous year. This increase is connected primarily with the following factors:

> a €3,535 million increase in revenues from the sale and transport of electricity and comparable contributions abroad, mainly associated with increased revenues at Endesa (€3,391 million), essentially due to the change in the method used to consolidate the Spanish company (€1,516 million), the positive effects (€940 million) of regulatory changes following the application in Spain from July 1, 2009 onwards of the *Tarifa de Ultimo Recurso* (TUR), and an increase in grants received for extra-peninsular generation (€569 million). In addition to the increase pertaining to Endesa, the rise in revenues from the sale of

electricity abroad included a €139 million increase from operations in Russia by Enel OGK-5 and RusEnergoSbyt and in France as a result of greater volumes generated and sold;

> a €339 million reduction in revenues generated by electricity sales and transport on the residential end-user markets in Italy as a result of an overall decrease in amounts sold and average sales prices;
> an overall €238 million decrease in revenues from the sale of electricity on the Power Exchange and the Ancillary Services Market owing to a decline in quantities sold and lower average unit prices. These developments were only partially offset by greater sales to the Single Buyer (€157 million), essentially under bilateral contracts entered into by the generating companies in Italy.

Revenues from electricity sales and transport and contributions from the Electricity Equalization Fund and similar bodies in the 1st Half of 2010 amounted to €30,572 million, up €6,054 million or 24.7% from the same period of the previous year. The growth can essentially be ascribed to the following factors:

> a €7,236 million increase in revenues from the sale and transport of electricity and comparable contributions abroad, mainly associated with increased revenues at Endesa (€6,793 million). The rise is essentially attributable to the change in the method used to consolidate Endesa (€3,118 million), the positive effects (€2,180 million) of regulatory changes following the application of the TUR mentioned above and an increase in grants received for extra-peninsular generation (€765 million). In addition to the increase in revenues from Endesa, the growth in revenues from electricity sales abroad also reflects (in the amount of €371 million) higher revenues from the operations in Russia of Enel OGK-5 and RusEnergoSbyt and (in the amount of €60 million) higher revenues in France as a result of greater quantities sold;
> a €991 million reduction in revenues from the sale and transport of electricity on the enhanced protection market as a result of the overall decline in quantities sold and average sales prices, partially offset by an increase in revenues from the sale and transport of electricity on the free market (€104 million);
> an overall €658 million decrease in revenues from the sale of electricity on the Power Exchange and the Ancillary Services Market owing to a decline in quantities sold and lower average unit prices. These developments were only partially offset by greater sales to the Single Buyer (€289 million), essentially under bilateral contracts entered into by the generating companies in Italy.

Revenues from **gas sold and transported to end users** in the 2nd Quarter of 2010 rose by €225 million or 52.4%, essentially due to higher revenues as a result of greater residential and commercial consumption. In the 1st Half of 2010 revenues from gas sold and transported amounted to €1,919 million, up €246 million or 14.7% on the year-earlier period, essentially due to the change in the method used to consolidate Endesa, which more than offset the decline in revenues for the period on the domestic market owing to the decrease in average sales prices.

Gains on the disposal of assets in the 1st Half of 2010 were accounted for by the sale of "mini-hydro" operations by Hydro Dolomiti Enel, while in the 1st Half (and 2nd Quarter) of 2009 they included the gain (adjusted in the 2nd Half of 2009 following adjustment of the contractual price) on the sale to Terna of the 100% stake in Enel Linee Alta Tensione.

Revenues from **other services, sales and revenues** came to €1,196 million in the 2nd Quarter of 2010 (€911 million in the year-earlier period), an increase of €285 million or 31.3% on the 2nd Quarter of 2009, mainly attributable to the increase in connection fees and electricity activation fees as a result of the application of IFRIC 18, as well as increased sales of green certificates.
In the 1st Half of 2010 revenues from other services, sales and revenues totaled €2,304 million, up €346 million on the year-earlier period (an increase of 17.7%), essentially due to the increase in connection fees (€292 million) as a result of the application of IFRIC 18, the rise in revenues from the sale of fuels for trading (€32 million) and the increase in other revenues as a result of the change in the method used to consolidate Endesa (€150 million). These factors were partially offset by lower revenues from the sale of green certificates in Italy (€172 million).

Costs

2nd Quarter			Millions of euro	1st Half		
2010	2009	Change		**2010**	2009	Change
5,474	4,780	694	Electricity purchases	11,685	10,359	1,326
1,375	1,195	180	Consumption of fuel for electricity generation	3,100	2,640	460
756	305	451	Fuel for trading and natural gas for sale to end users	1,500	1,076	424
386	310	76	Materials	736	544	192
1,142	1,053	89	Personnel costs	2,254	2,026	228
3,127	1,572	1,555	Services, leases and rentals	6,532	3,187	3,345
468	258	210	Other operating expenses	1,001	904	97
(429)	(376)	(53)	Capitalized costs	(792)	(631)	(161)
12,299	**9,097**	**3,202**	**Total**	**26,016**	**20,105**	**5,911**

Costs for **electricity purchases** rose by €694 million in the 2nd Quarter of 2010 compared with the same period of 2009 (€1,326 million in the 1st Half of 2010), an increase of 14.5% (12.8% for the 1st Half). These developments mainly reflect the increased costs of Endesa (€1,036 million in the 2nd Quarter of 2010 and €2,165 million in the 1st Half of 2010), essentially connected with greater electricity purchases in response to stronger demand, the effects (€353 million in the 2nd Quarter of 2010 and €743 million in the 1st Half of 2010) of the application as from July 1, 2009 of the *Tarifa de Ultimo Recurso* (TUR), discussed in the comments on revenues, and the change in the method used to consolidate Endesa as from the end of June 2009 (€259 million in the 2nd Quarter of 2010 and €523 million in the 1st Half of 2010). The increase was partially offset by the contraction in electricity purchases for sales on Italian markets.

Costs for the **consumption of fuel for electricity generation** in the 2nd Quarter of 2010 amounted to €1,375 million, up €180 million or 15.1% on the year-earlier period, while they totaled €3,100 million in the 1st Half of 2010, an increase of €460 million or 17.4%. These increases reflect the rise in quantities consumed by the foreign generation companies (especially Enel OGK-5) and the change in the method used to consolidate Endesa. These effects were partially offset by the contraction in quantities consumed on the domestic market.

Costs for the purchase of **fuel for trading and natural gas for sale to end users** came to €756 million for the 2nd Quarter (€1,500 million for the 1st Half), up

€451 million (€424 million for the 1st Half) compared with the same period of the previous year. The change essentially reflects the effects of the change in the method used to consolidate Endesa as well as increased purchases of natural gas on the domestic market for sale to final customers as a result of the pick-up in demand.

Costs for **materials** amounted to €386 million in the 2nd Quarter of 2010 (€736 million in the 1st Half), up €76 million or 24.5% compared with the corresponding period of the previous year (up €192 million or 35.3% for the 1st Half), mainly due to the additional contribution of Endesa following the change in consolidation method.

Personnel costs for the 2nd Quarter of 2010 totaled €1,142 million, an increase of €89 million or 8.5%. For the 1st Half of 2010, these costs totaled €2,254 million, up €228 million or 11.3% over the same period in the previous year. Excluding the effects of the change in the consolidation method used with Endesa and the increase in costs for the contract renewal, personnel costs for the 1st Half of 2010 decreased by €56 million (down 2.5%), whereas the average workforce shrank by 3.0%.

Costs for **services**, **leases and rentals** amounted to €3,127 million in the 2nd Quarter of 2010, up €1,555 million compared with the 2nd Quarter of 2009. In the 1st Half of the year, these costs amounted to €6,532 million, up €3,345 million compared with the corresponding period in 2009. This development essentially reflects increased electricity transport costs for the companies belonging to the Sales Division and the Infrastructure and Networks Division (a total of €53 million in the 2nd Quarter of 2010 and €245 million in the 1st Half of 2010) and for Endesa (€1,222 million in the 2nd Quarter of 2010 and €2,686 million in the 1st Half of 2010). The latter increases were associated with the effects of the regulatory changes connected with the application of the TUR (€587 million in the 2nd Quarter of 2010 and €1,437 million in the 1st Half), and the different method used to consolidate the company.

Other operating expenses in the 2nd Quarter of 2010 amounted to €468 million, up €210 million on the year-earlier period, while in the 1st Half of 2010 they amounted to €1,001 million, an increase of €97 million compared with the same period of 2009. The increase reflects the rise in local taxes and other operating expenses, mainly attributable to the full consolidation of Endesa, which was only partially offset by lower costs for green certificates.

Capitalized costs increased by €53 million or 14.1% in the 2nd Quarter of 2010 and by €161 million or 25.5% in the 1st Half of 2010, attributable mainly to the foreign companies.

Net income/(charges) from commodity risk management showed net income of €14 million for the 2nd Quarter of 2010 (compared with net charges of €155 million for the same period of 2009) and net income of €92 million the first six months of 2010 (compared with net charges of €413 million for the 1st Half of 2009). The performance in the 2nd Quarter of 2010 is essentially attributable to net income realized in the period in the amount of €47 million, offset by €33 million in net unrealized charges from the fair value measurement of derivatives positions open at the end of the period. For the 1st Half of 2010, the net income from commodity risk management in the amount of €92 million was related to net unrealized charges in respect of changes in fair value in the amount of €121 million and net realized income during the period in the amount of €213 million.

Depreciation, amortization and impairment losses increased by €197 million or 15.8% year-on-year in the 2nd Quarter of 2010 and by €435 million or 18.4% in the 1st Half of the year. The change essentially reflects increased depreciation and amortization (a rise of €229 million on the corresponding quarter and one of €471 million on the corresponding half-year) due to the change in the method used to consolidate Endesa, as well as the effects of the final allocation of the purchase price for 25.01% of that company to the value of property, plant and equipment and intangible assets.

Operating income for the 2nd Quarter of 2010 amounted to €2,953 million, up €114 million compared with the corresponding period of the previous year (up 4.0%). For the 1st Half of 2010, operating income amounted to €6,083 million, a rise of €504 million or 9.0%.

Net financial expense increased by a total of €304 million in the 2nd Quarter of 2010 and by €1,557 million in the 1st Half of the year. More specifically, financial income rose by €1,090 million in the 2nd Quarter of 2010 and by €300 million in the 1st Half of 2010 compared with the same periods of 2009. This change was essentially attributable to the recognition in the 1st Quarter of 2009 of €970 million in income in respect of the rise in the fair value of the put option granted to Acciona on its holding of 25.01% of Endesa, as well as the positive impact of cash flow hedges. Financial expense rose by €1,394 million in the 2nd Quarter of 2010 and by €1,857 million in the 1st Half of 2010. The increase essentially reflects higher financial expense on derivatives, the effect of realized and unrealized exchange rate differences and increased interest expense as a result of the full consolidation of Endesa's debt and the debt refinancing strategy undertaken in the last quarter of 2009 and continued in the early months of 2010 with a view to lengthening the average life of the debt and replace the Credit Agreement.

In the 2nd Quarter of 2010, the **share of gains/(losses) on investments accounted for using the equity method** showed a net loss of €3 million, a deterioration of €15 million from the year-earlier period, while in the 1st Half of 2010 the net loss was €1 million, down €22 million from the net gain recognized in the first six months of 2009.

Income taxes for the 2nd Quarter of 2010 amounted to €394 million, while the tax liability for the first six months of 2010 was an estimated €1,263 million, equal to 29.3% of taxable income, compared with 24.7% in the 1st Half of 2009, when greater partially or fully tax-exempt revenues were recognized.

Analysis of the Group's financial position

Millions of euro

	at June 30, 2010	at Dec. 31, 2009 restated	Change
Net non-current assets:			
- property, plant and equipment and intangible assets	98,221	96,557	1,664
- goodwill	19,395	19,045	350
- equity investments accounted for using the equity method	991	1,029	(38)
- other net non-current assets/(liabilities)	(721)	(2,267)	1,546
Total	**117,886**	**114,364**	**3,522**
Net current assets:			
- trade receivables	12,457	13,010	(553)
- inventories	2,703	2,500	203
- net receivables due from the Electricity Equalization Fund and similar bodies	(1,638)	(1,011)	(627)
- other net current assets/(liabilities)	(3,755)	(4,409)	654
- trade payables	(9,041)	(11,174)	2,133
Total	**726**	**(1,084)**	**1,810**
Gross capital employed	**118,612**	**113,280**	**5,332**
Sundry provisions:			
- post-employment and other employee benefits	(3,148)	(3,110)	(38)
- provisions for risks and charges and net deferred taxes	(13,842)	(13,715)	(127)
Total	**(16,990)**	**(16,825)**	**(165)**
Net assets held for sale	**2,201**	**348**	**1,853**
Net capital employed	**103,823**	**96,803**	**7,020**
Total shareholders' equity	**49,929**	**45,933**	**3,996**
Net financial debt	**53,894**	**50,870**	**3,024**

Property, plant and equipment and intangible assets totaled €98,221 million at June 30, 2010 (including investment property), an increase of €1,664 million. The rise is primarily attributable to investments in the period in the amount of €2,629 million and to exchange rate differences totaling a positive €3,906 million. These effects were partially offset by the depreciation, amortization and impairment losses on those assets in the amount of €2,612 million and the reclassification to "Assets held for sale" of the assets in respect of the power transmission grid in Spain, Endesa Gas and the Bulgarian companies, for a total of €2,244 million.

Goodwill amounted to €19,395 million, an increase of €350 million. The change mainly reflects the net effects of the adjustment of goodwill denominated in foreign currency at the current exchange rate (€214 million) and the goodwill recognized on a provisional basis on new acquisitions completed during the first six months of 2010 in respect of companies involved in generation from renewable resources in Italy in the amount of €22 million (Enel Green Power Calabria, Maicor Wind, Enel Green Power Puglia, Enel Green Power Strambino Solar, Altomonte FV, EnerLive and Enel Green Power TSS) and Enel Longanesi Development, which operates in the natural gas extraction sector in Italy, in the

amount of €35 million. The amounts recognized in respect of these acquisitions are to be considered provisional pending conclusion of the analysis required for more accurate allocation to the assets acquired and/or liabilities assumed.
Equity investments accounted for using the equity method amounted to €991 million, broadly unchanged compared with the previous year.
The balance of *other net non-current assets/(liabilities)* at June 30, 2010 showed a net liability of €721 million, decreasing by €1,546 million from December 31, 2009. The change can be attributed to the following factors:
> growth of €1,473 million in non-current financial assets due essentially to an increase in derivative instruments (€1,363 million) and in the value of investments in other companies measured at fair value (€56 million);
> a decrease of €59 million in other non-current liabilities due largely to lower deferred operating liabilities, partially offset by the increase in other payables.

Net current assets came to a positive €726 million at June 30, 2010. The corresponding figure at December 31, 2009 was a negative €1,084 million. The change in the period, €1,810 million, was mainly due to the following:
> a €553 million decrease in *trade receivables*. This variation is mainly attributable to the decline in trade receivables on the domestic markets related essentially to the lower quantities sold;
> an increase of €203 million in *inventories*, mainly associated with the increase in the value of the fuel and materials inventories of Endesa and the companies in the Generation and Energy Management Division, which also registered an increase of about €38 million in their stocks of green certificates;
> a decrease of €627 million in *net receivables due from the Electricity Equalization Fund and similar bodies*, attributable to a decline in receivables on the Italian and Spanish markets associated with the application of equalization mechanisms;
> a decrease of €654 million in *other current liabilities less related assets*. This change is due to the following factors:
  – a €768 million decrease in net income tax liabilities. The fall is essentially due to the recognition of taxes for the period in the amount of €1,455 million, which was more than offset by the payment of taxes in the amount of €2,092 million;
  – an increase of €175 million in current financial liabilities, essentially attributable to financial liabilities falling due in respect of interest to be paid to Endesa, which in the previous year had been recognized as accruals as they had not yet fallen due;
> a reduction of €2,133 million in *trade payables*, essentially associated with the contraction in payables as a result of the lower volumes of electricity purchased in the period on the Italian and Spanish markets.

Sundry provisions amounted to €16,990 million, up €165 million compared with the same period of the previous year. The change is attributable to uses and releases of provisions during the period, exchange rate differences and the increase in provisions for net deferred tax liabilities in the amount of €424 million.

Net assets held for sale, equal to €2,201 million at June 30, 2010, include €1,945 million in respect of certain assets held by Endesa in Spain (including the assets of high-voltage transmission operations in the amount of €1,328 million), Greece and Latin America that, as a result of decisions made by management, meet the requirements of IFRS 5 for classification as assets held for sale. The item also reports €256 million in respect of the assets and liabilities of Enel Maritza East 3 (and its related holding company), Enel Operations Bulgaria (and its related holding company) and Enel Green Power Bulgaria in view of the status of negotiations for their disposal to non-Group counterparties. In addition to the inclusion of the Bulgarian companies and the Endesa Gas assets, the change with respect to December 31, 2009 also reflects Endesa's disposal of its 1% stake in Red Eléctrica de España.

Net capital employed came to €103,823 million at June 30, 2010, and was funded by shareholders' equity attributable to the Group and minority interests in the amount of €49,929 million and net financial debt of €53,894 million. At June 30, 2010, the debt/equity ratio was 1.08, compared with 1.11 at the end of 2009.

Analysis of the financial structure

Net financial debt

Net financial debt and changes in the period are detailed in the table below:

Millions of euro

	at June 30, 2010	at Dec. 31, 2009	Change
Long-term debt:			
- bank loans	17,654	21,632	(3,978)
- bonds	35,943	31,889	4,054
- preference shares	1,469	1,463	6
- other loans	912	866	46
Long-term debt	*55,978*	*55,850*	*128*
Long-term financial receivables and securities	(1,856)	(8,044)	6,188
Net long-term debt	**54,122**	**47,806**	**6,316**
Short-term debt:			
Bank loans:			
- short-term portion of long-term debt	718	1,438	(720)
- drawings on revolving credit facilities	838	20	818
- other short-term bank debt	477	927	(450)
Short-term bank debt	*2,033*	*2,385*	*(352)*
Bonds (short-term portion)	1,717	1,096	621
Other loans (short-term portion)	423	375	48
Commercial paper	7,591	6,573	1,018
Cash collateral and other financing on derivatives	729	2	727
Other short-term financial payables	101	20	81
Other short-term debt	*10,561*	*8,066*	*2,495*
Long-term financial receivables (short-term portion)	(7,903)	(767)	(7,136)
Factoring receivables	(254)	(304)	50
Financial receivables – cash collateral	(422)	(893)	471
Other short-term financial receivables	(626)	(1,156)	530
Cash and cash equivalents	(3,617)	(4,267)	650
Cash and cash equivalents and short-term financial receivables	*(12,822)*	*(7,387)*	*(5,435)*
Net short-term debt	**(228)**	**3,064**	**(3,292)**
NET FINANCIAL DEBT	**53,894**	**50,870**	**3,024**
Net financial debt of "Assets held for sale"	***416***	***63***	***353***

Net financial debt was equal to €53,894 million at June 30, 2010, up €3,024 million on December 31, 2009.

The increase reflects the payment of dividends, current income taxes and the effect of exchange rate differences. More specifically, the latter are attributable to the measurement, at current exchange rates, of the debt instruments issued in currencies other than the euro by companies that adopt the euro as their local functional currency (such transactions are hedged by corresponding cross currency interest rate swaps), as well as the translation into euros of the net debt of Group companies that have a functional currency other than the euro.

Net long-term debt increased by €6,316 million, as the net result of the increase in gross long-term debt in the amount of €128 million and the decrease in long-term financial receivables of €6,188 million.

More specifically, bank loans totaled €17,654 million, down €3,978 million, mainly due to:

> voluntary repayments of the 2007 and 2009 Credit Facilities following the issue of bonds for retail investors by Enel SpA, of which:
  - €1,484 million related to the tranche maturing in 2012;
  - €1,042 million related to the tranche maturing in 2014;
  - €474 million related to the tranche maturing in 2016;

> the repayment of €500 million of the €5 billion five-year syndicated revolving line of credit established in November 2005 and cancelled in April;

> early repayment of bank loans by Endesa totaling €2,000 million, partly offset by an increase of €1,600 million in drawings on committed credit lines.

Bonds amounted to €35,943 million, an increase of €4,054 million. They include, among others, the issue by Enel SpA on February 26, 2010 of bonds for retail investors totaling €3 billion maturing in 2016, of which €2 billion in fixed-rate notes and €1 billion in floating-rate notes.

Long-term financial receivables totaled €1,856 million, down €6,188 million in reflection of the reclassification from non-current to current of Endesa's receivables in respect of the rate deficit system, which are expected to be collected within twelve months.

Net short-term debt showed a net creditor position of €228 million at June 30, 2010, a change of €3,292 million from the net debtor position posted at the end of 2009. The change reflects a reduction of €352 million in short-term bank debt and an increase of €2,495 million in other loans, offset by a rise of €5,435 million in cash and cash equivalents and short-term financial receivables.

Other short-term loans in the amount of €10,561 million include the issues of commercial paper by Enel Finance International, International Endesa BV, Endesa Capital SA, Térmica Portuguesa SA (ECyR Group) and Enel OGK-5 totaling €7,591 million, as well as bonds maturing within one year in the amount of €1,717 million, of which about €477 million in bonds issued by the Endesa Group, about €804 million in bonds issued by Enel SpA, €195 million in a bond issued by Slovenské elektrárne and €225 million in bonds issued by Enel Investment Holding BV.

Cash collateral paid to counterparties in over-the-counter derivatives transactions on interest rates, exchange rates and commodities totaled €422 million, while cash collateral received from such counterparties amounted to €729 million.

Cash flows

Millions of euro	1st Half		
	2010	2009	Change
Cash and cash equivalents at the beginning of the period	4,289	5,211	(922)
- of which discontinued operations	-	*1*	*(1)*
Cash flows from operating activities	3,594	2,614	980
- of which discontinued operations	-	*32*	*(32)*
Cash flows from investing/disinvesting activities	(2,468)	(9,161)	6,693
- of which discontinued operations	-	*(32)*	*32*
Cash flows from financing activities	(1,939)	4,706	(6,645)
- of which discontinued operations	-	-	-
Effect of exchange rate changes on cash and cash equivalents	239	115	124
Cash and cash equivalents at the end of the period (1) (2)	3,715	3,485	230
- of which discontinued operations	-	*1*	*(1)*

(1) Of which short-term securities equal to €82 million at June 30, 2010 (€57 million at June 30, 2009).
(2) Of which cash and cash equivalents pertaining to assets held for sale in the amount of €98 million at June 30, 2010 (€18 million at June 30, 2009).

Cash flows from operating activities in the 1st Half of 2010 were positive at €3,594 million, up €980 million compared with the corresponding period of the previous year. The increased use of cash connected with the change in net current assets between the two periods was more than offset by an improvement in the gross operating margin.

Cash flows from investing/disinvesting activities for the 1st Half of 2010 used cash in the amount of €2,468 million, whereas such activities had used cash totaling €9,161 million in the first six months of 2009.
Investments in property, plant and equipment and in intangible assets totaling €2,654 million did not change significantly compared with the corresponding period of the previous year.
Investments in entities or business units, net of cash and cash equivalents acquired, amounted to €117 million and are largely accounted for by the acquisition by Enel Green Power of a number of companies operating in the generation of electricity from renewable resources in Italy, the acquisition by Enel Trade of Enel Longanesi Development, which operates in the natural gas extraction sector in Italy, the acquisition by Enel North America of Padoma Wind Power, which is specialized in the development of wind plants in California, and a number of smaller acquisitions by Endesa. Investments in entities in the 1st Half of 2009, which are also reported net of cash and cash equivalents acquired, essentially reflected the acquisition of 25.01% of Endesa as well as Endesa's acquisition of the Irish company KJWB (now Endesa Ireland).
In the 1st Half of 2010, the disposal of entities and business units generated cash flows of €375 million, accounted for by the collection of the installment on the sale in the 3rd Quarter of 2009 of 51% of Enel's holding in the Russian company SeverEnergia. In the 1st Half of 2009, the item reported cash flows from the sale of the renewable energy assets of Endesa to Acciona and the completion of the sale to Terna of the entire share capital of Enel Linee Alta Tensione (ELAT).
Cash needs generated by other investing activities in the first six months of 2010 totaled €72 million, essentially attributable to the payment of the balance on the holding in Bayan Resources acquired in 2008, the effect of which was partially offset by disposals during the period.

Cash flows from financing activities used cash in the amount of €1,939 million, whereas such activities generated liquidity totaling €4,706 million in the first six months of 2009. Cash flows for the period under review essentially reflect the cash requirement generated by the payment of dividends in the amount of €1,897 million, while in the 1st Half of 2009 they had benefited from the positive effects of the Enel capital increase.

In the 1st Half of 2010, cash flows from operating activities in the amount of €3,594 million were used to cover the cash requirements of investing activities in the amount of €2,468 million and of financing activities in the amount of €1,939 million. The difference is reflected in the decrease in cash and cash equivalents, which came to €3,715 million at June 30, 2010, compared with €4,289 million at the end of 2009. This decline also reflects the positive effect of exchange rate fluctuations in the amount of €239 million.

Results by Division

The representation of divisional performance and financial position presented here is based on the approach used by management in assessing Group performance for the two periods under review, taking account of the organizational structure introduced by the Group in September 2008 and operational since January 1, 2008.

Results by Division for the 2nd Quarter of 2010 and 2009

2ND QUARTER OF 2010 (1)

Millions of euro	Sales	GEM	Eng. & Innov.	Infra. & Networks	Iberia and Latin America	Int'l	Renewable Energy	Parent Company	Services and Other Activities	Eliminations and adjustments	**Total**
Revenues from third parties	4,014	2,674	22	687	7,298	1,438	453	89	24	(14)	**16,685**
Revenues from other segments	46	1,094	132	1,030	50	35	64	98	252	(2,801)	-
Total revenues	**4,060**	**3,768**	**154**	**1,717**	**7,348**	**1,473**	**517**	**187**	**276**	**(2,815)**	**16,685**
Net income/(charges) from commodity risk management	(200)	196	-	-	(10)	(8)	38	(2)	-	-	**14**
Gross operating margin	**36**	**569**	**5**	**924**	**2,046**	**464**	**325**	**(5)**	**41**	**(5)**	**4,400**
Depreciation, amortization and impairment losses	63	129	1	227	785	119	92	2	29	-	**1,447**
Operating income	**(27)**	**440**	**4**	**697**	**1,261**	**345**	**233**	**(7)**	**12**	**(5)**	**2,953**
Net financial income/(expense) and income/(expense) from equity investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	(832)
Income taxes	-	-	-	-	-	-	-	-	-	-	394
Net income from continuing operations	-	-	-	-	-	-	-	-	-	-	**1,727**
Net income from discontinued operations	-	-	-	-	-	-	-	-	-	-	-
Net income (Group and minority interests)	-	-	-	-	-	-	-	-	-	-	**1,727**

(1) Segment revenues include both revenues from third parties and revenue flows between the segments. An analogous approach was taken for other income and costs for the period.

2ND QUARTER OF 2009 (1)

Millions of euro	Sales	GEM	Eng. & Innov.	Infra. & Networks	Iberia and Latin America	Int'l	Renewable Energy	Parent Company	Services and Other Activities	Eliminations and adjustments	Total
Revenues from third parties	4,524	2,768	58	847	3,417	1,208	413	88	28	(10)	**13,341**
Revenues from other segments	91	1,256	124	1,066	3	43	35	85	231	(2,934)	**-**
Total revenues	**4,615**	**4,024**	**182**	**1,913**	**3,420**	**1,251**	**448**	**173**	**259**	**(2,944)**	**13,341**
Net income/(charges) from commodity risk management	(282)	262	-	-	(185)	12	37	1	-	-	**(155)**
Gross operating margin	**44**	**959**	**10**	**1,121**	**1,245**	**317**	**327**	**18**	**54**	**(6)**	**4,089**
Depreciation, amortization and impairment losses	108	175	1	210	492	178	58	2	26	-	**1,250**
Operating income	**(64)**	**784**	**9**	**911**	**753**	**139**	**269**	**16**	**28**	**(6)**	**2,839**
Net financial income/(expense) and income/(expense) from equity investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	**(513)**
Income taxes	-	-	-	-	-	-	-	-	-	-	**526**
Net income from continuing operations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,800**
Net income from discontinued operations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**50**
Net income (Group and minority interests)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,850**

(1) Segment revenues include both revenues from third parties and revenue flows between the segments. An analogous approach was taken for other income and costs for the period.

Results by Division for the 1st Half of 2010 and 2009

1ST HALF OF 2010 (1)

Millions of euro	Sales	GEM	Eng. & Innov.	Infra. & Networks	Iberia and Latin America	Int'l	Renewable Energy	Parent Company	Services and Other Activities	Eliminations and adjustments	Total
Revenues from third parties	9,062	5,629	48	1,189	14,774	3,039	867	168	47	(21)	**34,802**
Revenues from other segments	86	2,607	280	2,225	69	72	107	155	477	(6,078)	-
Total revenues	**9,148**	**8,236**	**328**	**3,414**	**14,843**	**3,111**	**974**	**323**	**524**	**(6,099)**	**34,802**
Net income/(charges) from commodity risk management	(381)	399	-	-	26	(13)	63	(2)	-	-	**92**
Gross operating margin	**193**	**1,229**	**7**	**1,845**	**4,047**	**841**	**651**	**(3)**	**73**	**(5)**	**8,878**
Depreciation, amortization and impairment losses	142	269	2	440	1,469	260	156	3	54	-	**2,795**
Operating income	**51**	**960**	**5**	**1,405**	**2,578**	**581**	**495**	**(6)**	**19**	**(5)**	**6,083**
Net financial income/(expense) and income/(expense) from equity investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	**(1,767)**
Income taxes	-	-	-	-	-	-	-	-	-	-	**1,263**
Net income from continuing operations	-	-	-	-	-	-	-	-	-	-	3,053
Net income from discontinued operations	-	-	-	-	-	-	-	-	-	-	**-**
Net income (Group and minority interests)	-	-	-	-	-	-	-	-	-	-	**3,053**
Operating assets	6,429	14,938	165	17,111	81,078 (2)	13,108 (4)	8,840 (6)	1,125	2,445	(5,640)	**139,599**
Operating liabilities	5,052	3,668	308	5,513	11,817 (3)	4,907 (5)	1,018	1,472	1,325	(5,671)	**29,409**
Capital expenditure	16	293	4	509	875	559	339	-	34	-	**2,629**

(1) Segment revenues include both revenues from third parties and revenue flows between the segments. An analogous approach was taken for other income and costs for the period.
(2) Of which €2,314 million regarding units classified as "Held for sale".
(3) Of which €252 million regarding units classified as "Held for sale".
(4) Of which €603 million regarding units classified as "Held for sale".
(5) Of which €26 million regarding units classified as "Held for sale".
(6) Of which €69 million regarding units classified as "Held for sale".

1ST HALF OF 2009 (1)

Millions of euro	Sales	GEM	Eng. & Innov.	Infra. & Networks	Iberia and Latin America	Int'l	Renewable Energy	Parent Company	Services and Other Activities	Eliminations and adjustments	**Total**
Revenues from third parties	10,485	6,027	105	1,117	7,146	2,556	794	191	57	(21)	**28,457**
Revenues from other segments	128	3,267	352	2,354	3	93	69	165	452	(6,883)	-
Total revenues	**10,613**	**9,294**	**457**	**3,471**	**7,149**	**2,649**	**863**	**356**	**509**	**(6,904)**	**28,457**
Net income/(charges) from commodity risk management	(378)	427	-	-	(522)	13	46	1	-	-	**(413)**
Gross operating margin	**160**	**1,877**	**13**	**2,016**	**2,416**	**698**	**620**	**54**	**89**	**(4)**	**7,939**
Depreciation, amortization and impairment losses	169	344	1	420	954	306	113	4	49	-	**2,360**
Operating income	**(9)**	**1,533**	**12**	**1,596**	**1,462**	**392**	**507**	**50**	**40**	**(4)**	**5,579**
Net financial income/(expense) and income/(expense) from equity investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	**(188)**
Income taxes	-	-	-	-	-	-	-	-	-	-	**1,333**
Net income from continuing operations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,058**
Net income from discontinued operations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(84)**
Net income (Group and minority interests)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,974**
Operating assets (2)	**6,598**	**15,054**	**342**	**17,272**	**80,799** (3)	**12,292**	**6,423**	**1,229**	**2,197**	**(6,142)**	**136,064**
Operating liabilities (2)	**5,471**	**4,218**	**363**	**5,651**	**13,016** (4)	**4,786**	**804**	**1,090**	**1,612**	**(4,981)**	**32,030**
Capital expenditure	**26**	**376**	**-**	**520**	**894**	**417**	**326**	**-**	**31**	**-**	**2,590**

(1) Segment revenues include both revenues from third parties and revenue flows between the segments. An analogous approach was taken for other income and costs for the period.
(2) At December 31, 2009. The figures were restated as a result of the retrospective application of a number of accounting standards, as well as the completion of the process of allocating the cost of the purchase of 25.01% of Endesa to the assets acquired and liabilities assumed.
(3) Of which €485 million regarding units classified as "Held for sale".
(4) Of which €102 million regarding units classified as "Held for sale".

The following table reconciles segment assets and liabilities and the consolidated figures.

Millions of euro

	at June 30, 2010	at Dec. 31, 2009 restated (1)
Total assets	**167,396**	**162,331**
Financial assets, cash and cash equivalents	19,386	18,480
Tax assets	8,411	7,787
Segment assets	**139,599**	**136,064**
- *of which:*		
Sales	6,429	6,598
Generation and Energy Management	14,938	15,054
Engineering and Innovation	165	342
Infrastructure and Networks	17,111	17,272
Iberia and Latin America (2)	81,078	80,799
International (3)	13,108	12,292
Renewable Energy (4)	8,840	6,423
Parent Company	1,125	1,229
Services and Other Activities	2,445	2,197
Eliminations and adjustments	(5,640)	(6,142)
Total liabilities	**117,467**	**116,398**
Loans and other financial liabilities	74,059	71,159
Tax liabilities	13,999	13,209
Segment liabilities	**29,409**	**32,030**
- *of which:*		
Sales	5,052	5,471
Generation and Energy Management	3,668	4,218
Engineering and Innovation	308	363
Infrastructure and Networks	5,513	5,651
Iberia and Latin America (5)	11,817	13,016
International (6)	4,907	4,786
Renewable Energy	1,018	804
Parent Company	1,472	1,090
Services and Other Activities	1,325	1,612
Eliminations and adjustments	(5,671)	(4,981)

(1) The figures were restated as a result of the retrospective application of a number of accounting standards, as well as the completion of the process of allocating the cost of the purchase of 25.01% of Endesa to the assets acquired and liabilities assumed.
(2) Of which €2,314 million regarding units classified as "Held for sale" (€485 million at December 31, 2009).
(3) Of which €603 million regarding units classified as "Held for sale" at June 30, 2010.
(4) Of which €69 million regarding units classified as "Held for sale" at June 30, 2010.
(5) Of which €252 million regarding units classified as "Held for sale" (€102 million at December 31, 2009).
(6) Of which €26 million regarding units classified as "Held for sale" at June 30, 2010.

Sales

The Sales Division is responsible for commercial activities, with the objective of developing an integrated package of electricity and gas products and services for end users. The activities are carried out by:

> Enel Servizio Elettrico and Vallenergie (the operations of the latter are limited to the Valle d'Aosta region) for the sale of electricity on the enhanced protection market;

> Enel Energia for the sale of electricity on the free and safeguard markets and the sale of natural gas to end users.

Operations

ELECTRICITY SALES

2nd Quarter				Millions of kWh	1st Half			
2010	2009	Change			**2010**	2009	Change	
				Free market:				
6,333	6,368	(35)	-0.5%	- mass-market customers	13,481	13,441	40	0.3%
3,272	5,980	(2,708)	-45.3%	- business customers (1)	6,406	11,414	(5,008)	-43.9%
1,020	1,286	(266)	-20.7%	- safeguard market customers	2,059	2,823	(764)	-27.1%
10,625	13,634	(3,009)	-22.1%	Total free market	21,946	27,678	(5,732)	-20.7%
15,368	17,003	(1,635)	-9.6%	Total regulated market (enhanced protection market)	33,629	36,473	(2,844)	-7.8%
25,993	**30,637**	**(4,644)**	**-15.2%**	**Total**	**55,575**	**64,151**	**(8,576)**	**-13.4%**

(1) Supplies to large customers and energy-intensive users (annual consumption greater than 1 GWh).

Electricity sold in the 1st Half of 2010 amounted to 55,575 million kWh (25,993 million kWh in the 2nd Quarter of 2010), down 8,576 million kWh (down 4,644 million kWh in the 2nd Quarter of 2010) compared with the corresponding period of the previous year, mainly due to lower sales on the free market to business customers.

NATURAL GAS SALES

2nd Quarter				Millions of m^3	1st Half			
2010	2009	Change			**2010**	2009	Change	
412	375	37	9.9%	Mass-market customers (1)	2,179	1,960	219	11.2%
463	398	65	16.3%	Business customers	1,065	980	85	8.7%
875	**773**	**102**	**13.2%**	**Total**	**3,244**	**2,940**	**304**	**10.3%**

(1) Includes residential customers and microbusinesses.

Gas sales for the 1st Half of 2010 totaled 3,244 million cubic meters (875 million cubic meters in the 2nd Quarter of 2010), an increase of 304 million cubic meters (102 million for the 2nd Quarter of 2010) over the same period of the previous year. The increase is essentially in line with developments in demand for natural gas in Italy, which have also been driven by the economic recovery that emerged in the 1st Half of 2010, especially in the 2nd Quarter.

Performance

2nd Quarter			Millions of euro	1st Half		
2010	2009	Change		**2010**	2009	Change
4,060	4,615	(555)	Revenues	9,148	10,613	(1,465)
(200)	(282)	82	Net income/(charges) from commodity risk management	(381)	(378)	(3)
36	*44*	*(8)*	*Gross operating margin*	*193*	*160*	*33*
(27)	(64)	37	Operating income	51	(9)	60
			Operating assets	6,429	6,598 (1)	(169)
			Operating liabilities	5,052	5,471 (1)	(419)
			Employees at period-end (no.)	3,943	3,962 (1)	(19)
			Capital expenditure	16	26	(10)

(1) At December 31, 2009.

Performance in the 2nd Quarter

Revenues for the 2nd Quarter of 2010 came to €4,060 million, a decrease of €555 million or 12.0% from the same period of 2009, due to the following main factors:

> a €313 million decrease in revenues on the regulated electricity market due mainly to the decrease in quantities sold (down 1.6 TWh) to customers on the enhanced protection market and to the decline in average sales prices, especially in the component covering generation costs;
> a €283 million decline in revenues on the free market, essentially attributable to smaller volumes sold (down 3.0 TWh);
> a €64 million increase in revenues on the natural gas market, essentially due to higher volumes sold despite lower average sales prices.

The *gross operating margin* in the 2nd Quarter of 2010 came to €36 million, in line with the corresponding period of 2009. The performance is due primarily to the following factors:

> an €18 million decrease in the margin on electricity sales on the regulated market, largely due to lower volumes sold; this negative effect was only partially offset by the increase in revenues recognized for the sales service and the reduction in provisioning costs;
> a €16 million increase in the margin on the sale of natural gas to end users;
> a €10 million increase in the margin on electricity sales on the free market, due to the reduction in provisioning costs, partly due to lower volumes sold;
> an €11 million increase in operating expenses.

Operating income for the 2nd Quarter of 2010, after depreciation, amortization and impairment losses in the amount of €63 million (€108 million for the same period of 2009), came to a negative €27 million, up €37 million from the 2nd Quarter of 2009. The decrease in depreciation, amortization and impairment losses is mainly attributable to decreased provisions for doubtful accounts, partially offset by increased amortization.

Performance in the 1st Half

Revenues for the 1st Half of 2010 came to €9,148 million, a decrease of €1,465 million or 13.8% from the same period of 2009, due to the following factors:

> a €849 million decrease in revenues on the regulated electricity market due

mainly to the decrease in quantities sold (down 2.8 TWh) to customers on the enhanced protection market and to the decline in average sales prices, especially in the component covering generation costs;
> a €570 million decline in revenues on the free market, essentially attributable to smaller volumes sold (down 5.7 TWh);
> a €23 million decrease in revenues on the natural gas market, essentially due to lower average sales prices since volumes sold increased.

The *gross operating margin* in the 1st Half of 2010 came to €193 million, up €33 million compared with the corresponding period of 2009. The increase is essentially ascribable to the net effect of:
> an increase of €32 million in the margin on electricity sales on the free market, due to the reduction in provisioning costs, which was partially associated with the decline in volumes sold;
> a €12 million increase in the margin on the sale of natural gas to end users;
> a decrease of €8 million in the margin on electricity sales on the regulated market, largely due to lower volumes sold; this negative effect was only partially offset by the increase in revenues recognized for the sales service and the reduction in provisioning costs.

Operating income in the 1st Half of 2010, after depreciation, amortization and impairment losses of €142 million (€169 million in the corresponding period of 2009), amounted to €51 million, up €60 million on the 1st Half of 2009. The decrease in depreciation, amortization and impairment losses is mainly attributable to decreased provisions for doubtful accounts, partially offset by increased amortization.

Capital expenditure

Capital expenditure amounted to €16 million, down €10 million from the 1st Half of 2009, when a number of investments in invoicing systems were made.

Generation and Energy Management

This Division operates in the field of electricity generation and energy products. The main activities of the Generation and Energy Management Division are as follows:

> the generation and sale of electricity:
  – thermal and schedulable hydroelectric power plants in Italy through Enel Produzione, Hydro Dolomiti Enel (in the province of Trento) and SE Hydro Power (in the province of Bolzano);
  – trading on international and domestic markets, primarily through Enel Trade, Enel Trade Hungary and Enel Trade Romania;
> the supply and sale of energy products through Enel Trade:
  – provisioning for all of the Group's needs;
  – the sale of natural gas to distributors;
> the development of:
  – nuclear power plants, through Sviluppo Nucleare Italia;
  – natural gas drilling and storage projects, through Enel Longanesi Development and Enel Stoccaggi;
  – regasification plants, through Nuove Energie.

Operations

NET ELECTRICITY GENERATION

2nd Quarter				Millions of kWh	1st Half			
2010	2009	Change			**2010**	2009	Change	
10,200	10,539	(339)	-3.2%	Thermal	23,143	22,964	179	0.8%
6,576	7,590	(1,014)	-13.4%	Hydroelectric	11,403	13,003	(1,600)	-12.3%
1	-	1	-	Other resources	2	-	2	-
16,777	**18,129**	**(1,352)**	**-7.5%**	**Total net generation**	**34,548**	**35,967**	**(1,419)**	**-3.9%**

In the 1st Half of 2010, net electricity generation totaled 34,548 million kWh, a decrease of 3.9% from the same period of 2009. A similar trend was seen in the 2nd Quarter of 2010, with net power generation of 16,777 million kWh, a decline of 7.5% from the 2nd Quarter of 2009. The 1,600 million kWh decrease in hydro generation for the first six months of 2010 (down 1,014 million kWh in the 2nd Quarter of 2010) due to less favorable water conditions during the period was only partially offset by the increase in thermal generation of 179 million kWh (down 339 million kWh in the 2nd Quarter of 2010).

CONTRIBUTION TO GROSS THERMAL GENERATION

2nd Quarter						Millions of kWh	1st Half					
2010		2009		Change			**2010**		2009		Change	
176	1.6%	362	3.2%	(186)	-51.4%	High-sulfur fuel oil (S>0.25%)	423	1.7%	1,067	4.3%	(644)	-60.4%
154	1.4%	198	1.7%	(44)	-22.2%	Low-sulfur fuel oil (S<0.25%)	331	1.4%	1,129	4.6%	(798)	-70.7%
330	*3.0%*	*560*	*4.9%*	*(230)*	*-41.1%*	*Total fuel oil*	*754*	*3.1%*	*2,196*	*8.9%*	*(1,442)*	*-65.7%*
4,750	43.7%	3,749	33.1%	1,001	26.7%	Natural gas	10,125	41.1%	8,199	33.2%	1,926	23.5%
5,676	52.2%	6,925	61.0%	(1,249)	-18.0%	Coal	13,507	54.8%	14,040	56.9%	(533)	-3.8%
120	1.1%	110	1.0%	10	9.1%	Other fuels	243	1.0%	238	1.0%	5	**2.1%**
10,876	**100.0%**	**11,344**	**100.0%**	**(468)**	**-4.1%**	**Total**	**24,629**	**100.0%**	**24,673**	**100.0%**	**(44)**	**-0.2%**

Gross thermal generation in the 1st Half of 2010 was substantially in line with the same period of 2009, while there was a slight decrease (down 468 million kWh) in the 2nd Quarter of 2010. The decrease involved both generation from fuel oil (down 65.7% in the 1st Half of 2010 and down 41.1% in the 2nd Quarter of 2010) due to unfavorable fuel price developments, which made the use of this raw material uncompetitive, and generation from coal (down 3.8% in the 1st Half of 2010 and down 18.0% in the 2nd Quarter of 2010), largely the result of greater plant unavailability due to maintenance on unit 3 at the Brindisi Sud plant and the temporary stoppage of unit 4 at the Torrevaldaliga Nord plant. These decreases were only partially offset by the increase in generation from natural gas (up 23.5% in the 1st Half of 2010 and up 26.7% in the 2nd Quarter of 2010), due mainly to increased operations at combined-cycle plants thanks in part to the partial recovery in economic activity compared with the corresponding period of 2009, which was affected by the gas emergency.

Performance

2nd Quarter			Millions of euro	1st Half		
2010	2009	Change		**2010**	2009	Change
3,768	4,024	(256)	Revenues	8,236	9,294	(1,058)
196	262	(66)	Net income/(charges) from commodity risk management	399	427	(28)
569	*959*	*(390)*	*Gross operating margin*	*1,229*	*1,877*	*(648)*
440	784	(344)	Operating income	960	1,533	(573)
			Operating assets	14,938	15,054 (1)	(116)
			Operating liabilities	3,668	4,218 (1)	(550)
			Employees at period-end (no.)	6,637	6,703 (1)	(66)
			Capital expenditure	293	376	(83)

(1) At December 31, 2009.

Performance in the 2nd Quarter

Revenues came to €3,768 million for the 2nd Quarter of 2010, down €256 million or 6.4% from the same period of 2009 due mainly to the following factors:

> a €310 million decrease in revenues from sales on the Power Exchange, mainly owing to a reduction in volumes sold (down 5.2 TWh) and the decrease in average sales prices;

- a €94 million decrease in revenues from trading on international electricity markets, due mainly to lower average sales prices, as volumes sold increased (up 1.7 TWh);
- a €78 million decrease in revenues due to the recognition in the 2nd Quarter of 2009 of revenues relating to prior-year items under a settlement reached between Eni and Enel Trade;
- a €36 million decrease in revenues from contributions from the Electricity Equalization Fund due to the termination in 2009 of the right to receive reimbursement of stranded costs.

These effects were partially offset by:

- a €123 million increase in revenues from electricity sales, the net result of higher revenues from electricity sales to resellers operating on the domestic and international markets (up €307 million), partially offset by lower volumes sold (down 3.8 TWh) on the free market by the Sales Division (down €167 million);
- a €76 million increase in revenues from fees in respect of transactions on the Power Exchange following an increase in transport capacity fees and the fees paid for plants essential to system security;
- a €38 million increase in revenues from the sale of fuels for trading, resulting from the €52 million increase in natural gas sales, partially offset by €14 million decline in sales of other fuels;
- a €34 million increase in revenues from the sale of certified emission reductions (CERs);
- a €26 million increase in revenues from the sale of green certificates to the Energy Services Operator (ESO).

The *gross operating margin* for the 2nd Quarter of 2010 came to €569 million, down €390 million or 40.7% from the €959 million posted for the same period of 2009. The decrease is essentially attributable to the decline in the margin on natural gas trading, the recognition in the 2nd Quarter of 2009 of revenues from positive items related to prior-year periods under a settlement agreement reached with Eni and to the termination of the right to receive stranded costs mentioned above.

Operating income totaled €440 million, down €344 million or 43.9% compared with the 2nd Quarter of 2009, with a reduction of €46 million in depreciation, amortization and impairment losses, mainly attributable to the revision of the useful life of a number of plants deemed essential to system security.

Performance in the 1st Half

Revenues for the 1st Half of 2010 came to €8,236 million, down €1,058 million or 11.4% from the same period of 2009, due mainly to the following factors:

- a €757 million decrease in revenues from sales on the Power Exchange, mainly owing to a reduction in volumes sold (down 7.8 TWh) and the decrease in average sales prices;
- a €192 million decrease in revenues from the sale of green certificates to the Energy Services Operator (ESO);
- a €122 million decline in revenues from the sale of fuel for trading resulting from the €100 million decrease in natural gas sales and the €22 million decline in sales of other fuels;
- a €73 million decrease in revenues from contributions from the Electricity Equalization Fund due to the termination in 2009 of the right to receive stranded costs;

> a €31 million decrease in revenues from trading on international electricity markets, due mainly to lower average sales prices, as volumes sold increased (up 6.7 TWh);
> a €78 million decrease in revenues attributable to the effect of the recognition in the 2nd Quarter of 2009 of revenues relating to prior-year items under a settlement reached between Eni and Enel Trade.

These effects were partially offset by:

> a €160 million increase in revenues from fees in respect of transactions on the Power Exchange following an increase in transport capacity fees and the fees paid for plants essential to system security;
> a €35 million increase in revenues from electricity sales, the net results of higher revenues from electricity sales to resellers operating on the domestic and international markets (up €559 million), partially offset by lower volumes sold (down 6.5 TWh) on the free market by the Sales Division (down €524 million);
> a €27 million increase in revenues from the sale of certified emission reductions (CERs).

The *gross operating margin* for the 1st Half of 2010 came to €1,229 million, down €648 million or 34.5% from the €1,877 million posted for the same period of 2009. The decrease is essentially attributable to the decline in the margin on natural gas trading, the recognition in the 1st Half of 2009 of revenues from positive items related to prior-year periods under a settlement agreement reached with Eni and to the termination of the right to receive stranded costs mentioned above.

Operating income totaled €960 million, down €573 million or 37.4% compared with the 1st Half of 2009, with a reduction of €75 million in depreciation, amortization and impairment losses, mainly attributable to the revision of the useful life of a number of plants deemed essential to system security.

Capital expenditure

Capital expenditure came to €293 million, €290 million of which for generation plants. The main investments in the 1st Half of the year regarded the continuation of work on thermal plants in the amount of €251 million (including the coal conversion of the Torrevaldaliga Nord plant in the amount of €151 million and the refurbishment of particulate capture systems at the Brindisi plant for €13 million).

Engineering and Innovation

The mission of the Engineering and Innovation Division is to serve the Group by managing the engineering processes related to the development and construction of power plants, ensuring achievement of the quality, temporal and financial objectives set for it. The Division also coordinates and supplements the Group's research activities, ensuring the scouting, development and leveraging of innovation opportunities in all Group business areas, with a special focus on the development of major environmental initiatives.

Performance

2nd Quarter			Millions of euro	1st Half		
2010	2009	Change		**2010**	2009	Change
154	182	(28)	Revenues	328	457	(129)
5	*10*	*(5)*	*Gross operating margin*	*7*	*13*	*(6)*
4	9	(5)	Operating income	5	12	(7)
			Operating assets	165	342 (1)	(177)
			Operating liabilities	308	363 (1)	(55)
			Employees at period-end (no.)	1,242	1,202 (1)	40
			Capital expenditure	4	-	4

(1) At December 31, 2009.

Performance in the 2nd Quarter

Revenues for the 2nd Quarter of 2010 came to €154 million, down €28 million or 15.4% from the same period of the prior year. This decline was essentially due to the following:

> a €32 million decline in business with E.ON España (formerly Enel Viesgo Generación) as a result of the completion of a number of activities regarding the development of thermal power plants in Spain;

> a €16 million decline in business with the Generation and Energy Management Division, related mainly to the coal conversion of the Torrevaldaliga Nord plant;

> an €11 million increase in business with the companies of the International Division, related mainly to the construction of combined-cycle plants at Marcinelle (€14 million) and Nevinnomysskaya (€1 million), as well as work to modernize the thermal power plants in Slovakia (€4 million). These factors were partially offset by the decline in business with Enel Maritza East 3 (down €4 million) and Enelco (down €4 million).

The *gross operating margin* declined by €5 million in the 2nd Quarter of 2010, mainly due to the decrease in business compared with the corresponding period of the previous year.

Operating income totaled €4 million in the 2nd Quarter of 2010, in line with developments in the gross operating margin.

Performance in the 1st Half

Revenues in the 1st Half of 2010 came to €328 million, a fall of €129 million (28.2%) compared with the same period of 2009. This decline was essentially due to the following:

- a €131 million decline in business with the Generation and Energy Management Division, related mainly to the coal conversion of the Torrevaldaliga Nord plant;
- a €53 million decline in business with E.ON España (formerly Enel Viesgo Generación) as a result of the completion of a number of activities regarding the development of thermal power plants in Spain;
- a €40 million increase in business with the companies of the International Division, related mainly to the construction of combined-cycle plants at Marcinelle (€26 million) and Nevinnomysskaya (€17 million), as well as to work to modernize the thermal power plants in Slovakia (€11 million). These factors were partially offset by the decline in business with Enel Maritza East 3 (down €9 million) and Enelco (down €5 million).

The *gross operating margin* came to €7 million in the 1st Half of 2010, a decline of €6 million, mainly due to the decrease in business compared with the corresponding period of the previous year.

Operating income totaled €5 million in the 1st Half of 2010, in line with developments in the gross operating margin.

Infrastructure and Networks

The Infrastructure and Networks Division is responsible for operating the electricity distribution networks.

The activities are essentially carried out by:

> Enel Distribuzione and Deval (the latter's operations are limited to the Valle d'Aosta region) for the distribution of electricity;

> Enel Sole for public and artistic lighting.

Operations

TRANSPORT OF ELECTRICITY

2nd Quarter					1st Half			
2010	2009	Change			**2010**	2009	Change	
59,471	57,928	1,543	2.7%	Electricity transported on Enel's distribution network (millions of kWh)	121,428	118,084	3,344	2.8%

Developments in energy transported on the Enel network in Italy in the 2nd Quarter and the 1st Half of 2010 reflect the increase in electricity demand in the country, associated in part with the recovery in economic activity in the two periods of 2010 compared with the corresponding periods of 2009.

Performance

2nd Quarter			Millions of euro	1st Half		
2010	2009	Change		**2010**	2009	Change
1,717	1,913	(196)	Revenues	3,414	3,471	(57)
924	*1,121*	*(197)*	*Gross operating margin*	*1,845*	*2,016*	*(171)*
697	911	(214)	Operating income	1,405	1,596	(191)
			Operating assets	17,111	17,272 (1)	(161)
			Operating liabilities	5,513	5,651 (1)	(138)
			Employees at period-end (no.)	19,626	19,700 (2)	(74)
			Capital expenditure	509	520	(11)

(1) At December 31, 2009. The figures were restated as a result of the retrospective application of a number of accounting standards.
(2) At December 31, 2009.

Performance in the 2nd Quarter

Revenues for the 2nd Quarter of 2010 came to €1,717 million, down €196 million or 10.2% from the same period of 2009. Excluding the effect of the gain on the sale of Enel Linee Alta Tensione recognized in the 2nd Quarter of 2009 in the amount of €308 million, revenues in the 2nd Quarter of 2010 would have risen by €112 million. This latter change is essentially due to:

> a €114 million increase in revenues on electricity transport, attributable to the increase in average transport prices (including equalization mechanisms) and the increase in quantities of electricity distributed to end users (up 1.5 TWh);

> an increase in connection fees mainly due to the effect of the application of IFRIC 18;

> a €17 million decrease in service-continuity bonuses following the changes to Resolution no. 333/07 of the Authority for Electricity and Gas.

The *gross operating margin* totaled €924 million, a decline of €197 million (down 17.6%) attributable to:

> the effects of the recognition in the 2nd Quarter of 2009 of the €308 million gain on the sale of Enel Linee Alta Tensione mentioned above;
> a €17 million decrease in service-continuity bonuses following the changes to Resolution no. 333/07;
> a €59 million increase in the margin on electricity transport;
> an €81 million decline in charges for early retirement incentives.

Operating income, net of depreciation, amortization and impairment losses totaling €227 million (€210 million in the 2nd Quarter of 2009), amounted to €697 million, a fall of €214 million or 23.5% with respect to the same period of 2009. Excluding the effects of the gain on the sale of Enel Linee Alta Tensione in the amount of €308 million, operating income would have risen by €94 million.

Performance in the 1st Half

Revenues in the 1st Half of 2010 amounted to €3,414 million, down €57 million or 1.6% compared with the corresponding period of 2009. Excluding the effects of the gain on the sale of Enel Linee Alta Tensione recognized in the 2nd Quarter of 2009 in the amount of €308 million, revenues in the 1st Half of 2010 would have risen by €251 million. This latter change is essentially due to:

> a €241 million increase in revenues on electricity transport, attributable to the increase in average transport prices (including equalization mechanisms) following the rate updates for the 2008-2011 regulatory period, and the increase in quantities of electricity distributed to end users (up 3.3 TWh);
> a €16 million increase in connection fees due in part to the effect of the application of IFRIC 18, which requires the recognition in profit or loss of revenues from the transfer by customers of assets used to ensure access to an ongoing supply of goods and services;
> a €17 million decrease in service-continuity bonuses following the changes to Resolution no. 333/07 of the Authority for Electricity and Gas;
> an €11 million decrease in revenues from prior-year items.

The *gross operating margin* totaled €1,845 million, a decline of €171 million (down 8.5%) attributable to:

> the effects of the recognition in the 2nd Quarter of 2009 of the €308 million gain on the sale of Enel Linee Alta Tensione mentioned above;
> a €39 million reduction in positive items from prior-year periods essentially related to the purchase of electricity from the Single Buyer for €29 million following the alignment by Terna and Enel Distribuzione of withdrawal points on the high-voltage networks (Resolution no. 177/07, as amended);
> a €33 million decline in margins resulting from the sale of the high-voltage grid on April 1, 2009;
> a €17 million decrease in service-continuity bonuses following the changes to Resolution no. 333/07;
> a €146 million increase in the margin on electricity transport;
> a €16 million increase in connection fees mainly due to the effect of the application of IFRIC 18, mentioned above;
> an €81 million decline in charges for early retirement incentives.

Operating income, net of depreciation, amortization and impairment losses totaling €440 million (€420 million in the 1st Half of 2009), amounted to €1,405 million, a fall of €191 million or 12.0% with respect to the same period of 2009. Excluding effects of the gain recognized in 2009 on the sale of Enel Linee Alta Tensione in the amount of €308 million, operating income would have risen by €117 million.

Capital expenditure

Capital expenditure for the 1st Half of 2010 totaled €509 million, an €11 million decrease compared with the same period of the previous year, due mainly to the reduction in capital expenditure for the electronic meter project, partially offset by higher investments in the low- and medium-voltage grids in order to improve service quality.

Iberia and Latin America

The Iberia and Latin America Division focuses on developing Enel's presence and coordinating its operations in the electricity and gas markets of Spain, Portugal and Latin America, formulating growth strategies in the related regional markets. Following the integration of Enel's operations in renewable energy sector in Spain and Portugal, the activities of Endesa Cogeneración y Renovables (ECyR) and its subsidiaries were transferred from the Iberia and Latin America Division to the Renewable Energy Division. Accordingly, the performance figures for those activities for the 1st Quarter of 2010 (at the end of which the above transfer took place) are reflected in the Iberia and Latin America Division, while the balance sheet figures for the same business at June 30, 2010 are reported under the Renewable Energy Division.

In addition, following the acquisition of a further 25.01% of Endesa on June 25, 2009, the latter has been consolidated as from that date on a full, line-by-line basis rather than on a proportionate basis. Consequently, the performance and operational data (unless specified otherwise) for the 1st Half of 2009 were determined on a proportionate basis equal to the Group's holding at that time (67.05%).

Operations

NET ELECTRICITY GENERATION

2nd Quarter				Millions of kWh	1st Half			
2010	2009	Change			**2010**	2009	Change	
12,828	10,454	2,374	22.7%	Thermal	26,593	22,640	3,953	17.5%
6,323	3,113	3,210	103.1%	Nuclear	12,816	7,684	5,132	66.8%
10,600	8,245	2,355	28.6%	Hydroelectric	21,720	15,739	5,981	38.0%
39	455	(416)	-91.4%	Wind	565	1,052	(487)	-46.3%
-	43	(43)	-	Other resources	60	89	(29)	-32.6%
29,790	**22,310**	**7,480**	**33.5%**	**Total net generation**	**61,754**	**47,204**	**14,550**	**30.8%**

Net electricity generation in the 1st Half of 2010 amounted to 61,754 million kWh (29,790 million kWh in the 2nd Quarter of 2010), an increase of 14,550 million kWh (up 7,480 million kWh in the 2nd Quarter of 2010) compared with the corresponding period of 2009.

In the 1st Half of 2010, net power generation on the Iberian peninsula increased by 6,369 million kWh (up 3,131 million kWh in the 2nd Quarter of 2010): the effects of the change in the scope of consolidation (an increase of 12,369 million kWh in the 1st Half and 5,621 million kWh in the 2nd Quarter of 2010) and greater nuclear generation were only partially offset by the reduction in thermal generation (down 33.5%) and wind generation.

In addition, output increased by 8,131 million kWh in the 1st Half of 2010 (up 4,265 million kWh in the 2nd Quarter) in Latin America, due essentially to the change in consolidation method (an increase of 10,556 million kWh in the 1st Half and 5,252 million kWh in the 2nd Quarter of 2010), partially offset by the decline in hydro generation (down 9.9%) in Colombia due to poorer water conditions in the period and reduced thermal generation (down 5.0%) in Argentina and Chile (the latter was also affected by the earthquake).

CONTRIBUTION TO GROSS THERMAL GENERATION

2nd Quarter						Millions of kWh	1st Half					
2010		2009		Change			**2010**		2009		Change	
2,232	11.1%	1,438	10.2%	794	55.2%	High-sulfur fuel oil (S>0.25%)	4,182	10.1%	2,661	8.4%	1,521	57.2%
261	1.3%	166	1.2%	95	57.2%	Low-sulfur fuel oil (S<0.25%)	326	0.8%	430	1.4%	(104)	-24.2%
2,493	*12.4%*	*1,604*	*11.4%*	*889*	*55.4%*	*Total fuel oil*	*4,508*	*10.9%*	*3,091*	*9.8%*	*1,417*	*45.8%*
6,374	31.8%	4,624	32.8%	1,750	37.8%	Natural gas	13,154	31.9%	9,925	31.5%	3,229	32.5%
2,914	14.5%	3,474	24.7%	(560)	-16.1%	Coal	7,052	17.1%	8,442	26.7%	(1,390)	-16.5%
6,572	32.8%	3,134	22.2%	3,438	109.7%	Nuclear fuel	13,357	32.4%	7,877	25.0%	5,480	69.6%
1,711	8.5%	1,250	8.9%	461	36.9%	Other fuels	3,171	7.7%	2,213	7.0%	958	43.3%
20,064	**100.0%**	**14,086**	**100.0%**	**5,978**	**42.4%**	**Total**	**41,242**	**100.0%**	**31,548**	**100.0%**	**9,694**	**30.7%**

The increase of 9,694 million kWh in gross thermal generation compared with the 1st Half of 2009 (up 5,978 million kWh in the 2nd Quarter of 2010) is largely attributable to the effect of the change in the method of consolidating Endesa (an increase of 15,503 million kWh in the 1st Half and 6,922 million kWh in the 2nd Quarter of 2010), only partially offset by the reduction in thermal and nuclear generation (down 5,809 million kWh in total).

ELECTRICITY SALES

2nd Quarter				Millions of kWh	1st Half			
2010	2009	Change			**2010**	2009	Change	
				Free market:				
24,445	9,427	15,018	159.3%	- Iberian peninsula	52,172	18,389	33,783	183.7%
1,809	1,189	620	52.1%	- Latin America	3,673	2,312	1,361	58.9%
26,254	**10,616**	**15,638**	**147.3%**	**Total free market**	**55,845**	**20,701**	**35,144**	**169.8%**
				Regulated market:				
-	7,893	(7,893)	-	- Iberian peninsula	-	16,430	(16,430)	-
10,446	6,518	3,928	60.3%	- Latin America	21,311	13,424	7,887	58.8%
10,446	**14,411**	**(3,965)**	**-27.5%**	**Total regulated market**	**21,311**	**29,854**	**(8,543)**	**-28.6%**
36,700	**25,027**	**11,673**	**46.6%**	**Total**	**77,156**	**50,555**	**26,601**	**52.6%**
24,445	*17,320*	*7,125*	*41.1%*	*- of which Iberian peninsula*	*52,172*	*34,819*	*17,353*	*49.8%*
12,255	*7,707*	*4,548*	*59.0%*	*- of which Latin America*	*24,984*	*15,736*	*9,248*	*58.8%*

Electricity sales to end users by the Iberia and Latin America Division in the 1st Half of 2010 amounted to 77,156 million kWh, up 26,601 million kWh compared with the same period of 2009 (up 11,673 million kWh in the 2nd Quarter of 2010). The increase includes 24,844 million kWh in respect of the change in the consolidation method (up 12,299 million kWh in the 2nd Quarter of 2010), in addition to an increase in sales, especially in Latin America, as a result of higher electricity demand.
Finally, following the introduction of the *Tarifa de Ultimo Recurso* in Spain on July 1, 2009, all sales on the Spanish market are to be considered sales conducted on the free market.

Performance

2nd Quarter			Millions of euro	1st Half		
2010	2009	Change		**2010**	2009	Change
7,348	3,420	3,928	Revenues	14,843	7,149	7,694
(10)	(185)	175	Net income/(charges) from commodity risk management	26	(522)	548
2,046	*1,245*	*801*	*Gross operating margin*	*4,047*	*2,416*	*1,631*
1,261	753	508	Operating income	2,578	1,462	1,116
			Operating assets (1)	81,078	80,799 (2)	279
			Operating liabilities (3)	11,817	13,016 (2)	(1,199)
			Employees at period-end (no.) (4)	25,490	26,305 (5)	(815)
			Capital expenditure	875	894	(19)

(1) Of which €2,314 million regarding units classified as "Held for sale" (€485 million at December 31, 2009).
(2) At December 31, 2009. The figures were restated as a result of the retrospective application of a number of accounting standards, as well as the completion of the process of allocating the cost of the purchase of 25.01% of Endesa to the assets acquired and liabilities assumed.
(3) Of which €252 million regarding units classified as "Held for sale" (€102 million at December 31, 2009).
(4) Of which 1,556 in units classified as "Held for sale" (1,330 at December 31, 2009).
(5) At December 31, 2009.

Performance in the 2nd Quarter

The table below shows performance by geographical area.

Millions of euro	Revenues			Gross operating margin			Operating income		
	2010	2009	Change	**2010**	2009	Change	**2010**	2009	Change
Europe	4,859	2,047	2,812	1,167	703	464	693	370	323
Latin America	2,489	1,373	1,116	879	542	337	568	383	185
Total	**7,348**	**3,420**	**3,928**	**2,046**	**1,245**	**801**	**1,261**	**753**	**508**

Revenues in the 2nd Quarter of 2010 rose by €3,928 million, the result of:

> a €2,812 million increase in revenues in Europe, of which €1,006 million attributable to the change in the scope of consolidation and €940 million to the application of the aforementioned *Tarifa de Ultimo Recurso* as from July 1, 2009, which involved the separate recognition in the income statement of the sales company of the revenues and costs concerning, respectively, the sale and purchase of electricity, including transport costs, which had previously been offset. An additional contribution came from the increase in grants for extra-peninsular generation in the amount of €579 million (in the 2nd Quarter of 2009 this item was affected by negative prior-year items), as well as the effect of the application of IFRIC 18 (€138 million), which as from July 1, 2009 requires the recognition in profit or loss of revenues from the transfer by customers of assets used to ensure access to an ongoing supply of goods and services;

> a €1,116 million increase in revenues for Endesa in Latin America, due to the change in consolidation method (€675 million) and to increased sales in all the Latin American countries (especially Brazil).

The *gross operating margin* reached €2,046 million, an increase of €801 million or 64.3% over the 2nd Quarter of 2009. Of particular note was the following:

> an increase of €464 million in the gross operating margin in Europe, of which

€346 million is attributable to the change in the method used to consolidate Endesa, the effect of the application of IFRIC 18 (€138 million) as well as the increase in the electricity margin, especially in the sales and distribution segments;

> the €337 million increase in the gross operating margin in Latin America due essentially to the €267 million increase related to the change in consolidation method.

Operating income in the 2nd Quarter of 2010 amounted to €1,261 million, an increase of €508 million compared with the corresponding period of 2009, of which €370 million attributable to the change in the method used to consolidate Endesa.

Performance in the 1st Half

The table below shows performance by geographical area.

Millions of euro	Revenues			Gross operating margin			Operating income		
	2010	2009	Change	**2010**	2009	Change	**2010**	2009	Change
Europe	10,258	4,406	5,852	2,451	1,379	1,072	1,557	728	829
Latin America	4,585	2,743	1,842	1,596	1,037	559	1,021	734	287
Total	**14,843**	**7,149**	**7,694**	**4,047**	**2,416**	**1,631**	**2,578**	**1,462**	**1,116**

Revenues in the 1st Half of 2010 rose by €7,694 million, the result of:

> a €5,852 million increase in revenues in Europe, of which €2,165 million is attributable to the change in the scope of consolidation and €2,180 million to the application of the aforementioned *Tarifa de Ultimo Recurso* as from July 1, 2009, which involved the separate recognition in the income statement of the sales company of the revenues and costs concerning, respectively, the sale and purchase of electricity, including transport costs, which had previously been offset. An additional contribution came from the increase in grants for extra-peninsular generation in the amount of €765 million (in the 1st Half of 2009 this item was affected by negative prior-year items), as well as the effect of the application of IFRIC 18 (€253 million), which as from July 1, 2009, requires the recognition in profit or loss of revenues from the transfer by customers of assets used to ensure access to an ongoing supply of goods and services;

> a €1,842 million increase in revenues for Endesa in Latin America, due to the change in consolidation method (€1,348 million) and to increased sales in all the Latin American countries (especially Brazil).

The *gross operating margin* reached €4,047 million, an increase of €1,631 million or 67.5% over the 1st Half of 2009. Of particular note was the following:

> an increase of €1,072 million in the gross operating margin in Europe, of which €678 million attributable to the change in the method used to consolidate Endesa, the effect of the application of IFRIC 18 (€253 million) as well as the increase in the electricity margin, especially in the sales and distribution segments;

> the €559 million increase in the gross operating margin in Latin America, due essentially to the €510 million increase related to the change in consolidation method.

Operating income in the 1st Half of 2010 amounted to €2,578 million, an increase of €1,116 million compared with the corresponding period of 2009, of which €718 million attributable to the change in the method used to consolidate Endesa.

Capital expenditure

Capital expenditure came to €875 million, down €19 million from the same period of the previous year. In particular, investments in the 1st Half of 2010 included €290 million related to generation plants, including the construction of the Bocamina II coal-fueled plant in Chile.
Investments in the electricity network, in the amount of €374 million (€291 million in Europe), concerned the expansion of the distribution network, as well as work to enhance the service quality and operating efficiency of the electrical system.

International

The mission of the International Division is to support the Group's strategies for international growth, as well as to manage and integrate the foreign businesses outside the Iberian and Latin American markets, which are managed by the Iberia and Latin America Division, monitoring and developing business opportunities that should present themselves on the electricity and fuel markets. The chief geographical areas of operation for this Division are:

> central Europe, where the Division is active in electricity sales in France (Enel France), power generation in Slovakia (Slovenské elektrárne), and the development of thermal power plants and support activities in Belgium (Marcinelle Energie and Enel Operations Belgium);

> south-eastern Europe, with power generation and technical support activities in Bulgaria (Enel Maritza East 3 and Enel Operations Bulgaria), the development of generation capacity in Romania (Enel Productie), electricity distribution, sales and support activities in Romania (Enel Distributie Banat, Enel Distributie Dobrogea, Enel Energie, Enel Distributie Muntenia, Enel Energie Muntenia, Enel Romania, and Enel Servicii Comune) and the development of thermal plants in Greece (Enelco);

> Russia, with electricity sales and trading (RusEnergoSbyt), power generation and sales (Enel OGK-5), and support services (Enel Rus) in the Russian Federation. The figures reported for the 1st Half of 2009 include the performance data for SeverEnergia, which was sold in the 2nd Half of 2009.

Operations

NET ELECTRICITY GENERATION

2nd Quarter				Millions of kWh	1st Half			
2010	2009	Change			**2010**	2009	Change	
10,983	9,030	1,953	21.6%	Thermal	24,048	20,273	3,775	18.6%
3,436	3,062	374	12.2%	Nuclear	7,188	6,643	545	8.2%
1,490	1,374	116	8.4%	Hydroelectric	2,549	2,404	145	6.0%
4	-	4	-	Other resources	8	-	8	-
15,913	**13,466**	**2,447**	**18.2%**	**Total net generation**	**33,793**	**29,320**	**4,473**	**15.3%**

Net generation abroad in the 1st Half of 2010 amounted to 33,793 million kWh, an increase of 4,473 million kWh compared with the corresponding period of 2009. The rise is attributable to greater output by Enel OGK-5 (up 3,550 million kWh), Enel Maritza East 3 (up 470 million kWh) and Slovenské elektrárne (up 453 million kWh). The increase is essentially due to the general increase in demand, as well as the effect (for Enel Maritza East 3) of the start of full operations of the plant following completion of refurbishment work.
Performance for the 2nd Quarter of 2010 was in line with that of the 1st Half.

CONTRIBUTION TO GROSS THERMAL GENERATION

2nd Quarter						Millions of kWh	1st Half					
2010		2009		Change			**2010**		2009		Change	
44	0.3%	42	0.3%	2	4.8%	High-sulfur fuel oil (S>0.25%)	90	0.3%	83	0.3%	7	8.4%
4,040	26.2%	4,028	30.9%	12	0.3%	Natural gas	9,726	29.1%	9,009	31.1%	717	8.0%
7,634	49.5%	5,655	43.4%	1,979	35.0%	Coal	15,873	47.5%	12,714	43.9%	3,159	24.8%
3,699	24.0%	3,306	25.4%	393	11.9%	Nuclear fuel	7,728	23.1%	7,161	24.7%	567	7.9%
15,417	**100.0%**	**13,031**	**100.0%**	**2,386**	**18.3%**	**Total**	**33,417**	**100.0%**	**28,967**	**100.0%**	**4,450**	**15.4%**

Gross thermal generation in the 1st Half of 2010 rose by 4,450 million kWh (up 2,386 million kWh in the 2nd Quarter of 2010) to 33,417 million kWh (15,417 million kWh in the 2nd Quarter of 2010). The increase, which involved all types of fuel and plant technology, reflected the increase in demand for electricity as a result of the partial recovery of the international economy. The largest growth came in coal-fired generation, with an increase in the contribution of Enel OGK-5 (2,919 million kWh) and Enel Maritza East 3 (521 million kWh).

ELECTRICITY SALES

2nd Quarter				Millions of kWh	1st Half			
2010	2009	Change			**2010**	2009	Change	
				Free market:				
221	255	(34)	-13.3%	- Romania	434	561	(127)	-22.6%
1,358	661	697	105.4%	- France	2,838	1,628	1,210	74.3%
1,636	846	790	93.4%	- Russia	3,676	1,573	2,103	133.7%
3,215	1,762	1,453	82.5%	Total free market	6,948	3,762	3,186	84.7%
				Regulated market:				
1,912	2,029	(117)	-5.8%	- Romania	4,193	4,396	(203)	-4.6%
2,689	3,786	(1,097)	-29.0%	- Russia	6,025	7,977	(1,952)	-24.5%
4,601	5,815	(1,214)	-20.9%	Total regulated market	10,218	12,373	(2,155)	-17.4%
7,816	**7,577**	**239**	**3.2%**	**Total**	**17,166**	**16,135**	**1,031**	**6.4%**
2,133	*2,284*	*(151)*	*-6.6%*	*- of which Romania*	*4,627*	*4,957*	*(330)*	*-6.7%*
1,358	*661*	*697*	*105.4%*	*- of which France*	*2,838*	*1,628*	*1,210*	*74.3%*
4,325	*4,632*	*(307)*	*-6.6%*	*- of which Russia*	*9,701*	*9,550*	*151*	*1.6%*

Electricity sold by the International Division in the 1st Half of 2010 rose by 1,031 million kWh (up 239 million kWh in the 2nd Quarter of 2010), mainly attributable to an increase of 1,210 million kWh in sales by Enel France as a result of the greater anticipated capacity available compared with the corresponding period of 2009 and an increase of 151 million kWh on the Russian market following the increase in demand in that country. The increase was only partially offset by the decline in the sales of the Romanian companies (330 million kWh), attributable mainly to the decline in consumption, especially in the region served by Enel Energie Muntenia.

Performance

2nd Quarter			Millions of euro	1st Half		
2010	2009	Change		**2010**	2009	Change
1,473	1,251	222	Revenues	3,111	2,649	462
(8)	12	(20)	Net income/(charges) from commodity risk management	(13)	13	(26)
464	*317*	*147*	*Gross operating margin*	*841*	*698*	*143*
345	139	206	Operating income	581	392	189
			Operating assets (1)	13,108	12,292 (2)	816
			Operating liabilities (3)	4,907	4,786 (2)	121
			Employees at period-end (no.) (4)	15,457	15,752 (5)	(295)
			Capital expenditure	559	417	142

(1) Of which €603 million regarding units classified as "Held for sale" at June 30, 2010.
(2) At December 31, 2009. The figures were restated as a result of the retrospective application of a number of accounting standards.
(3) Of which €26 million regarding units classified as "Held for sale" at June 30, 2010.
(4) Of which 554 in units classified as "Held for sale".
(5) At December 31, 2009.

Performance in the 2nd Quarter

The table below shows performance by geographical area.

Millions of euro	Revenues			Gross operating margin			Operating income		
	2010	2009	Change	**2010**	2009	Change	**2010**	2009	Change
Central Europe	636	610	26	283	221	62	236	136	100
South-eastern Europe	290	266	24	103	64	39	63	28	35
Russia	547	375	172	78	32	46	46	(25)	71
Total	**1,473**	**1,251**	**222**	**464**	**317**	**147**	**345**	**139**	**206**

Revenues for the 2nd Quarter of 2010 grew by €222 million or 17.7%, going from €1,251 million to €1,473 million. The performance was related to the following factors:

> a €172 million increase in revenues in Russia, mainly pertaining to Enel OGK-5 (€106 million) and the greater revenues posted by RusEnergoSbyt associated with an increase in sales prices;

> a €26 million increase in revenues in central Europe, mainly attributable to the rise in revenues from electricity sales by Enel France (€28 million), partially offset by the lower revenues in Slovakia (€2 million). Both of these developments were due to an increase in volumes sold, the effect of which more than offset declining average sales prices;

> a €24 million increase in revenues in south-eastern Europe, due essentially to the €26 million rise in revenues for the Romanian companies, largely as a result of the application of IFRIC 18.

The *gross operating margin* amounted to €464 million, up €147 million over the same period of 2009. The performance was the result of:

> a €62 million increase in the gross operating margin in central Europe due to higher margins achieved by Slovenské elektrárne (€57 million) and Enel France;

> a €46 million increase in the gross operating margin in Russia as the joint effect of the increase in the margin of Enel OGK-5 (€21 million) and RusEnergoSbyt (€17 million), in addition to the positive effect of the deconsolidation of SeverEnergia (€4 million);

> a €39 million rise in the margin in south-eastern Europe, essentially attributable to the improved margin achieved in Romania (€41 million, of which €23 million as a result of the application of IFRIC 18).

Operating income in the 2nd Quarter of 2010 amounted to €345 million, an increase of €206 million compared with the corresponding period of 2009, taking account of a €59 million decrease in depreciation, amortization and impairment losses.

Performance in the 1st Half

The table below shows performance by geographical area.

Millions of euro	Revenues			Gross operating margin			Operating income		
	2010	2009	Change	**2010**	2009	Change	**2010**	2009	Change
Central Europe	1,327	1,290	37	502	499	3	371	331	40
South-eastern Europe	611	575	36	172	116	56	93	53	40
Russia	1,173	784	389	167	83	84	117	8	109
Total	**3,111**	**2,649**	**462**	**841**	**698**	**143**	**581**	**392**	**189**

Revenues for the 1st Half of 2010 grew by €462 million or 17.4%, going from €2,649 million to €3,111 million. The performance was related to the following factors:

> a €389 million increase in revenues in Russia, mainly pertaining to Enel OGK-5 (€214 million) and the greater revenues posted by RusEnergoSbyt associated with an increase in volumes sold against a background of rising prices;

> a €37 million increase in revenues in central Europe, mainly attributable to the rise in revenues from electricity sales by Enel France (€31 million) and higher revenues in Slovakia (€6 million). Both of these developments were due to an increase in volumes sold, the effect of which more than offset declining average sales prices;

> a €36 million increase in revenues in south-eastern Europe, due essentially to the rise in revenues for the Romanian companies (€22 million), largely as a result of the application of IFRIC 18, and Enel Maritza East 3 (€14 million) as a result of higher sales prices as defined by the Purchase Price Agreement and the full operation of the plants.

The *gross operating margin* amounted to €841 million, up €143 million compared with the 1st Half of 2009. The performance was the result of:

> an €84 million increase in the gross operating margin in Russia as the joint effect of the increase in the margin of Enel OGK-5 (€44 million) and RusEnergoSbyt (€28 million), in addition to the positive effect of the deconsolidation of SeverEnergia (€8 million);

> a €56 million rise in the margin in south-eastern Europe, essentially attributable to the €48 million improvement in the margin in Romania (of which €23 million as a result of the application of IFRIC 18) as well as the entry into service of a new unit at the Enel Maritza East 3 plant;

> a gross operating margin in central Europe in line with that for the 1st Half of 2009, since the higher margin achieved by Slovenské elektrárne (€17 million, essentially the net effect of the release of the nuclear decommissioning provision and the lower margin on generation as a result of lower unit sales prices) was partially offset by the lower margin reported by Enel France, due to declining prices between the two periods compared.

Operating income in the 1st Half of 2010 amounted to €581 million, an increase of €189 million or 48.2% compared with the corresponding period of 2009, taking account of a €46 million decrease in depreciation, amortization and impairment losses.

Capital expenditure

Capital expenditure came to €559 million, up €142 million from the same period of the previous year. Of this change €43 million is attributable to greater capital expenditure on generation plants (totaling €359 million in the 1st Half of 2010), mainly associated with greater investment in nuclear power plants, partially offset by lower investment in thermal plants.

Renewable Energy

The Renewable Energy Division has the mission of developing and managing operations for the generation of electricity from renewable resources, ensuring their integration within the Group in line with the Enel Group's strategies. The geographical areas of operation for this Division are:

> Italy and the rest of Europe, with power generation from non-schedulable hydroelectric plants, as well as geothermal, wind and solar plants in Italy (Enel Green Power, Enel Green Power Portoscuso, Enel Green Power Calabria, Maicor Wind, Enel Green Power Puglia (formerly Italgest Wind), Enel Green Power Strambino Solar, Altomonte FV (formerly Resit Altomonte), EnerLive and Enel Green Power TSS (formerly Anemos 1), Greece (Enel Green Power Hellas), France (Enel Green Power France), Romania (Enel Green Power Romania) and Bulgaria (Enel Green Power Bulgaria), and plant and franchising activities in Italy (Enel.si);

> Iberia and Latin America, with power generation from renewable sources in Spain and Portugal (Enel Green Power España – formerly Endesa Cogeneración y Renovables (ECyR) – and Enel Unión Fenosa Renovables) and Latin America (Enel Latin America);

> North America, with power generation from renewable sources (Enel North America).

Following the integration of Enel's operations in the renewable energy sector in Spain and Portugal at the end of the 1st Quarter of 2010, ECyR – which until the reorganization was consolidated in the Endesa Group – became part of the Renewable Energy Division. Accordingly, starting from the date of that reorganization, the figures previously classified in the Iberia and Latin America Division are reported under the Renewable Energy Division.

Operations

NET ELECTRICITY GENERATION

2nd Quarter				Millions of kWh	1st Half			
2010	2009	Change			**2010**	2009	Change	
				Italy:				
2,083	2,112	(29)	-1.4%	Hydroelectric	3,514	3,618	(104)	-2.9%
1,264	1,250	14	1.1%	Geothermal	2,512	2,477	35	1.4%
148	94	54	57.4%	Wind	368	241	127	52.7%
-	1	(1)	-	Other resources	-	1	(1)	-
3,495	**3,457**	**38**	**1.1%**	**Total net generation in Italy**	**6,394**	**6,337**	**57**	**0.9%**
				International:				
1,125	1,190	(65)	-5.5%	Hydroelectric	2,259	2,339	(80)	-3.4%
54	42	12	28.6%	Geothermal	133	48	85	177.1%
1,079	479	600	125.3%	Wind	1,811	1,042	769	73.8%
153	72	81	112.5%	Other resources	230	154	76	49.4%
2,411	**1,783**	**628**	**35.2%**	**Total net generation abroad**	**4,433**	**3,583**	**850**	**23.7%**
5,906	**5,240**	**666**	**12.7%**	**TOTAL**	**10,827**	**9,920**	**907**	**9.1%**

Net power generation by the Division rose by 907 million kWh in the 1st Half of 2010 (up 9.1%) to 10,827 million kWh (5,906 million kWh in the 2nd Quarter of 2010). The increase is attributable to a rise of 850 million kWh in generation abroad (up 628 million kWh in the 2nd Quarter of 2010), where wind power output benefited from the change in the scope of consolidation within the Division attributable to Enel Green Power España, as well as the start of operations at the Codesas II wind farm and greater geothermal generation from the start of operations of the new plants in the United States (Still Water and Salt Wells). Generation in Italy was essentially in line with output in the corresponding periods of the previous year, as the increase in generation from wind and geothermal plants (the latter attributable to the effect of the stoppage of a number of plants in the 1st Quarter of 2009) was partially offset by a reduction in hydro generation owing to less favorable water availability.

Performance

2nd Quarter			Millions of euro	1st Half		
2010	2009	Change		**2010**	2009	Change
517	448	69	Revenues	974	863	111
38	37	1	Net income/(charges) from commodity risk management	63	46	17
325	*327*	*(2)*	*Gross operating margin*	*651*	*620*	*31*
233	269	(36)	Operating income	495	507	(12)
			Operating assets (1)	8,840	6,423 (2)	2,417
			Operating liabilities	1,018	804 (2)	214
			Employees at period-end (no.) (3)	2,907	2,685 (2)	222
			Capital expenditure	339	326	13

(1) Of which €69 million regarding units classified as "Held for sale" at June 30, 2010.
(2) At December 31, 2009.
(3) Of which 6 in units classified as "Held for sale".

Performance in the 2nd Quarter

The table below shows performance by geographical area.

Millions of euro	Revenues			Gross operating margin			Operating income		
	2010	2009	Change	**2010**	2009	Change	**2010**	2009	Change
Italy and the rest of Europe	344	320	24	235	238	(3)	196	204	(8)
Iberia and Latin America	142	84	58	69	57	12	28	43	(15)
North America	31	44	(13)	21	32	(11)	9	22	(13)
Total	**517**	**448**	**69**	**325**	**327**	**(2)**	**233**	**269**	**(36)**

Revenues rose by €69 million or 15.4%, going from €448 million to €517 million. This change is due to:

> a €58 million increase in revenues in the Iberian peninsula and in Latin America due to the aforementioned change in the scope of consolidation and higher wind power output in Spain;

> a €24 million increase in revenues in Italy and the rest of Europe as a result of:
  - a €30 million increase in revenues for Enel.si, mainly connected with sales of photovoltaic panels;
  - an €18 million increase in sales of green certificates in Italy;
  - higher revenues in Greece due to increased wind power output despite a

reduction in average sales prices;
  - a €30 million reduction in electricity sales, mainly ascribable to a €52 million fall in revenues from subsidized CIP 6 electricity and to a reduction of €3 million in revenues on the Power Exchange; these effects were partially offset by an increase of €30 million in revenues in respect of bilateral contracts;
  - the effect of the recognition in 2009 of the hydroelectric rent under Resolution ARG/elt no. 63/09 in the amount of €4 million;
- a €13 million decrease in revenues in North America.

The *gross operating margin* amounted to €325 million, in line with the same period of the previous year (€327 million). This performance was the net result of:
- a €12 million increase in margins in the Iberian peninsula and in Latin America, due mainly to the aforementioned change in the scope of consolidation, which more than offset the decrease in margins on generation posted in the Latin American countries as a result of lower volumes sold;
- an €11 million decrease in the margin in North America;
- a €3 million reduction in the margin in Italy and the rest of Europe, essentially due to the €18 million decline in the margin on electricity reported in Italy and the decrease in operating grants. These factors were partially offset by higher margins achieved in Greece and the €7 million increase in the margin posted by Enel.si.

Operating income amounted to €233 million, a decrease of €36 million from the 2nd Quarter of 2009, including greater depreciation, amortization and impairment losses in the amount of €34 million, related mainly to the change in the scope of consolidation.

Performance in the 1st Half

The table below shows performance by geographical area.

Millions of euro	Revenues			Gross operating margin			Operating income		
	2010	2009	Change	**2010**	2009	Change	**2010**	2009	Change
Italy and the rest of Europe	656	639	17	470	478	(8)	395	411	(16)
Iberia and Latin America	243	182	61	132	125	7	76	100	(24)
North America	75	42	33	49	17	32	24	(4)	28
Total	**974**	**863**	**111**	**651**	**620**	**31**	**495**	**507**	**(12)**

Revenues rose by €111 million or 12.9%, going from €863 million to €974 million. This change is due to:
- a €61 million increase in revenues in the Iberian peninsula and in Latin America due to the aforementioned change in the scope of consolidation and higher wind power output in Spain;
- a €33 million increase in revenues in North America due to higher revenues from the sale of electricity and from the tax partnership, as well as the effect of the negative prior-year items recognized in the 1st Half of 2009;
- a €17 million increase in revenues in Italy and the rest of Europe as a result of:
  - a €42 million increase in revenues for Enel.si, mainly connected with sales of photovoltaic panels;
  - a €24 million increase in sales of green certificates in Italy;

- a €13 million increase in revenues in France and Greece due to increased wind power output despite a reduction in average sales prices;
- a €53 million reduction in electricity sales, mainly ascribable to a €55 million fall in revenues from subsidized CIP 6 electricity, to a reduction of €33 million in revenues on the Power Exchange and to a €5 million decrease in revenues from small plants (Legislative Decree 387/03 and Law 293/04); these effects were partially offset by an increase of €40 million in revenues in respect of bilateral contracts;
- a €9 million decrease in operating grants in Italy;
- the effect of the recognition in 2009 of the hydroelectric rent under Resolution ARG/elt no. 63/09 in the amount of €4 million.

The *gross operating margin* reached €651 million, an increase of €31 million or 5.0% over the 1st Half of 2009. The increase is attributable to:

> a €32 million increase in the margin reported in North America, essentially due to the effect of the negative prior-year items recognized in the 1st Half of 2009, in addition to higher output during the period under review;

> a €7 million increase in the margin in the Iberian peninsula and Latin America, due mainly to the aforementioned change in the scope of consolidation, which more than offset the decrease in margins on generation posted in the Latin American countries as a result of lower volumes sold;

> an €8 million reduction in the margin posted in Italy and the rest of Europe, essentially due to the €26 million decline in the margin on electricity reported in Italy (which includes a €19 million decline in positive prior-year items recognized even with the €8 million in net income on commodity risk management) and the decrease in operating grants. These factors were partially offset by higher margins achieved in France and Greece as a result of higher volumes sold and the €11 million increase in the margin posted by Enel.si.

Operating income came to €495 million, a decrease of €12 million from the 1st Half of 2009, including greater depreciation, amortization and impairment losses in the amount of €43 million related mainly to the change in the scope of consolidation.

Capital expenditure

Capital expenditure came to €339 million, up €13 million compared with the same period of the previous year. Of the total investments made during the 1st Half of 2010, €211 million were in Italy (€112 million in the 1st Half of 2009) and €128 million abroad (€214 million in the 1st Half of 2009). They mainly concerned work on power plants (€334 million), €216 million of which related to alternative energy projects (mainly wind), as well as €68 million for geothermal and €50 million for hydroelectric power plants.

Parent Company, Services and Other Activities

2nd Quarter			Millions of euro	1st Half		
2010	2009	Change		**2010**	2009	Change
			Parent Company			
187	173	14	Revenues	323	356	(33)
(5)	*18*	*(23)*	*Gross operating margin*	*(3)*	*54*	*(57)*
(7)	16	(23)	Operating income	(6)	50	(56)
			Operating assets	1,125	1,229 (1)	(104)
			Operating liabilities	1,472	1,090 (1)	382
			Employees at period-end (no.)	782	731 (1)	51
			Services and Other Activities			
276	259	17	Revenues	524	509	15
41	*54*	*(13)*	*Gross operating margin*	*73*	*89*	*(16)*
12	28	(16)	Operating income	19	40	(21)
			Operating assets	2,445	2,197 (1)	248
			Operating liabilities	1,325	1,612 (1)	(287)
			Employees at period-end (no.)	4,136	4,168 (1)	(32)
			Capital expenditure	34	31	3

(1) At December 31, 2009.

Parent Company

In its capacity as an industrial holding company, Enel SpA defines strategic targets for the Group and coordinates activities of subsidiaries.
In addition, Enel SpA manages central treasury operations and insurance risk coverage, providing assistance and guidelines on organization, personnel management and labor relations, accounting, administrative, fiscal, legal, and corporate matters. Enel also currently holds a contract with Atel for the import of electricity on the Swiss border.

Performance in the 2nd Quarter

Revenues in the 2nd Quarter of 2010 came to €187 million, an increase of €14 million compared with the corresponding period of the previous year (up 8.1%), due to:

> a €13 million increase in revenues for support and staff activities for the Group companies;
> broadly unchanged revenues from the sale of electricity to the Single Buyer (up €1 million).

The *gross operating margin* for the 2nd Quarter of 2010 was a negative €5 million, a deterioration of €23 million. This performance was related to the following factors: the reduction of €15 million in the margin on electricity, the effects of a positive €15 million adjustment recognized in the 2nd Quarter of 2009 in provisions for risks and charges, taken to the income statement, and a €3 million decrease in operating expenses.

The *operating loss* amounted to €7 million, a deterioration of €23 million from the 2nd Quarter of 2009, in line with developments in the gross operating margin.

Performance in the 1st Half

Revenues in the 1st Half of 2010 came to €323 million, a decrease of €33 million compared with the corresponding period of the previous year (down 9.3%), due to:

> a €22 million decrease in revenues from the sale of electricity to the Single Buyer, essentially ascribable to a reduction in the average sales price while the quantities sold remained virtually unchanged;

> an €11 million decrease in revenues for support and staff activities for the Group companies.

The *gross operating margin* for the 1st Half of 2010 was a negative €3 million, down €57 million from the positive margin posted in the year-earlier period. This performance was related to the following factors: the reduction of €32 million in the margin on electricity, the effects of a positive €15 million adjustment recognized in the 2nd Quarter of 2009 in provisions for risks and charges, taken to the income statement, and a €10 million increase in operating expenses.

The *operating loss* amounted to €6 million, a deterioration of €56 million on the 1st Half of 2009, in line with developments in the gross operating margin.

Services and Other Activities

The primary purpose of the Services and Other Activities area is to provide competitive services to the companies of the Group, such as real estate and facility management services, IT services, personnel training and administration, general administrative services, and factoring and insurance services.

Performance in the 2nd Quarter

Revenues for the Services and Other Activities area in the 2nd Quarter of 2010 came to €276 million, an increase of €17 million over the same period of 2009. This increase essentially reflects the €11 million rise in revenues reported for IT services, greater hardware and software sales to the Infrastructure and Networks Division, as well as higher revenues for staff services. These factors were partially offset by a decrease in capital gains on the sale of land and buildings (€2 million) and the reduction in revenues from real estate services.

The *gross operating margin* in the 2nd Quarter of 2010 amounted to €41 million, a decrease of €13 million or 24.1% from the same period of the previous year. This decrease is essentially a reflection of the effects of the positive performance posted in the 2nd Quarter of 2009 as a result of a revision of the liabilities previously recognized in respect of early retirement incentives, as well as of lower capital gains on the sale of land and buildings. These factors were partially offset by higher margins on IT services.

Operating income for the 2nd Quarter of 2010 came to €12 million, a decrease of €16 million from the 2nd Quarter of 2009, including greater depreciation, amortization and impairment losses in the amount of €3 million.

Performance in the 1st Half

Revenues for the Services and Other Activities area in the 1st Half of 2010 came to €524 million, an increase of €15 million over the same period of 2009. This increase essentially reflects the €17 million rise in revenues reported for IT services, greater hardware and software sales to the Infrastructure and Networks Division, as well as higher revenues for staff services. These factors were partially offset by a decrease in capital gains on the sale of land and buildings (€6 million) and the reduction in revenues from real estate services.

The *gross operating margin* in the 1st Half of 2010 amounted to €73 million, a decrease of €16 million or 18% on the same period of the previous year. This decrease is essentially a reflection of the effects of the positive performance posted in the 2nd Quarter of 2009 as a result of a revision of the liabilities previously recognized in respect of early retirement incentives, as well as of lower capital gains on the sale of land and buildings. These factors were partially offset by higher margins on IT services.

Operating income in the 1st Half of 2010 totaled €19 million, down €21 million compared with the 1st Half of 2009, reflecting an increase of €5 million in depreciation, amortization and impairment losses, due essentially to the entry into service of intangible assets and new investments in software, as well as certain hardware sales.

Main risks and uncertainties

Market liberalization and regulatory developments

The energy markets in which the Group operates are currently undergoing gradual liberalization, which is being implemented using different approaches and timetables from country to country.
As a result of these processes, the Group is exposed to increasing competition from new entrants and the development of organized markets.
The business risks generated by the natural participation of the Group in such markets have been addressed by integrating along the value chain, with a greater drive for technological innovation, diversification and geographical expansion. More specifically, the initiatives taken have increased the customer base in the free market, with the aim of integrating downstream into final markets, optimizing the generation mix, improving the competitiveness of plants through cost leadership, seeking out new high-potential markets and developing renewable energy resources with appropriate investment plans in a variety of countries.
The Group often operates in regulated markets, and changes in the rules governing operations in such markets, and the associated instructions and requirements with which the Group must comply, can impact our operations and performance.
In order to mitigate the risks that such factors can engender, Enel has forged closer relationships with local government and regulatory bodies, adopting a transparent, collaborative and proactive approach in tackling and eliminating sources of instability in regulatory arrangements.
No changes in the regulatory framework that might significantly modify the structure of the markets in which the Group operates are expected for the 2nd Half of 2010.

CO_2 emissions

In addition to being one of the factors with the largest potential impact on Group operations, emissions of carbon dioxide (CO_2) are also one of the greatest challenges faced by the Group in safeguarding the environment.
Community legislation governing the emissions trading scheme imposes costs for the electricity industry, costs that could rise substantially in the future. In this context, the instability of the emissions allowance market accentuates the

difficulties of managing and monitoring the situation. In order to mitigate the risk factors associated with CO_2 regulations, the Group monitors the development and implementation of EU and Italian legislation, diversifies its generation mix with the inclusion of low-carbon content technologies and resources such as renewables and nuclear power, develops strategies to acquire allowances at competitive prices and, above all, enhances the environmental performance of its generation plants, increasing their energy efficiency.
Obtaining emissions allowances for the 2nd Half of 2010 does not present any significant risks.

Commodity prices and supply continuity

As part of its ordinary operations, the Enel Group is exposed to changes in the prices of fuel and electricity, which can have a significant impact on its results. To mitigate this exposure, the Group has developed a strategy of stabilizing margins by contracting for supplies of fuel for the delivery of electricity to end users or wholesalers in advance.
The Group has also implemented a formal procedure that provides for the measurement of the residual commodity risk, the specification of a ceiling for maximum acceptable risk and the implementation of a hedging strategy using derivatives.
For a more detailed examination of management of commodity risk and the derivatives portfolio, please see note 2 of the notes to the condensed interim consolidated financial statements.
In order to limit the risk of interruptions in fuel supplies, the Group has diversified fuel sources, using suppliers from different geographical areas and encouraging the construction of transportation and storage infrastructure.

Credit risk

In its commercial and financial activities, the Group is exposed to the risk that its counterparties might not be able to discharge all or part of their obligations, whether these involve payment for goods already delivered and services rendered or payment of the expected cash flows under financial derivatives contracts.
In order to minimize such risks, the Group assesses in advance the creditworthiness of the counterparties with which it may establish its largest exposures on the basis of information supplied by independent providers and internal rating models. This process provides for the attribution of an exposure limit for each counterparty, the request for appropriate guarantees for exposures exceeding such limits and periodic monitoring of the exposures.
For certain segments of its customer portfolio, the Group also enters into insurance contracts with leading credit insurance companies.

Liquidity risk

Enel SpA (directly and through its subsidiary Enel Finance International) is responsible for the centralized Group Treasury function (with the exception of the Endesa Group, where that function is performed by Endesa SA and its subsidiaries International Endesa BV and Endesa Capital SA), meeting liquidity requirements primarily through cash flows generated by ordinary operations and drawing on a range of sources of financing. In addition, it manages any excess liquidity as appropriate.

Rating risk

The possibility of accessing the capital market and other sources of financing, and the related costs, depend, among other factors, on the rating assigned to the Group.
Enel's current rating is equal to: (i) "A-" with a stable outlook (Standard & Poor's); (ii) "A-" with a stable outlook (Fitch); and (iii) "A2" with a negative outlook (Moody's). All the agencies removed the negative credit watch during the year.
Any reduction in the rating could limit access to the capital market and increase finance costs, with a negative impact on the performance and financial situation of the Group.

Exchange rate and interest rate risk

The Group is exposed to exchange rate risk associated with cash flows in respect of the purchase or sale of fuel or electricity on international markets, cash flows in respect of investments or other items denominated in foreign currency and, to a marginal extent, debt denominated in currencies other than the functional currency of the respective countries. The main exchange rate exposure of the Enel Group is in respect of the US dollar.
During the year, management of exchange rate risk was pursued through compliance with internal risk management policies, which call for hedging of significant exposures, encountering no difficulties in accessing the derivatives market.
The main source of exposure to interest rate risk for Enel is floating-rate debt. In order to obtain a balanced structure for the debt, Enel manages the risk by reducing the amount of debt exposed to interest rate fluctuations, curbing borrowing costs over time and limiting the volatility of results.
The management policies implemented by Enel SpA also seek to optimize the Group's overall financial position, ensure the optimal allocation of financial resources and control of financial risks.
Under these policies, derivatives transactions for the management of interest rate risk and exchange rate risk are conducted, among other things, with careful selection of financial counterparties and close monitoring of the related exposures and ratings.
More detailed information is provided in note 2 to the condensed interim consolidated financial statements.

Other risks

Breakdowns or accidents that temporarily interrupt operations at Enel's plants represent an additional risk associated with the Group's business. In order to mitigate such risks, the Group adopts a range of prevention and protection strategies, including preventive and predictive maintenance techniques and technology surveys to identify and control risks, and implement international best practices. Any residual risk is managed using specific insurance policies to protect corporate assets and provide liability coverage in the event of harm caused to third parties by accidents, including pollution releases, that may occur during the generation and distribution of electricity and gas.
As part of its strategy of maintaining and developing its cost leadership in the markets in which it has generation operations, the Group is involved in numerous projects for the development, improvement and reconversion of its plants. These projects are exposed to the risks commonly associated with construction activities, which the Group mitigates by requiring its suppliers to provide specific guarantees and, where possible, obtaining insurance coverage against all phases of construction risk.

Outlook

The Enel Group has the skills and strategies needed to seize the opportunities offered by recovery in electricity demand, which in the 1st Half of 2010 has been seen in all the countries in which the Group operates and is expected to continue through the 2nd Half of the year.
On this basis, the Group will continue its programs to affirm its leadership in the markets in which it operates, benefiting from a competitive cost structure and the optimal diversification of its plants. In addition, the Group will continue to invest in research and development in the renewables sector.
The synergies generated by the ever closer integration with Endesa and the operational excellence programs under way will help strengthen Enel's cost leadership. In addition, the extraordinary portfolio optimization initiatives already planned, together with the generation of operational cash flow, are expected to make it possible to reduce the level of debt.
The operating results achieved in the period confirm the validity of the international expansion strategy and enable Enel to forecast an improvement in the gross operating margin for 2010 compared with the projected level already announced to investors.

Related parties

As an operator in the generation, transport, distribution and sale of electricity, Enel provides services to a number of companies controlled by the Italian State, Enel's controlling shareholder. In the current regulatory framework, Enel concludes transactions with Terna – Rete Elettrica Nazionale (Terna), the Single Buyer, the Energy Services Operator, and the Energy Markets Operator (each of which is controlled either directly or indirectly by the Ministry for the Economy and Finance).

Fees for the transport of electricity payable to Terna and certain charges paid to the Energy Markets Operator are determined by the Authority for Electricity and Gas.

Transactions relating to purchases and sales of electricity concluded with the Energy Markets Operator on the Power Exchange and with the Single Buyer are settled at market prices.

In particular, companies of the Sales Division acquire electricity from the Single Buyer and settle the contracts for differences related to the allocation of CIP 6 energy with the Energy Services Operator, in addition to paying Terna fees for the use of the national transmission network. Companies that are a part of the Generation and Energy Management Division, in addition to paying fees for the use of the national transmission network to Terna, carry out electricity transactions with the Energy Markets Operator on the Power Exchange and sell electricity to the Single Buyer. The company of the Renewable Energy Division that operates in Italy sells electricity to the Energy Markets Operator on the Power Exchange.

Enel also acquires fuel for generation and gas for distribution and sale from Eni, a company controlled by the Ministry for the Economy and Finance. All transactions with related parties are concluded on normal market terms and conditions.

For more detailed information on transactions with related parties, please see note 34 to the condensed interim consolidated financial statements.

Research and development

In the 1st Half of 2010, Innovation and Research programs focused on the areas highlighted in Enel's 2010-2014 Technological Innovation Plan, including:

> electricity generated from fossil fuels, where the focus is on CO_2 capture and sequestration, hydrogen power, emission reductions and improving plant efficiency;
> renewables, with emphasis on photovoltaic solar energy, thermal solar power, geothermal power, wind power and biomasses;
> smart grids;
> distributed generation;
> energy efficiency;
> electricity-powered mobility.

The 2010-2014 Technological Innovation Plan was developed in cooperation with Endesa, with whom Enel has established joint priorities and has integrated its R&D projects in order to avoid duplication and ensure that experience and know-how concerning projects of interest to both groups are exchanged via dedicated work groups.
The following section describes the main activities undertaken and the results achieved in the 1st Half of the year.

Zero-emission thermal power generation – CO_2 capture and sequestration (CCS)

Enel is among those cutting-edge companies experimenting with these technologies, focusing on capturing coal plants' CO_2 emissions (post-combustion capture), on innovative oxygenated coal combustion technologies and technologies for the gasification of fossil fuels (pre-combustion capture) and on CO_2 storage solutions.

Post-combustion capture and geological storage

Enel is committed to building a pilot CO_2 capture system in Brindisi and a CCS demonstration plant in Porto Tolle (Rovigo), for which Enel received €100 million in funding under the EU's European Economic Recovery Plan (EERP) at the end of 2009.
The construction of the pilot CO_2 capture system at the Federico II power plant in Brindisi was completed in the 1st Half of 2010. This pilot system, one of the

first of its scale in either Europe or the rest of the world, will enable the treatment of 10,000 Nm^3/h of emissions to separate between 15-20,000 metric tons per year of CO_2 and to permit optimization of the capture process, thereby augmenting Enel's know-how in preparation for the construction of the industrial-scale demonstration plant (about 250 MWe equivalent) at Porto Tolle.
The characterization and preliminary selection of areas suitable for the geological storage site for the Porto Tolle demonstration plant was also completed.
Enel is also testing biological CO_2 capture solutions involving microalgae cultivation on a pilot scale at its Brindisi laboratory.
In Spain, a 300 kWth pilot system for post-combustion capture using amines was set up in Compostilla under the "CENIT CO_2" project. The project will be managed under the "MENOS CO_2" program. As part of the research into the biological capture of CO_2 using algae and the furtherance of the bio-refinery concept, a 500 m^2 pilot photobioreactor has been built at the Litoral de Almería coal-fueled plant.

Oxygenated combustion

Within the Enel Group, CCS using oxy-combustion is being developed primarily through Endesa's demonstration program in Compostilla, undertaken in cooperation with CIUDEN and Foster Wheeler. This program was chosen by the European Union to receive €180 million in funding under the European Economic Recovery Plan.
CIUDEN has begun work on the boiler for the system, which is expected to come on line next year. As to the stages of the capture process, geological surveys have already begun in two areas (in Castille and Aragon) chosen for geological CO_2 storage.
In Italy Enel is committed to assessing the feasibility of pressurized oxy-combustion (developed based on ITEA technology). In April 2010, Enel and ITEA signed a partnership agreement to conduct a study on the feasibility and financial attractiveness of building an industrial-scale demonstration plant using ITEA technology.

Pre-combustion capture

Enel has focused its activities in the area of pre-combustion capture, involving the gasification of fossil fuels, on improving systems for using hydrogen produced by the separation process. In the 1st Half of 2010, Enel continued work on the hydrogen plant in Fusina (Venice), the construction of which was completed in 2009.
Gasification of coal was also pursued at the Group level through the joint participation of Endesa and Enel in the Elcogas plant in Puertollano, Spain.

Improving the efficiency of coal plants

Enel is an active participant in international projects to develop optimized components for high-efficiency coal plants. In a few years, technological advances will make it possible to raise the operating temperature (700 °C) of coal-fired plants, enabling the construction of plants with an efficiency of more than 50%.
In the 1st Half of 2010, Enel completed its application within VGB to build a pilot system at an Enel power plant to test innovative materials capable of reaching 700 °C (nickel alloys), as part of a research program involving international partners.
Improving coal plant efficiency is crucial for developing CCS technologies.

Generation from renewable resources

Research in the area of renewable resources has been focusing on photovoltaic solar energy (technical specifications for innovative commercial systems in real-world situations, development of innovative concentrators, performance monitoring), thermal solar power (development of innovative plant designs with focus on improving efficiency and cutting costs), wind power (output forecasting), biomass (using biomass in co-combustion processes and analyzing potential areas for local sourcing of material), innovative geothermal power, wave and tidal power, low-cost distributed generation systems for supplying electricity and storage systems in remote locations.
The following sections describes the primary actions undertaken and the results achieved in the 1st Half of the year.

Thermal solar

Construction was completed on the "Archimede" facility and commissioning on an experimental basis began. "Archimede" is an innovative thermal solar demonstration facility based on linear parabolic collectors, generating around 5 MW of electricity using ENEA technology, coupled with the existing combined-cycle plant in Priolo Gargallo (Syracuse). With this innovative technology (it is the first demonstration plant in the world), it will be possible to boost the efficiency of the plant, thereby providing greater output thanks to the exploitation of the ability of the molten salts to reach temperatures exceeding 500 °C. The Group has also begun to conduct a feasibility study on the development of a system based on the results of the "Archimede" project, focusing on reducing generation costs.
In Spain, Endesa is conducting tests on key system components for direct steam generation (the GDV 500 project). In 2010, the initial CSP cycle was put into operation and tests were carried out on solids (cement) and PCM (phase change materials) energy storage systems.

Innovative photovoltaic

Development of a solar power laboratory in Catania, equipped with cutting-edge technology, was completed. The facility will be used to verify the performance of innovative photovoltaic systems and to develop new solutions with higher conversion efficiencies and lower costs. Testing of the technical specifications and comparison with numerous innovative commercial systems were completed. The Group entered into a partnership with STM and SHARP to develop a joint research and testing program for innovative, low-cost modules.

Innovative geothermal

Enel is engaged in the study of a high-performance supercritical organic cycle that will make it possible to build more efficient geothermal plants where low-temperature sources are available. Construction began on a prototype 500 kWe circuit at the Livorno Experimental Site in conjunction with Turboden.

Biomass and refuse-derived fuel (RDF)

Enel is focusing its activities on the co-combustion of biomass and refuse-derived fuel (RDF) in coal plants.
Monitoring work began at units 3 and 4 of the Fusina plant, which is fueled with a mixture of RDF (5%) and coal (95%). This activity, conducted as part of a European project coordinated by Enel, will make it possible to study the behavior of a traditional power station when it is fueled with biomass for the generation of renewable energy.

Wind power

Operating data is being collected at Enel's wind farms and the Group is in the process of developing systems for forecasting their short-term output in order to understand when and how much electricity will be generated in advance so that the flow of electricity to the grid can be better managed. A research project is also under way to determine the technical specifications for small wind generators for domestic distributed generation. The systems have been selected and the test station is currently under construction.

Energy storage

Enel is building an energy storage test facility in Livorno. Energy storage is a particularly important issue given the problems linked with managing the power grid and integrating distributed generation systems in the grid. The test facility is in the process of being constructed and the process of procuring the batteries to be tested has begun (vanadium, lithium-ion and ZEBRA).
The Italian project has been integrated with the "Store" program being carried out by Endesa in Spain to field test a variety of energy storage technologies (sodium-sulfur batteries, zinc-bromine batteries).

Energy efficiency and after-meter services

Work continued on the Enel Home project to develop value-added services for efficiently managing energy usage in the home targeted at residential users. Specifically, the preliminary selection was made of technical solutions for initiating a pilot phase of offering after-meter services to customers.
Interesting developments in this area could arise from the "Malaga Smart City" project, launched by Endesa in Spain with the participation of Enel. In June 2010, the first 400 smart meters were installed, while LED (Light Emitting Diode) street lighting systems are being introduced.
The Navicelli project for developing and testing new thermal and power grid management systems for a services/industry energy district that can interact with the electricity distribution grid in order to optimize the local network and the provision of grid services was launched as part of the effort to develop solutions for integrating generation systems, storage systems and grid management systems. The project has received funding from the region of Tuscany.

Smart grids

Work continued on the development of smart grids as part of the European ADDRESS project, of which Enel Distribuzione is the project leader and coordinator, for developing an innovative infrastructure with the inclusion of new power grids and generation, compensation and load systems. Work has begun on smart grids in Spain as part of the "Malaga Smart City" project. The power line communications (PLC) network and automation of the MV/LV grid are already functioning.

Electric mobility

The "Electric Car" project involves the development of an integrated mobility model that will give a strong boost to the widespread use of electric cars by both individuals and the business community and will lead to more efficient energy use. In 2009, Enel signed a groundbreaking agreement with Daimler-Mercedes to conduct a pilot program under which the car manufacturer will supply at least 100 electric Smart cars, starting sometime in 2010. Enel's contribution will be to develop the infrastructure for recharging these vehicles, with more than 400 dedicated recharging points located in customers' garages and parking facilities and at strategic points throughout the cities where the technology is being tested (Rome, Pisa and Milan). The project combines the specific skills and substantial experience of the two major groups, with the goal of furthering sustainable mobility in an urban context. Customer selection was completed in the 1st Half of the year, as were the installation plans and the design of the smart recharging infrastructure. Other important agreements signed were those with Piaggio to support the development of electric commercial vehicles and hybrid scooters and with the Renault-Nissan alliance.
In Spain, Endesa signed agreements with the cities of Madrid, Seville and Barcelona under the MOVELE project to plan the installation of more than 400 recharging points.
Endesa also signed preferred partnership agreements with a number of major automotive manufacturers and distributors (Peugeot, Mitsubishi, Toyota, Piaggio, Bergé). The first electric vehicles under this program have already been tested at the Madrid facility.
A partnership has also initiated with SGTE and Marubeni to develop quick charging systems, with a plan to extend the project towards different types of pilot configurations in Spain.

The "Green Ports" project involves providing an integrated suite of services with high environmental value to Italy's major ports in order to reduce polluting, climate-altering emissions caused by maritime traffic.
Specifically, under the special agreement signed with the Civitavecchia Port Authority, Enel's Technical Development and Plant Construction Area (Engineering and Innovation Division) developed a cold ironing (land-based electricity) system to supply power to cruise ships berthed at the Port of Civitavecchia. The development of this highly innovative technology could open the market for other products and services by specific corporate Divisions, such as: electric mobility for transporting people and goods, high-efficiency artistic lighting, systems for generating electricity from renewable resources and bundled energy plans making port buildings more energy efficient.
Relationships have been forged and specific new agreements signed with the port authorities of La Spezia and Venice to study and carry out the initial projects.

Human resources and organization

Organization

In the 1st Half of 2010, work continued on consolidating the Group's organizational structure with an eye to accelerating the integration process and more effectively achieving targeted synergies.

In the area of corporate functions, the Group Risk Management function's mission was increasingly focused on "major" risks, deemed as such based on their impact (financial, operational, strategic and business risk) on Group and Division/company performance and financial position. Projects aimed at redefining the risk management structures and processes within the Group Divisions were also undertaken.

In the business operations area:
> the Renewable Energy Division made considerable changes to its operational model, centralizing the Business Development, Acquisitions, Engineering & Construction functions in order to maximize the strategic leverage for achieving development goals given the likelihood that minority investors will be invited to acquire a stake;
> work has continued towards achieving the functional separation of the distribution activities of the Infrastructure and Networks Division in line with unbundling regulations;
> under the Performance Improvement project, aimed at creating value through the achievement of synergies, Enel and Endesa have chosen the following organizational initiatives currently under way:
  - Commodities Trading: market execution activity centralized within Enel Trade;
  - Power Trading: activities in European electricity markets centralized within Enel Trade (with the exception of those in the Iberian peninsula, where Endesa is responsible);
  - Coal, Liquids and Freight: central coordination through the selection of a lead buyer to ensure that procurement needs are met, costs are optimized and Group synergies are achieved;
  - Gas: creation of a Gas Operations Committee responsible for achieving targeted synergies;
  - CO_2: creation of a central carbon strategy department responsible for establishing and implementing the compliance strategy, origination activities, portfolio optimization and commercial actions in all carbon credit markets.

Finally, in terms of integration:

> the governance arrangements for the Global In Enel portal was established. The project is aimed at creating a new corporate intranet in order to promote the sharing of projects, culture and best practices within the Group, thereby enhancing the sense of belonging to a team and involvement in company strategies;

> the Enterprise Business Process Modeling project, having the goal of integrating the various methods of representing the Enel processes, was launched. Specifically, the governance structures and infrastructures were established and implemented.

Development and training

Training and development efforts focused on three important areas: process review, the talent management system and climate study.

With regard to evaluation processes, starting this year all employees of the Italian Divisions took part in the performance review in addition to all the Group managers who were involved in past reviews, for a total of 28,000 persons reviewed. This is a progression of the performance review system, anticipated in 2008 with the pilot review conducted on office staff in the Sales Division. It is in line with the feedback received from the most recent climate study, as well as with the recommendations made by analysts representing ethical funds.
The new performance review was accompanied by a multi-pronged communications campaign, training programs tailored for target populations, improvements in online tools and a distributed tutoring mechanism.

As in 2009, in early 2010 the Group's first and second-line managers and its level-one talent pool (TP1) took part in Feedback 360°, which was extended this year to the top management of Endesa and, on an experimental basis, to new management segments (the entire expatriate population of the International Division, the first-line managers of Enel North America, the management of the Energy Management professional family and the first-line HR managers of Endesa) for a total of 250 persons evaluated.

With regard to the evaluation of technical skills, the 1st Half of the year was dedicated to bringing the knowledge of the Finance, Information & Communication Technology and Safety professional families up to date. In particular, the skills refreshment provided to the Finance professional family marked the conclusion of the pilot evaluation begun in 2009 of the all workers in the Administration, Finance & Control area for all the countries in which the Group operates (with the exception of Endesa at this stage), totaling 1,500 persons.

As concerns the talent management system, the focus for the 1st Half of the year was on revising the system introduced in 2008 by introducing greater structure and fostering mobility, particularly through developing closer connections with the succession management process, integrated in the annual performance review.

Finally, with regard to the climate study, the early months of 2010 were focused on monitoring actions taken in response to the second global study conducted

at the end of 2008 and preparing for the third study to be carried out at the end of 2010 in which the Russian companies and Endesa will take part for the very first time. A total of around 80,000 persons should participate in the study.
With regard to training, the two main areas of focus concerned the systematizing and revision of a number of key initiatives of the leadership curriculum and the support of integration of the countries in the International Division.

The leadership curriculum is the set of training initiatives within the Group designed to disseminate and implement Enel's leadership model. Each training path has a specific target population (office staff, middle management, or senior management). More specifically, the leadership curriculum includes three types of initiative:

> programs related to changes in role or assignment: the Junior Enel Training International induction program for recent university graduates and the LINK program for new middle managers are already active. At the start of the year, the Welcome in Enel program introduced two training paths for new hires that are not recent graduates, the first aimed at university graduates and the second at secondary-school graduates. The training program for new senior managers will be completed in the 2nd Half of the year;

> programs related to the results of performance reviews: in addition to the 12 training modules for middle management scheduled in 2009 and carried out in 2010 for various targets (managers, resources managers, professionals), two training modules were designed for office staff (PPR Junior Professional and PPR Office staff). In the 1st Half of the year, 13 editions of the PPR Junior Professional were held, while the PPR Office staff should start in September;

> programs for the talent pools: a special edition of the Leadership for Energy Executives Program (in partnership with Harvard Business School) was developed and held for first-line managers of Enel and Endesa. Also in the 1st Half of the year, an edition of another key program targeted at the talent pools, the Leadership for Energy Management Program (in partnership with IESE and Bocconi) for the level-two talent pool (TP2), was held.

The training campaign begun in 2009 for all Enel senior management, i.e. the 5-day program Enel Business & Leadership in partnership with LUISS and Alma Mater, was completed.

As concerns support for the integration of the countries of the International Division, in addition to the international leadership curriculum programs (i.e. JET International, Enel Business & Leadership, and the talent pool programs), specific technical training initiatives were also launched for each country aimed at disseminating best practices and creating local skills in training in order to be able to develop and maintain technical skills on their own.

Hiring

In the 1st Half of 2010 the Hiring & University Relations unit focused on integrating new university and secondary-school graduates to begin work within the various professional areas in the organization, as well as on promoting the corporate image in the segments of the job market of greatest value, intensifying Enel's branding efforts as the "Employer of Choice".

For the second year in a row Enel was chosen as the "Top Employer" by the internationally-recognized Corporate Research Foundation (CRF), which specializes in assessing and acknowledging the top performers in the HR sector. Recruiting used a variety of channels to reach candidates, including, first and foremost, the company's web site, as well as through the schools and universities with which the company has specific partnership arrangements. Enel only engages outside head hunters in cases where particularly "critical" technical skills are sought. Therefore, the hiring process varies based on the recruitment target population. More specifically, university graduates are hired through the assessment centre, which involves individual and group interviews and assessments, as well as tests of English language skills, with a further evaluation of individual technical and professional skills. In hiring persons with work experience, individual interviews to gauge both aptitude and motivation and technical and professional skills are preferred.
Building on practices in past years, in the 1st Half of 2010 most hirings involved junior employees. A total of 364 persons were hired, of which about 80% fit the "new entry" profile. Specifically, 28% consisted of new university graduates (of whom 47% were female) and 52% of young people with secondary-level qualifications.
More specifically, recent university graduates were assigned to areas most closely linked with the core business, such as Generation and Energy Management, the operational structures of the Infrastructure and Networks Division and the Engineering and Innovation Division (particularly the nuclear technical and plant engineering area). Recent graduates were also assigned to the Sales Division through the second phase of the quality promoter project launched last year. Certain staff structures also received a significant boost in staff, in fact, under the junior controller program, the Administration, Finance and Control function received 8 new Italian and foreign university graduates and other graduates were assigned to the Audit and Group Risk Management function. New secondary-school graduates with technical skills were assigned to the Infrastructure and Networks Division and the Generation and Energy Management Division at posts throughout Italy.
Efforts were also made to raise the profile of employer branding actions on university campuses in which the company has the greatest interest, by participating in job meetings, creating specially designed recruiting days connected with the presentation of business-specific projects and by continuing "alternative" educational partnerships, particularly with the engineering and other technical departments of Italian universities. Enel, in cooperation with the Engineering and Innovation Division, awarded five scholarships and five dissertation awards to students enrolled in Electrical and Nuclear Engineering programs at five leading universities, among the best in the country in this field of study. The two-fold goal of these awards is to encourage the development of these specific skills and to spread the new nuclear "culture".

Around 60 internships were offered, largely in the Corporate functions and the Sales Division. In addition, 300 internships have been arranged for secondary-school graduates in technical fields for plant management and maintenance for the various regions of the Infrastructure and Networks Division.

During the 2nd Half of 2010, Enel expects to continue the hiring programs begun in the first part of the year. New graduates should be assigned to staff positions (in particular, Administration, Finance and Control and the Group Risk

Management functions) and to the technical areas of the various Divisions as quickly as possible. More personnel will be added to the Plant Development and Construction Area of the Engineering and Innovation Division and the Upstream Gas area through the hiring of more senior professionals. Certain areas of Energy Management and the Sales Division will also receive more staff. Recent graduates will continue to be assigned to technical and operational positions in network and generation areas. Employer branding efforts at the leading national and international universities will also be intensified.

Compensation and incentive systems

The compensation policy for the 1st Half of 2010 remained consistent with the logic and philosophy adopted in previous years.
As is done every year, appropriate external benchmarks were chosen and the necessary steps were taken to ensure that compensation levels remained competitive. Selective changes were made to fixed remuneration, thereby confirming a merit-based policy aimed at rewarding valued skills within each professional family. With regard to short-term incentives, management by objectives (MBO) was confirmed as the leading tool, involving about 97% of senior management and 17% of middle management.
It should also be noted that in 2010, following an extensive process of benchmarking the Group against other leading companies, the commercial incentive system was revised by considerably speeding up the process of assigning the targets and linking commercial planning activities.

Workplace health and safety

In 2010, work continued on implementing the Integrated Nine Point Safety Improvement Plan throughout the Group. It represents Enel's strategy for reaching its goal of zero accidents. At the start of the year the new strategies were established, focusing on behaviors, fostering integration between countries in which Enel operates and on improving procurement processes and the management of contractors. That is why Enel is working on extending measures aimed at improving safety standards along the entire contracting process – from qualification to selection, to monitoring and contractor management – for the entire Group, with particular focus on the foreign companies and Endesa.
The Nine Points Plan was one of the main topics of discussion at the first meeting of the Safety Steering Committee held on May 26, 2010, on the occasion of the meeting of the Management Committee. Introduced at the end of last year, the Safety Steering Committee is responsible for approving the Group's decisions and policies on safety matters, encouraging strategic initiatives designed to spread and foster the growth of the safety culture within the Group and periodically reviewing whether the processes for handling health and safety at the Group level are effective.
Also in the 1st Half of the year, training programs developed last year under the Nine Points Plan were undertaken. The first session of the leadership for safety course, a training program aimed at management that falls under the model for developing a safety culture and related skills, was held. Training on safety issues was also introduced for new employees across all companies, using modules A

and B for those in the operating Divisions, and the light module for staff personnel. The initial safe driving courses for employees of the Infrastructure and Networks, Generation and Energy Management and Renewable Energy Divisions got under way at the end of June. Also in June, the first portion of the annual refresher course for worker safety representatives (RLSs) – the 13th edition – was held at 6 different regional locations; a similar course is scheduled for the second part of the year. Training and refresher courses for Coordinators of Safety during the Design and Execution phase (CSP/CSE) and courses for contract managers will also be launched during the 2nd Half of the year. Work continued on projects aimed at focusing attention on safety, even during low-risk activities; specifically, the Safety 24/7 project is set to be launched by Enel Servizi and Endesa by the end of the year.
Enel has also conducted or will conduct by the end of the year many initiatives and campaigns designed to generate awareness about safety. On April 28, a series of events were organized to coincide with International Safety Day, so that the occasion could be marked in the same way in all countries in which the Group operates. Safety Days have already been organized at the division level, with the enthusiastic involvement of the contractors.
The process of integrating the foreign companies continued into 2010 with the goal of creating synergies and implementing programs of excellence in operations. As part of this, work continues on launching the Visual Safety project aimed at instituting a cycle of ongoing improvement based on the exchange of best practices. It will be extended to Renewable Energy Division plants and Engineering and Innovation Division worksites in 2010.
Regarding Endesa, in July 2010 the first meeting of Continuous Safety Improvement Committee was held. This joint Enel-Endesa committee, described in the Coordination Handbook, is responsible for stimulating ongoing improvement in safety standards by spreading best practices and sharing experiences.
The first meeting of the Examination Committee to analyze workplace accidents and deaths that have occurred within Endesa will be held at the end of July 2010.
As concerns efforts related specifically to occupational health and safety, efforts continued towards obtaining BS OHSAS 18001 certification for the worker health and safety management systems. Enel SpA is expected to be certified this year.
With regard to the adoption of the compliance model required by Legislative Decree 231/01, in response to the issue of Legislative Decree 106/09 in August 2009, special section F, adopted after the extension of administrative liability of legal persons related to the crimes of manslaughter and serious or very serious personal injury committed in violation of workplace health and safety laws, was updated and approved by Enel's Board of Directors.
With regard to workplace accidents, the frequency rate fell by 61% from 2005 to 3.21 in May 2010, while the severity rate fell by 44% from 2005 to 0.15 in May 2010. This downward trend was also confirmed by the operational accident frequency rate introduced last year, which focuses on certain types of especially serious accidents, mostly related to the company's core business (electrocutions, falling from heights, blows-crushing-cuts, exposure to hazardous agents and asphyxiation-blasts-burns due to gas leaks). This frequency rate at May 2010 was down 52% from 2007.
In the first six months of 2010, there was one fatal accident involving Enel Group employees in Russia, which occurred during electrical work. As regards workers in companies subcontracted by Enel, there were nine fatal accidents during the 1st Half of 2010, five of which relate to Endesa.

Labor relations

The most important development in the 1st Half of 2010 was the agreement concerning the renewal of the National Collective Labor Agreement, which expired in June 2009, touching on both compensation and rules governing employment conditions.
In terms of compensation, the agreement calls for an average wage increase of €157, to be reparameterized on the basis of the contractual wage scale. The increase will be introduced in four installments, the first of which to be paid starting from March 1, 2010. A payment of €360 will be made to cover the period between July 1, 2009 and February 28, 2010, reparameterized as appropriate, as well as a €4 contribution to be paid by the companies to the supplementary pension fund (FOPEN) for enrolled employees.
With respect to the rules governing employment conditions, a particularly important development was the reaching of an understanding on the rules governing workers' right to strike, with the signing of a document that ratifies the guidelines that will serve as the basis, in the coming weeks, for the detailed agreement that will replace the one dating back to 1991, from which the unions withdrew in June of last year. An important aspect is the agreement to adopt procedures for guaranteeing service continuity and safety for all users during electricity industry strikes.
Other important aspects involve the issue of "classification", which forms the foundation for crafting a new system to replace the current one, which has not been changed in more than 20 years. The issue is highly complex and will require an effort that is expected to last until the middle of next year.
There have also been changes regarding safety, with the complete rewriting of the provisions to bring them more in line with the goal of achieving zero accidents. Innovations were also made in relation to bilateral action, specifically in the area of training. In addition, more flexibility was introduced concerning availability and transfers.
The negotiations were complex, in part because they followed the contractual reform that divided the trade unions. Despite the presentation of three different platforms by the unions FILCEM, FLAEI, UILCEM, negotiations were carried out with the unions acting in unison, and the agreement reached, having a term of 42 months (expiring on December 31, 2012), was also accepted by all the unions.
With regard to second-level negotiations, on May 3, 2010, the amount to be paid under the 2009 performance bonus was determined, including amounts for May (100% of the bonus set out in the union agreement of November 13, 2008, equal to €810 for BSS category workers). As concerns unit productivity/quality, all the Divisions completed their reporting on the 2009 targets in order to pay out the bonuses in July. The methodologies for calculating the 2010 targets (2011 payment) are currently being established.
In accordance with the framework agreement on the presentation of Enel's training programs to Fondimpresa dated December 23, 2009, the Bilateral Enel Training Committee was formed. It is responsible for forming policy, providing support for and evaluating the Group's training activities, in addition to developing and distributing training programs to be submitted to Fondimpresa for approval for funding (Fondimpresa, founded by Law 388/92, is Italy's largest joint interprofessional fund for the management of permanent training for blue collar workers, office workers and middle management).
During the first six months of the year, numerous meetings were held with the

Italian national and local trade unions concerning the reorganization of the company's Divisions. More specifically, in February the new organizational structure of the logistics platforms was established for the Infrastructure and Networks Division, while consultation at the regional level has begun concerning the impact on personnel. With respect to actions targeted at workplace health and safety, Enel provided the unions with information on an individual alerting device to be used in the case of emergency launched on an experimental basis in March 2010. The device alerts the Operations Center to the employee's location, allowing the Center to send help. In March, information was provided on the installation of video-surveillance and video-monitoring systems in the distribution network's substations.

In 2010 technical examinations were made, as agreed with the national trade unions in July 2009, regarding the following issues: innovations in technology, organization and professional standards; sizing the grid workforce. The talks on the first issue were begun in October 2009 and concluded in March of this year. The criteria and the methodology to be used to size the workforce are currently being developed. The results of the technical review will be discussed with the national trade unions.

In order to encourage employees to take part in the national project to enhance local economic development (VE.LE) by saving electricity on the grid, a system of financial incentives aimed at workers and office staff who achieve the assigned targets was developed. The national trade unions were informed of the method for awarding the bonus on June 1, 2010.

In January and March the Generation and Energy Management Division had two meetings with the national trade union secretariats during which it provided more detailed information on the progress made in the Integrated Environmental Authorization (AIA) process for thermal power plants.

In May, a memorandum of understanding was signed pursuant to Article 2112 of the Civil Code, thereby concluding the procedures called for under Article 47 of Law 428/1990 as amended for transferring the "Bolzano" business unit of Enel Produzione SpA to the newly established SE Hydro Power.

In April a technical committee was set up with the regional trade union secretariats (Lazio) to address safety issues at the Torre Nord site (plant and worksite).

On June 11, 2010 the plans to reconvert the Rossano Calabro power plant were explained to the national and regional (Calabria) trade union secretariats.

With regard to the Sales Division, starting from April 1, 2010, the employments terms of all workers of Enel Energia with gas-industry employment contracts are no longer governed by the national collective bargaining agreement for the gas and water industries but rather by the national collective bargaining agreement for the electricity industry, as provided for under the memorandum of understanding signed with the national unions on November 11, 2009.

Discussions are under way with the national trade union secretariats regarding the reorganization of the Division's Customer Service unit. In March the procedures for introducing Videophone Customer Service were determined with the national trade union secretariats; this provides a further point of interaction with customers in an effort to improve service quality.

As to the Renewable Energy Division, in early 2010, the reorganization of the structure of the Division was undertaken with the goal of ensuring closer integration of the central and area structures and of furthering ambitious plans to extend the geographical reach and productive capacity of the Division. This is in keeping with the international scenario in which the Division operates.

In terms of the new structure, as is the usual practice, talks began with the national

trade unions and will lead to the necessary implementing steps at the local level.
With regard to international operations, work began on integrating the corporate assets held in Spain by Enel Unión Fenosa Renovables, and by Endesa in Enel Green Power España (formerly Endesa Cogeneración y Renovables). This operation was also of interest to the unions for the purposes of the European Works Council and was accompanied by talks with the relevant union representatives of the personnel involved.
The Engineering and Innovation Division concluded talks with the national trade union secretariats, which began in 2009, concerning the new organization of the division and then began discussions with the regional offices regarding the related effects on personnel. In May talks began with the national trade union secretariats concerning the renewal of the agreements setting out the treatment of personnel at worksites in Italy and abroad.
As required under the document describing the new organizational structure of the Systems & TLC Operations unit of the Information & Communication Technology Office prepared at the end of 2009, in April 2010 Enel Servizi held the scheduled meeting on the formation of the "Integrated Management Center" in Rome. Once in operation, it will be responsible for managing and controlling network and TLC services, monitoring and managing IT services and frontline IT security. In May 2010 discussions with the national trade union secretariats concerning the implementation of the one-call solution for the Customer Service unit of the Information & Communication Technology Office were concluded.

Staffing levels

At June 30, 2010 Enel Group employees numbered 80,220 (81,208 at December 31, 2009).
The Group's workforce fell by 988 during the 1st Half of the year. The net balance of hirings and terminations (a decrease of 1,011 workers) was partially offset by the change in the scope of consolidation (adding 23 workers) involving several minor companies.
Terminations of employment referred mainly to incentive-based early retirements.
At June 30, 2010, the number of employees with Group companies headquartered abroad totaled 42,209.

Changes in the total number of employees with respect to December 31, 2009 are summarized below:

Balance at Dec. 31, 2009	81,208
Change in scope of consolidation	**23**
Hirings	1,496
Terminations of employment	(2,507)
Employees at June 30, 2010 (1)	**80,220**

(1) Includes 2,116 in units classified as "Held for sale".

Condensed interim consolidated financial statements

Consolidated Income Statement

Millions of euro	Notes	1st Half			
		2010		2009	
			of which with related parties		*of which with related parties*
Revenues					
Revenues from sales and services	5.a	34,274	*3,753*	27,498	*4,721*
Other revenues	5.b	528	*3*	959	*36*
	[Subtotal]	**34,802**	*3,756*	**28,457**	***4,757***
Costs					
Raw materials and consumables	6.a	16,944	*5,285*	14,506	*7,029*
Services	6.b	6,609	*959*	3,300	*383*
Personnel	6.c	2,254		2,026	
Depreciation, amortization and impairment losses	6.d	2,795		2,360	
Other operating expenses	6.e	1,001	*18*	904	*242*
Capitalized costs	6.f	(792)		(631)	
	[Subtotal]	**28,811**	***6,262***	**22,465**	***7,654***
Net income/(charges) from commodity risk management	7	**92**	***6***	**(413)**	***18***
Operating income		**6,083**		**5,579**	
Financial income	8	2,441	*12*	2,141	*10*
Financial expense	8	4,207		2,350	
Share of income/(expense) from equity investments accounted for using the equity method	9	(1)		21	
Income before taxes		**4,316**		**5,391**	
Income taxes	10	1,263		1,333	
Net income from continuing operations		**3,053**		**4,058**	
Net income from discontinued operations	11	-		**(84)**	
Net income for the period (shareholders of the Parent Company and minority interests)		**3,053**		**3,974**	
Attributable to minority interests		628		450	
Attributable to shareholders of the Parent Company		2,425		3,524	
Earnings per share (euro)		*0.26*		*0.37*	
Diluted earnings per share (euro) (1)		*0.26*		*0.37*	
Earnings from continuing operations per share		*0.26*		*0.38*	
Diluted earnings from continuing operations per share (1)		*0.26*		*0.38*	
Earnings from discontinued operations per share		*-*		*(0.01)*	
Diluted earnings from discontinued operations per share (1)		*-*		*(0.01)*	

(1) Calculated on the basis of the average number of ordinary shares in the period, taking account of the shares issued on July 9, 2009 following the Enel SpA capital increase (9,403,357,795 in both periods under review) adjusted for the diluting effect of outstanding stock options (0 in both periods under review).
Earnings per share and diluted earnings per share, calculated taking account of options exercised to date, have not changed with respect to those calculated using the above methodology.

Statement of Comprehensive Income

Millions of euro	1st Half	
	2010	2009
Net income for the period	**3,053**	**3,974**
Other components of comprehensive income:		
Effective portion of change in the fair value of cash flow hedges	3	(531)
Income recognized in equity by companies accounted for using the equity method	32	-
Change in the fair value of financial investments available for sale	53	106
Exchange rate differences	2,753	674
Income/(Loss) recognized directly in equity	**2,841**	**249**
COMPREHENSIVE INCOME FOR THE PERIOD	**5,894**	**4,223**
Attributable to:		
- shareholders of the Parent Company	3,897	3,338
- minority interests	1,997	885

Consolidated Balance Sheet

Millions of euro	Notes						
ASSETS		**at June 30, 2010**		at Dec. 31, 2009 restated		at Jan. 1, 2009 restated	
			of which with related parties		*of which with related parties*		*of which with related parties*
Non-current assets							
Property, plant and equipment	12	77,201		76,587		60,005	
Investment property		284		295		462	
Intangible assets	13	40,131		38,720		27,151	
Deferred tax assets	14	6,066		6,238		5,881	
Equity investments accounted for using the equity method	15	991		1,029		397	
Non-current financial assets	16	4,232		9,024		4,355	
Other non-current assets	17	989		976		1,937	
	[Total]	**129,894**		**132,869**		**100,188**	
Current assets							
Inventories	18	2,703		2,500		2,182	
Trade receivables	19	12,457	*1,538*	13,010	*1,491*	12,378	*2,045*
Tax receivables	20	2,324		1,534		1,239	
Current financial assets	21	10,562		4,186		3,255	
Cash and cash equivalents	22	3,535		4,170		5,106	
Other current assets	23	2,765	*18*	3,490	*19*	3,478	
	[Total]	**34,346**		**28,890**		**27,638**	
Assets held for sale	24	**3,156**		**572**		**5,251**	
TOTAL ASSETS		**167,396**		**162,331**		**133,077**	

Millions of euro	Notes						
LIABILITIES AND SHAREHOLDERS' EQUITY		**at June 30, 2010**		at Dec. 31, 2009 restated		at Jan. 1, 2009 restated	
			of which with related parties		*of which with related parties*		*of which with related parties*
Equity attributable to the shareholders of the Parent Company	25						
Share capital		9,403		9,403		6,186	
Other reserves		9,711		7,810		3,329	
Retained earnings (losses carried forward)		14,217		11,409		6,821	
Net income for the period (1)		2,425		4,646		4,056	
	[Total]	**35,756**		**33,268**		**20,392**	
Equity attributable to minority interests		**14,173**		**12,665**		**5,897**	
TOTAL SHAREHOLDERS' EQUITY		**49,929**		**45,933**		**26,289**	
Non-current liabilities							
Long-term loans	26	55,978		55,850		51,045	
Post-employment and other employee benefits		3,148		3,110		2,910	
Provisions for risks and charges	27	8,549		8,846		6,922	
Deferred tax liabilities	14	11,359		11,107		6,880	
Non-current financial liabilities	28	2,903		2,982		3,113	
Other non-current liabilities	29	1,183		1,241		3,307	
	[Total]	**83,120**		**83,136**		**74,177**	
Current liabilities							
Short-term loans	30	9,736		7,542		5,467	
Current portion of long-term loans	26	2,858		2,909		3,110	
Trade payables		9,041	*2,393*	11,174	*2,841*	10,600	*3,765*
Income tax payable		1,710		1,482		1,991	
Current financial liabilities	31	1,959		1,784		2,454	
Other current liabilities	32	8,088	*4*	8,147	*15*	7,198	*8*
	[Total]	**33,392**		**33,038**		**30,820**	
Liabilities held for sale	33	**955**		**224**		**1,791**	
Total liabilities		**117,467**		**116,398**		**106,788**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**167,396**		**162,331**		**133,077**	

(1) Net income for 2009 is reported net of the interim dividend of €940 million for the year.

Statement of Changes in Consolidated Shareholders' Equity

	Share capital and reserves attributable to the shareholders of the Parent Company											
	Share capital	Share premium reserve	Legal reserve	Other reserves	Other retained earnings	Translation of financial statements in currencies other than euro	Reserve from measurement of financial instruments	Reserve from equity investments accounted for using equity method	Net income for the period	**Equity attributable to the shareholders of the Parent Company**	**Equity attributable to minority interests**	**Total shareholders' equity**
at January 1, 2009	6,186	662	1,453	2,255	6,827	(1,247)	206	-	4,056	**20,398**	**5,897**	**26,295**
Effect of application of new accounting standards	-	-	-	-	(6)	-	-	-	-	(6)	-	**(6)**
at January 1, 2009 restated	6,186	662	1,453	2,255	6,821	(1,247)	206	-	4,056	**20,392**	**5,897**	**26,289**
Stock option charges for the period	-	-	-	2	-	-	-	-	-	2	-	**2**
Dividends	-	-	-	-	(1,794)	-	-	-	-	(1,794)	(253)	**(2,047)**
Allocation of net income from the previous year	-	-	-	-	4,056	-	-	-	(4,056)	-	-	**-**
Capital increases	3,204	4,621	-	-	-	-	-	-	-	7,825	-	**7,825**
Change in scope of consolidation	-	-	-	-	-	-	-	-	-	-	4,541	**4,541**
Comprehensive income for the period	-	-	-	-	-	292	(478)	-	3,524	3,338	885	**4,223**
of which:												
- Income/(Loss) recognized directly in equity	-	-	-	-	-	*292*	*(478)*	-	-	(186)	435	**249**
- Net income/(loss) for the period	-	-	-	-	-	-	-	-	*3,524*	3,524	450	**3,974**
at June 30, 2009	9,390	5,283	1,453	2,257	9,083	(955)	(272)	-	3,524	**29,763**	**11,070**	**40,833**
at January 1, 2010	9,403	5,293	1,453	2,260	10,759	(544)	(582)	8	4,455	**32,505**	**11,848**	**44,353**
Effect of application of new accounting standards and Endesa PPA	-	-	-	-	650	(78)	-	-	191	763	817	**1,580**
at January 1, 2010 restated	9,403	5,293	1,453	2,260	11,409	(622)	(582)	8	4,646	**33,268**	**12,665**	**45,933**
Stock option charges for the period	-	-	-	1	-	-	-	-	-	1	-	**1**
Dividends	-	-	-	-	(1,410)	-	-	-	-	(1,410)	(489)	**(1,899)**
Allocation of net income from the previous year	-	-	428	-	4,218	-	-	-	(4,646)	-	-	**-**
Comprehensive income for the period	-	-	-	-	-	1,317	123	32	2,425	3,897	1,997	**5,894**
of which:												
- Income/(Loss) recognized directly in equity	-	-	-	-	-	*1,317*	*123*	*32*	-	1,472	1,369	**2,841**
- Net income/(loss) for the period	-	-	-	-	-	-	-	-	*2,425*	2,425	628	**3,053**
at June 30, 2010	**9,403**	**5,293**	**1,881**	**2,261**	**14,217**	**695**	**(459)**	**40**	**2,425**	**35,756**	**14,173**	**49,929**

Consolidated Statement of Cash Flows

Millions of euro	Notes	1st Half			
		2010		2009	
			of which with related parties		*of which with related parties*
Income for the period (shareholders of the Parent Company and minority interests)		**3,053**		**3,974**	
Adjustments for:					
Amortization and impairment losses of intangible assets		415		245	
Depreciation and impairment losses of property, plant and equipment		2,217		2,101	
Exchange rate gains and losses (including cash and cash equivalents)		1,350		95	
Provisions		315		355	
Financial (income)/expense		1,288		895	
Income taxes		1,263		1,303	
(Gains)/Losses and other non-monetary items		(1,088)		(1,318)	
Cash flow from operating activities before changes in net current assets		*8,813*		*7,650*	
Increase/(Decrease) in provisions		(618)		(591)	
(Increase)/Decrease in inventories		(222)		(37)	
(Increase)/Decrease in trade receivables		326	*(47)*	510	*475*
(Increase)/Decrease in financial and non-financial assets/liabilities		703	*(10)*	(143)	*(23)*
Increase/(Decrease) in trade payables		(2,075)	*(448)*	(1,840)	*(1,080)*
Interest income and other financial income collected		690	*12*	526	*10*
Interest expense and other financial expense paid		(1,931)		(1,766)	
Income taxes paid		(2,092)		(1,695)	
Cash flows from operating activities (a)		**3,594**		**2,614**	
- of which discontinued operations		-		*32*	
Investments in property, plant and equipment		(2,435)		(2,614)	
Investments in intangible assets		(219)		(87)	
Investments in entities (or business units) less cash and cash equivalents acquired		(117)		(9,394)	
Disposals of entities (or business units) less cash and cash equivalents sold		375		2,918	
(Increase)/Decrease in other investing activities		(72)		16	
Cash flows from investing/disinvesting activities (b)		**(2,468)**		**(9,161)**	
- of which discontinued operations		-		*(32)*	
Financial debt (new long-term borrowing)	26	5,053		10,678	
Financial debt (repayments and other changes)		(5,095)		(11,886)	
Dividends paid	25	(1,897)		(2,047)	
Increase in share capital and reserves	25	-		7,958	
Capital increases paid by minority interests		-		-	
Cash flows from financing activities (c)		**(1,939)**		**4,706**	
- of which discontinued operations		-		-	
Impact of exchange rate fluctuations on cash and cash equivalents (d)		**239**		**115**	
Increase/(Decrease) in cash and cash equivalents (a+b+c+d)		**(574)**		**(1,726)**	
- of which discontinued operations		-		-	
Cash and cash equivalents at beginning of the period		4,289		5,211	
- of which discontinued operations		-		*1*	
Cash and cash equivalents at the end of the period (1) (2)		3,715		3,485	
- of which discontinued operations		-		*1*	

(1) Of which short-term securities equal to €82 million at June 30, 2010 (€57 million at June 30, 2009).
(2) Of which cash and cash equivalents pertaining to assets held for sale in the amount of €98 million at June 30, 2010 (€18 million at June 30, 2009).

Notes to the financial statements

1. Accounting policies and measurement criteria

Enel SpA, which operates in the energy utility sector, has its registered office in Rome, Italy. The half-year financial report for the period ended June 30, 2010 comprises the financial statements of the Company, its subsidiaries and joint ventures ("the Group") and the Group's holdings in associated companies. A list of the subsidiaries, associated companies and joint ventures included in the scope of consolidation is reported in the annex.
These financial statements were approved for publication by the Board on July 29, 2010.

Compliance with IFRS/IAS

The half-year financial report of the Group at and for the six months ended at June 30, 2010 has been prepared pursuant to Article 154-ter, paragraph 2, of Legislative Decree 58 of February 24, 1998 as amended by Legislative Decree 195 of November 6, 2007, as well as Article 81 of the Issuers Regulation as amended.
The condensed interim consolidated financial statements for the six months ended at June 30, 2010 included in the half-year financial report have been prepared in compliance with the international accounting standards (IFRS/IAS) issued by the International Accounting Standards Board (IASB) recognized in the European Community pursuant to Regulation (EC) no. 1606/2002 and in effect as of the close of the period, as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC) in effect at the same date. All of these standards and interpretations are hereinafter referred to as "IFRS-EU".
More specifically, the financial statements have been drafted in compliance with IAS 34 – Interim financial reporting and consist of the consolidated income statement, the statement of comprehensive income, the consolidated balance sheet, the statement of changes in consolidated equity, the consolidated statement of cash flows, and the related notes.
The Enel Group has adopted the half-year as the reference interim period for the purposes of applying IAS 34 and the definition of interim financial report specified therein.
The accounting standards adopted, the recognition and measurement criteria and the consolidation criteria and methods used for the condensed interim consolidated financial statements at June 30, 2010 are the same as those adopted for the consolidated financial statements at December 31, 2009 (please see the

related report for more information), with the exception of the differences discussed below. These condensed interim consolidated financial statements may therefore not include all the information required to be reported in the annual financial statements and must be read together with the financial statements for the period ended December 31, 2009.

The purchase price allocation process for the acquisition of 25.01% of Endesa was completed during the 1st Half of 2010. The impact of the allocation is discussed more extensively in the notes to the financial statements in this document. This gave rise to a number of changes in the values recognized on a provisional basis in the 2009 financial statements following the definitive determination of the fair value of the assets acquired and the liabilities assumed as part of the business combination. These changes prompted adjustments to the balances of a number of balance-sheet and income-statement accounts of Endesa for consolidation purposes and, consequently, the balances for those accounts for 2009 have been restated appropriately. In order to take account of the final allocation of the purchase price for comparative purposes, the balance sheet reports the values for the items in the 2009 annual financial statements and the restated values for that year.

In addition to the accounting standards adopted in the preparation of the financial statements at December 31, 2009, the following international accounting standards and interpretations that took effect as from January 1, 2010, are material to the Group.

> "Amendments to IAS 27 – Consolidated and separate financial statements". The new version of the standard establishes that disposals of equity interests in a subsidiary that do not result in a loss of control shall be recognized in equity. Similar treatment is required in the consolidated financial statements in the event of the acquisition of an additional stake in an existing subsidiary. Where a controlling interest is divested, any residual interest must be re-measured to fair value on that date, recognizing the effects through profit or loss.
  The application of the standard did not have an impact in the period under review.

> "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.
  The retrospective application of the interpretation did not have an impact in the period under review.

> "Amendment to IFRS 2 – Share-based payment". The amendments seek to:
  – clarify the scope of application of the standard, incorporating the guidelines contained in IFRIC 8 "Scope of IFRS 2";
  – provide guidelines for classifying share-based payments in the consolidated financial statements and separate financial statements of the companies involved;
  – specify the accounting treatment of equity-settled share-based payments involving different Group companies, incorporating and expanding on the guidelines contained in IFRIC 11 "IFRS 2 - Group and treasury share transactions";

– specify the accounting treatment of cash-settled share-based payments involving different Group companies, a situation not addressed by IFRIC 11.

The retrospective application of the amendments – which replaced IFRIC 8 and IFRIC 11 – did not have an impact in the period under review.

> "Revised IFRS 3 – Business combinations". This introduced important amendments to the method for recognizing business combinations. The main provisions regard:
– 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 difference between the purchase price and the corresponding share of equity as an adjustment of equity;
– the obligation to recognize in profit or loss the effects of the fair value measurement, at the date of acquisition of control, of the holdings acquired previously in business combinations achieved in stages.

The application of the standard on a prospective basis did not have an impact in the period under review.

> "IFRIC 12 – Service concession arrangements". The interpretation, applied retrospectively, 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. More specifically, IFRIC 12 applies to service concession arrangements between public grantors and private operators if:
– the grantor controls or regulates what services the operator must provide using the assets, to whom, and at what price; and
– the grantor also controls, via ownership or other arrangement, any significant residual interest in the assets at the end of the term of the arrangement.

An analysis found that for the concession operated for the distribution of electricity in Italy, the conditions for application of IFRIC 12 do not obtain, as the concession holder has full control, as defined in the interpretation. The provisions will, however, be applicable to the infrastructure serving the electricity distribution concessions held by the companies operating in Brazil. Application of the amendment gave rise to an appropriate reclassification of the comparative balance-sheet figures at December 31, 2009 and at January 1, 2009.

> "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, clarifying 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 retrospective application of the interpretation did not have an impact in the period under review.

> "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 connected with the hedging instrument that is 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 application of the interpretation on a prospective basis did not have an impact in the period under review.

> "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 recognize dividends at the fair value 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 application of the interpretation on a prospective basis did not have an impact in the period under review.

> "IFRIC 18 – Transfers of assets from customers". The interpretation clarifies the recognition and measurement of items of property, plant and equipment, or cash to acquire or construct such assets, received from a customer to connect the customer to a network or to ensure access to an ongoing supply of services. In particular, the interpretation establishes that, where all the conditions provided for under the international accounting standards for the initial recognition of an asset are met, such assets shall be recognized at fair value. As regards the recognition of the corresponding revenues, where the agreement only establishes an obligation to connect the customer to the network, the related revenues shall be recognized at the time of connection; otherwise, where the agreement also provides for the supply of various services, the related revenues shall be recognized in relation to the supply of services, over the shorter of the duration of the service agreement and the useful life of the asset. The interpretation was applied as from January 1, 2010, to transactions carried out as from July 1, 2009 and, therefore, had no impact on the performance figures for the 1st Half of 2009 reported for comparative purposes in these condensed interim consolidated financial statements. Its application did lead to the recognition of €292 million in extra revenues in the 1st Half of 2010, as well as the redetermination of equity at December 31, 2009 in the amount of the contributions received in the 2nd Half of 2009, net of the associated tax effect.

Restatement of balance-sheet figures at January 1, 2009 and at December 31, 2009

The changes in the policies used to account for certain assets in respect of services carried out on a concession basis (IFRIC 12) and the transfer of assets from customers (IFRIC 18) gave rise to adjustments of the related balance-sheet accounts, included in the consolidated financial statements at December 31, 2009 and presented for comparative purposes only in these condensed interim consolidated financial statements. More specifically, the retrospective application of the interpretations set out in IFRIC 12 involved appropriate reclassifications in the consolidated balance sheet at December 31, 2009 and at January 1, 2009 (see December 31, 2008), while the prospective application as from July 1, 2009 of the provisions of IFRIC 18 led to the restatement of a number of accounts only in the consolidated balance sheet at December 31, 2009.

In addition, the balance-sheet figures reported in the 2009 consolidated financial statements have been restated to take account of the effects of the definitive determination in the 1st Half of 2010 (within the time limit envisaged under IFRS 3) of the fair value of the assets acquired and the liabilities and contingent liabilities assumed with the acquisition of the 25.01% of Endesa on June 25, 2009. The completion of the purchase price allocation process for the 25.01% of Endesa did not have an impact on the income-statement figures for the 1st Half of 2009, which are presented for comparative purposes in the consolidated income statement included in these condensed interim consolidated financial statements.
For more information on the final allocation of the purchase price of the assets acquired and the liabilities assumed in respect of the additional holding in Endesa, please see the specific section in note 3 to these condensed interim consolidated financial statements.

The following table shows the changes in the balance sheet, reporting the differences in accordance with the reason for the modification.

Millions of euro		Application of IFRIC 12			Endesa PPA	Application of IFRIC 12	
ASSETS	at Dec. 31, 2008		at Jan. 1, 2009	**at Dec. 31, 2009**			**at Dec. 31, 2009**
			restated				restated
Non-current assets							
Property, plant and equipment	61,524	(1,519)	60,005	79,100	661	(3,174)	76,587
Investment property	462	-	462	295	-	-	295
Intangible assets	25,779	1,372	27,151	34,403	1,468	2,849	38,720
Deferred tax assets	5,881	-	5,881	6,238	-	-	6,238
Equity investments accounted for using the equity method	397	-	397	1,029	-	-	1,029
Non-current financial assets	4,338	17	4,355	8,954	-	70	9,024
Other non-current assets	1,937	-	1,937	976	-	-	976
	100,318	**(130)**	**100,188**	**130,995**	**2,129**	**(255)**	**132,869**
Current assets							
Inventories	2,182	-	2,182	2,500	-	-	2,500
Trade receivables	12,378	-	12,378	13,010	-	-	13,010
Tax receivables	1,239	-	1,239	1,534	-	-	1,534
Current financial assets	3,255	-	3,255	4,186	-	-	4,186
Cash and cash equivalents	5,106	-	5,106	4,170	-	-	4,170
Other current assets	3,478	-	3,478	3,490	-	-	3,490
	27,638	**-**	**27,638**	**28,890**	**-**	**-**	**28,890**
Assets held for sale	5,251	-	5,251	572	-	-	572
TOTAL ASSETS	**133,207**	**(130)**	**133,077**	**160,457**	**2,129**	**(255)**	**162,331**

Millions of euro		Application of IFRIC 12			Endesa PPA	Application of IFRIC 12	Application of IFRIC 18	
LIABILITIES AND SHAREHOLDERS' EQUITY	at Dec. 31, 2008		at Jan. 1, 2009	**at Dec. 31, 2009**				**at Dec 31, 2009**
			restated					restated
Equity attributable to the shareholders of the Parent Company								
Share capital	6,186	-	6,186	9,403	-	-	-	9,403
Other reserves	3,329		3,329	7,888	(78)	-	-	7,810
Retained earnings (losses carried forward)	6,827	(6)	6,821	10,759	659	(9)	-	11,409
Net income for the period	4,056	-	4,056	4,455	(25)	-	216	4,646
	20,398	**(6)**	**20,392**	**32,505**	**556**	**(9)**	**216**	**33,268**
Equity attributable to minority interests	5,897	-	5,897	11,848	805	(8)	20	12,665
TOTAL SHAREHOLDERS' EQUITY	**26,295**	**(6)**	**26,289**	**44,353**	**1,361**	**(17)**	**236**	**45,933**
Non-current liabilities								
Long-term loans	51,045	-	51,045	55,850	-	-	-	55,850
Post-employment and other employee benefits	2,910	-	2,910	3,110	-	-	-	3,110
Provisions for risks and charges	6,922	-	6,922	8,846	-	-	-	8,846
Deferred tax liabilities	6,880	-	6,880	10,245	768	3	91	11,107
Non-current financial liabilities	3,113	-	3,113	2,964	-	18	-	2,982
Other non-current liabilities	3,431	(124)	3,307	1,829	-	(261)	(327)	1,241
	74,301	**(124)**	**74,177**	**82,844**	**768**	**(240)**	**(236)**	**83,136**
Current liabilities								
Short-term loans	5,467	-	5,467	7,542	-	-	-	7,542
Current portion of long-term loans	3,110	-	3,110	2,909	-	-	-	2,909
Trade payables	10,600	-	10,600	11,174	-	-	-	11,174
Income tax payable	1,991	-	1,991	1,482	-	-	-	1,482
Current financial liabilities	2,454	-	2,454	1,784	-	-	-	1,784
Other current liabilities	7,198	-	7,198	8,145	-	2	-	8,147
	30,820	**-**	**30,820**	**33,036**	**-**	**2**	**-**	**33,038**
Liabilities held for sale	**1,791**	**-**	**1,791**	**224**	**-**	**-**	**-**	**224**
TOTAL LIABILITIES	**106,912**	**(124)**	**106,788**	**116,104**	**768**	**(238)**	**(236)**	**116,398**
LIABILITIES AND SHAREHOLDERS' EQUITY	**133,207**	**(130)**	**133,077**	**160,457**	**2,129**	**(255)**	**-**	**162,331**

Joint ventures

Investments in joint ventures, in which the Enel Group exercises joint control with other entities, are consolidated on a proportionate basis, recognizing, line-by-line, assets, liabilities, revenues and costs in proportion to the Group's stake in the venture from the date on which joint control began until the date on which such control ceases. In determining whether a situation of joint control exists, potential exercisable or convertible voting rights are also considered.
The following table reports the main financial aggregates for joint ventures included in these condensed interim consolidated financial statements:

Millions of euro	Enel Unión Fenosa Renovables (1)	RusEnergoSbyt	Artic Russia	Nuclenor	Atacama	Tejo
Percentage of consolidation	50.0%	49.5%	40.0%	50.0%	18.2%	38.9%
Non-current assets	747	65	326	173	322	623
Current assets	84	36	67	104	173	190
Non-current liabilities	458	4	-	123	29	533
Current liabilities	198	40	-	40	285	70
Operating revenues	52	521	-	55	237	62
Operating expenses	40	489	-	85	196	49

(1) Includes amounts for companies over which joint control is exercised with other shareholders.

2. Risk management

Market risk

As part of its operations, Enel is exposed to different market risks, notably the risk of changes in interest rates, exchange rates and commodity prices.
To contain this exposure within the limits set at the start of the year as part of its risk management policies, Enel enters into derivative contracts using instruments available on the market.
Enel also engages in a marginal amount of proprietary trading in order to maintain a presence in the Group's energy commodity markets. These operations consist in taking on limited exposures in energy commodities (oil products, gas, coal and electricity in the main European countries) using financial derivatives and physical contracts traded on regulated and OTC markets, exploiting profit opportunities through arbitrage transactions and on the basis of expected market developments. These operations are conducted within the framework of formal governance rules that establish strict risk limits set at the Group level. Compliance with the limits is verified daily by a unit that is independent of those undertaking the transactions. The risk limits for Enel's proprietary trading are set in terms of Value at Risk over a 1-day time horizon and a confidence level of 95%; the sum of the limits set for 2010 is equal to about €19 million.
Transactions that qualify for hedge accounting are designated as hedging transactions, while those that do not qualify for hedge accounting are classified as trading transactions.
Fair value 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 methods appropriate for each type of financial

instrument and market data as of the close of the period (such as interest rates, exchange rates, commodity prices, 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 period-end exchange rates provided by the European Central Bank. Where possible, contracts relating to commodities are measured using market prices related to the same instruments on both regulated and other markets.
The financial assets and liabilities associated with derivative instruments are classified as:

> cash flow hedge derivatives, related to hedging the risk of changes in cash flows associated with long-term floating-rate borrowings or with the provisioning of fuels priced in foreign currencies, hedging the exchange rate risk associated with the provisioning of fuels priced in foreign currencies (mainly US dollars), hedging the risk of changes in the prices of coal and oil commodities, and hedging revenues from the sale of electricity (two-way contracts for differences and other energy derivatives);
> fair value hedge derivatives, related to hedging the exposure to changes in the fair value of an asset, liability or firm commitment attributable to a particular risk;
> derivatives hedging net investments in foreign operations from the translation risk in respect of the consolidation of equity investments denominated in a foreign currency;
> trading derivatives associated with proprietary trading in commodities or hedging interest and exchange rate risk or commodity risk for which it would be inappropriate to designate as cash flow hedges or fair value hedges or which do not meet the formal requirements of IAS 39.

The notional value of a derivative contract is the amount on which differences 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 prevailing at the balance-sheet date.

Interest rate risk

The twin objectives of reducing the amount of debt subject to changes in interest rates and of containing borrowing costs are pursued with the use of a variety of derivatives contracts, notably interest rate swaps, interest rate options and swaptions. 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.
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 the 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 the 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 at the time it is made (zero cost collars).
Interest rate options are normally used when the fixed interest rate that can be obtained in an interest rate swap is considered too high with respect to Enel's expectations for future interest rate developments. In addition, interest rate

options are also considered appropriate in periods of uncertainty about future interest rate developments, in order to benefit from any decreases in interest rates. Swaptions involve the purchase (or sale) of the right to enter into an interest rate swap at a future date on specified contractual terms and conditions (the fixed rate of the underlying interest rate swap represents the strike price of the option). These contracts are normally used before bond issues (pre-hedge transactions) where the company wants to fix its borrowing costs ahead of time. They expire or are exercised in conjunction with the actual bond issue. As with interest rate collars, zero-cost strategies can be implemented with swaptions, making it possible to fix the maximum and minimum interest rate ahead of time and to benefit from possible declines in interest rates.
The amount of floating-rate debt of the Enel Group that is not hedged against interest rate risk is the main risk factor that could impact the income statement (raising borrowing costs) in the event of an increase in market interest rates.
At June 30, 2010, 47% of net financial debt was floating rate (51% at December 31, 2009). Taking account of cash flow hedges of interest rates considered effective pursuant to the IFRS-EU, 25% of the debt was exposed to interest rate risk at June 30, 2010 (26% at December 31, 2009). Including interest rate derivatives treated as hedges for management purposes but ineligible for hedge accounting, the residual exposure would be 18% (20% at December 31, 2009).
If interest rates had been 1 basis point higher at June 30, 2010, all other variables being equal, shareholders' equity would have been €4 million higher (€5 million at December 31, 2009) as a result of the increase in the fair value of CFH derivatives on interest rates. Conversely, if interest rates had been 1 basis point lower at that date, all other variables being equal, shareholders' equity would have been €5 million lower (€5 million at December 31, 2009) as a result of the decrease in the fair value of CFH derivatives on interest rates.
An equivalent increase (decrease) in interest rates, all other variables being equal, would have a negative (positive) impact on the income statement in terms of higher (lower) interest expense on the portion of debt not hedged against interest rate risk of about €1 million (€1 million at December 31, 2009).

Exchange rate risk

Exchange rate risk is mainly generated with the following transaction categories:
> debt denominated in currencies other than the functional currency of the respective countries entered into by the holding company or the individual subsidiaries;
> cash flows in respect of the purchase or sale of fuel or electricity on international markets;
> cash flows in respect of investments in foreign currency, dividends from unconsolidated foreign companies or the purchase or sale of equity investments.

In order to minimize this risk, the Group normally uses a variety of over-the-counter (OTC) derivatives such as currency forwards, cross currency interest rate swaps and currency options. 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.
Cross currency interest rate swaps are used to transform a long-term fixed- or floating-rate liability in foreign currency into an equivalent fixed- or floating-rate liability in euros. In addition to having notionals denominated in different currencies, these instruments differ from interest rate swaps in that they provide both for the periodic exchange of cash flows and the final exchange of principal.

Currency forwards are contracts in which the counterparties agree to exchange principal amounts denominated in different currencies at a specified future date and exchange rate (the strike). Such contracts may call for the actual exchange of the two amounts (deliverable forwards) or payment of the difference between the strike exchange rate and the prevailing exchange rate at maturity (non-deliverable forwards). In the latter case, the strike rate and/or the spot rate may be determined as averages of the official fixings of the European Central Bank.

Currency options involve the purchase (or sale) of the right to exchange, at an agreed future date, two principal amounts denominated in different currencies on specified terms (the contractual exchange rate represents the option strike price). Such contracts may call for the actual exchange of the two amounts (deliverable) or payment of the difference between the strike exchange rate and the prevailing exchange rate at maturity (non-deliverable). In the latter case, the strike rate and/or the spot rate may be determined as averages of the official fixings of the European Central Bank.

An analysis of the Group's financial debt shows that 31% of gross long-term debt (27% at December 31, 2009) is denominated in currencies other than the euro. Taking account of exchange rate hedges and the portion of debt denominated in the functional currency of the country in which the Group company holding the debt position operates, the proportion of unhedged debt decreased to about 2% (3% at December 31, 2009), a proportion that is felt would not have a significant impact on the income statement in the event of an increase in market exchange rates.

At June 30, 2010, assuming a 10% appreciation of the euro against the dollar, all other variables being equal, shareholders' equity would have been €1,517 million lower (€1,348 million at December 31, 2009) as a result of the decrease in the fair value of CFH derivatives on exchange rates. Conversely, assuming a 10% depreciation of the euro against the dollar, all other variables being equal, shareholders' equity would have been about €1,855 million higher (€1,633 million at December 31, 2009) as a result of the increase in the fair value of CFH derivatives on exchange rates.

Commodity risk

Various types of derivatives are used to reduce the exposure to fluctuations in energy commodity prices and as part of proprietary trading activities.

The exposure to the risk of changes in commodity prices is associated with the purchase of fuel for power plants and the purchase and sale of gas under indexed contracts as well as the purchase and sale of electricity at variable prices (indexed bilateral contracts and sales on Power Exchange).

The exposures on indexed contracts are quantified by breaking down the contracts that generate exposure into the underlying risk factors.

As regards electricity sold on the Italian Power Exchange, Enel uses two-way contracts for differences, under which differences are paid to the counterparty if the Single National Price (SNP) exceeds the strike price and to Enel in the opposite case.

The residual exposure in respect of sales on the Power Exchange not hedged through two-way contracts for differences is quantified and managed on the basis of an estimation of generation costs in Italy. The residual positions thus determined are aggregated on the basis of uniform risk factors that can be hedged in the market.

Credit risk

Enel manages credit risk by operating solely with counterparties considered solvent by the market, i.e. those with high credit standing, and does not have any concentration of credit risk.
The credit risk in respect of the derivatives portfolio is considered negligible since transactions are conducted solely with leading Italian and international financial institutions, diversifying the exposure among different institutions, constantly monitoring their credit ratings.
In addition, during the year Enel entered into margin agreements with the leading financial institutions with which it operates that call for the exchange of cash collateral, which significantly mitigates the exposure to counterparty risk.
As part of activities related to purchasing fuels for thermal generation and the sale and distribution of electricity, the distribution of gas and the sale of gas to eligible customers, Enel grants trade credit to external counterparties. The counterparties selected are carefully monitored through the assessment of the related credit risk and the pledge of suitable guarantees and/or security deposits to ensure adequate protection from default risk.
Enel considers the economic impact in future years of any default by counterparties in its derivatives positions open at the balance-sheet date to be immaterial given the high credit standing of such counterparties, the nature of the instruments (under which only differential flows are exchanged) and the risk diversification achieved by breaking down positions among the various counterparties.

Liquidity risk

Enel SpA (directly and through its subsidiary Enel Finance International SA) is responsible for the centralized Group Treasury function (with the exception of the Endesa Group, where that function is performed by Endesa SA and its subsidiaries International Endesa BV and Endesa Capital SA), meeting liquidity requirements primarily through cash flows generated by ordinary operations and drawing on a range of sources of financing. In addition, it manages any excess liquidity as appropriate.
The Enel Group's access to the credit market despite the recent financial crisis was confirmed by the success during the period of the bond issues for the European retail market totaling €3 billion and the 5-year €10 billion revolving credit line obtained by Enel SpA and Enel Finance International SA that can be used to manage working capital (unconnected with the refinancing program for existing debt).
At June 30, 2010, the Enel Group had a total of about €3.5 billion in cash or cash equivalents, of which €1.1 billion held by Endesa, as well as committed credit lines of €17.4 billion, of which €5.5 billion held by Endesa.
The committed credit lines amounted to €28.7 billion (€11.3 billion drawn), of which €9.1 billion held by Endesa (€3.6 billion drawn); uncommitted credit lines totaled €2.8 billion (€0.8 billion drawn), of which €1.7 billion held by Endesa (€0.5 billion drawn).
In addition, the Group has outstanding commercial paper programs totaling €11.1 billion (€7.6 billion drawn), of which €5.0 billion held by Endesa through its subsidiaries (€2.9 billion drawn).

3. Main changes in the scope of consolidation

In the two periods examined here, the scope of consolidation changed as a result of the following main transactions:

> disposal, on April 1, 2009, of the entire share capital of Enel Linee Alta Tensione (ELAT), the company to which Enel Distribuzione transferred, with effect from January 1, 2009, a business unit consisting of high-voltage power lines and the related legal relationships;
> acquisition, between April 22 and June 23, 2009 of 100% of International Wind Parks of Rhodes, Glafkos Hydroelectric Station and International Wind Parks of Achaia, which operate in Greece in the generation of electricity from renewables;
> acquisition, on June 25, 2009, by Enel, acting through its subsidiary Enel Energy Europe, of the 25.01% of Endesa held, directly and indirectly, by Acciona. Following the acquisition, Enel holds 92.06% of Endesa and exercises full control over the company. As a result, as from that date, Endesa is consolidated in the Enel Group on a full, line-by-line basis rather than proportionately, with separate reporting of the minority interest of 7.94%;
> disposal, on September 23, 2009, of 51% of SeverEnergia, a Russian company 100% owned until that date by Artic Russia, in which Enel and Eni have stakes of 40% and 60%, respectively. Taking account of the existing governance mechanisms, which enable Enel to exercise a significant influence over the company through Artic Russia, as from that date SeverEnergia has been accounted for using the equity method rather than being consolidated on a proportionate basis;
> disposal, on September 30, 2009, by Enel Distribuzione of 80% of Enel Rete Gas. Following the transaction, Enel's stake in Enel Rete Gas fell from 99.88% to 19.8%, with the consequent loss of control. Taking account of the existing governance mechanisms, which enable Enel to exercise a significant influence over the company, as from that date Enel Rete Gas has been accounted for using the equity method rather than being consolidated on a line-by-line basis;
> disposal, on December 10, 2009, of the 100% of Avisio Energia held by Hydro Dolomiti Enel; following the disposal, the company, which operates in the gas sale and transport sector in Italy, was deconsolidated;
> acquisition, on December 30, 2009, of 100% of Aioliko Voskero, a company operating in Greece in the renewables generation sector;
> acquisition, in the 1st Quarter of 2010, of a number of companies operating in the renewables generation sector in Italy (Enel Green Power Calabria, Maicor Wind, Enel Green Power Puglia (formerly Italgest Wind), Enel Green Power Strambino Solar, Altomonte FV (formerly Resit Altomonte), Enerlive and Enel Green Power TSS (formerly Anemos 1);
> acquisition, on April 20, 2010, of Enel Longanesi Development, which operates in Italy in the natural gas extraction field.

As in the condensed interim financial statements at June 30, 2009, in the performance figures for the 1st Half of 2009, reported here for comparative purposes, the income or loss (net of the related tax effect) attributable to Enel Rete Gas is reported under "discontinued operations". As regards those effects, the item "Net income from discontinued operations" includes €136 million in respect of the adjustment of the value of those assets carried out in the 1st Quarter of 2009 when the parties reached agreement on a consensus valuation of the assets and liabilities involved in the sale.

In the consolidated balance sheet at June 30, 2010, the items "Assets held for sale" and "Liabilities held for sale" include certain assets held by Endesa in Spain (including Endesa Gas and the assets of high-voltage transmission operations), Greece and Latin America that, as a result of decisions made by management, meet the requirements of IFRS 5 for such classification. At June 30, 2010, the items also report the assets and liabilities of Enel Maritza East 3 (and its related holding company), Enel Operations Bulgaria (and its related holding company) and Enel Green Power Bulgaria in view of the status of negotiations for their disposal to non-Group counterparties.

Final allocation of the purchase price of the assets acquired and liabilities assumed in respect of 25.01% of Endesa

Following the acquisition on June 25, 2009 of the 25.01% of Endesa held directly and indirectly by Acciona, as from that date Enel holds 92.06% of that company, exercising full control.

In accordance with IFRS 3, in the consolidated financial statements at December 31, 2009, the fair values of the assets acquired and the liabilities and contingent liabilities assumed at the acquisition date had been determined on a provisional basis, since as at the balance-sheet date a number of valuation processes for the latter aggregate had not yet been completed. The balance sheet included in the consolidated financial statements at December 31, 2009 reflected a number of adjustments made to the provisional allocation at the date of the second aggregate, due essentially to the adjustment of liabilities associated with certain types of plant on Spain's power transmission grid.

The definitive fair value of the assets acquired and the liabilities and contingent liabilities assumed was determined in the 1st Half of 2010 (by the time limit established under IFRS 3) and the positive difference between the purchase price and the fair value of the net assets acquired, equal to €3,424 million, was recognized under goodwill.

The following table reports the definitive calculation of the goodwill related to the Endesa acquisition:

CALCULATION OF GOODWILL

Millions of euro	
Net assets acquired before allocation (1)	**5,395**
Fair value adjustments: (2)	
- property, plant and equipment	262
- intangible assets	587
- other assets	31
- other non-current liabilities	1,109
- net deferred tax liabilities	(593)
- minority interests	(526)
Net assets acquired after allocation (1)	**6,265**
Value of the transaction (3)	9,689
Goodwill	3,424

(1) Net assets stated in proportion to Enel's 25.01% holding.
(2) The adjustments have been determined with respect to a stake of 32.95%, which includes the portion attributable to minority interests.
(3) Including incidental expenses.

The goodwill of €3,424 million, in compliance with IFRS 3, reflects the positive difference between the purchase price and the fair value of the net assets acquired and regards the future economic benefits that are not capable of being individually identified.

The following table reports the provisional and definitive fair values of the assets acquired and the liabilities and contingent liabilities assumed at the acquisition date of June 25, 2009, indicating the amount recognized following the provisional allocation at December 31, 2009 and the amount recognized for the 1st Half of 2010 following the definitive allocation.

ENDESA BALANCE SHEET AT THE ACQUISITION DATE (25.01%)

Millions of euro	Carrying amount prior to June 25, 2009	Adjustments for provisional fair value measurement at Dec. 31, 2009	Adjustments for definitive fair value measurement in 2010	Carrying amount recognized at June 25, 2009
Property, plant and equipment	13,171	37	225	13,433
Intangible assets	4,455	-	587	5,042
Inventories, trade receivables and other receivables	1,702	-	-	1,702
Cash and cash equivalents	560	-	-	560
Other current and non-current assets	4,693	31	-	4,724
Total assets	**24,581**	**68**	**812**	**25,461**
Shareholders' equity attributable to shareholders of the Parent Company	**5,395**	**624**	**246**	**6,265**
Minority interests	4,122	210	316	4,648
Financial debt	6,686	-	-	6,686
Trade payables	1,575	-	-	1,575
Financial liabilities and other current and non-current liabilities	5,382	(766)	250	4,866
Employee benefits and risk provisions	1,421	-	-	1,421
Total liabilities and shareholders' equity	**24,581**	**68**	**812**	**25,461**

The main adjustments, summarized above, to the fair values of the assets acquired and the liabilities and contingent liabilities assumed are attributable to the following factors:

> the adjustment of the value of certain items of property, plant and equipment and intangible assets as a result of the completion of the measurement of their fair value;
> the adjustment of the value of some liabilities connected with certain types of plant on Spain's power transmission grid;
> the determination, where applicable, of the tax effects of the above adjustments;
> the allocation, where applicable, of the above adjustments to minority interests.

Compared with the provisional determination at December 31, 2009, the identification of the additional adjustments increased the value of the net assets acquired (excluding the share attributable to minority interests) by €984 million and, in compliance with IFRS 3 for business combinations completed in stages, 67.05% of the adjustment was recognized in equity attributable to the shareholders of the Parent Company (€659 million). Taking account of the effect of the provisional allocation already made at December 31, 2009 in the amount of €1,670 million, the overall increase in Group equity attributable to the 67.05% of the identified adjustments amounted to €2,329 million.

As a result of the definitive determination of the fair value of the assets acquired and liabilities and contingent liabilities assumed at the acquisition date, the figures in the consolidated financial statements at December 31, 2009 have been restated, with a consequent increase in consolidated equity of €556 million. The change includes the reduction of consolidated net income attributable to the shareholders of the Parent Company in the amount of €25 million as a result of the increase in depreciation and amortization of assets whose fair value was modified or identified and of the translation differences calculated on the new values for the assets acquired and the liabilities assumed compared with the provisional values recognized initially.
The Group will allocate the goodwill in respect of the Endesa acquisition to the cash generating units within the time limits established under the relevant accounting standard.

Business combinations carried out in the 1st Half of 2010

As regards the acquisitions carried out in the 1st Half of 2010, the difference between the cost of the investments and the assets acquired net of the liabilities assumed was initially recognized on a provisional basis under "Goodwill" pending completion of the purchase price allocation process.

ACQUISITION OF PADOMA WIND POWER

Millions of euro	
Property, plant and equipment	1
Intangible assets	4
Total net assets acquired	**5**
Goodwill	30
Value of the transaction (1)	**35**
Cash flow impact at June 30, 2010	**24**

(1) Including incidental expenses and contingent consideration.

The contribution of Padoma Wind Power to Group operating income was nil.

ACQUISITION OF ENEL LONGANESI DEVELOPMENT

Millions of euro	
Intangible assets	8
Total net assets acquired	**8**
Goodwill	35
Value of the transaction	**43**
Cash flow impact at June 30, 2010	**43**

The contribution of Enel Longanesi Development to Group operating income was nil.

ACQUISITION OF ENEL GREEN POWER CALABRIA, MAICOR WIND, ENEL GREEN POWER PUGLIA (FORMERLY ITALGEST WIND), ENEL GREEN POWER STRAMBINO SOLAR, ALTOMONTE FV (FORMERLY RESIT ALTOMONTE), ENERLIVE, ENERGIA EOLICA AND ENEL GREEN POWER TSS (FORMERLY ANEMOS 1)

Millions of euro	
Property, plant and equipment	8
Other current and non-current assets	2
Total assets	**10**
Financial debt	2
Financial liabilities and other current and non-current liabilities	4
Total liabilities	**6**
Total net assets acquired	**4**
Goodwill	22
Badwill	(2)
Value of the transaction (1)	**24**
Cash flow impact at June 30, 2010	**10**

(1) Including incidental expenses and contingent consideration.

The contribution of the companies to Group operating income was nil.

4. Segment information

The representation of divisional performance and financial position presented here is based on the approach used by management in assessing Group performance for the two periods under review, taking account of the organizational structure introduced by the Group in September 2008 and operational since January 1, 2008.

1ST HALF OF 2010 (1)

Millions of euro	Sales	GEM	Eng. & Innov.	Infra. & Networks	Iberia and Latin America	Int'l	Renewable Energy	Parent Company	Services and Other Activities	Eliminations and adjustments	Total
Revenues from third parties	9,062	5,629	48	1,189	14,774	3,039	867	168	47	(21)	**34,802**
Revenues from other segments	86	2,607	280	2,225	69	72	107	155	477	(6,078)	**-**
Total revenues	**9,148**	**8,236**	**328**	**3,414**	**14,843**	**3,111**	**974**	**323**	**524**	**(6,099)**	**34,802**
Net income/(charges) from commodity risk management	(381)	399	-	-	26	(13)	63	(2)	-	-	**92**
Operating income	**51**	**960**	**5**	**1,405**	**2,578**	**581**	**495**	**(6)**	**19**	**(5)**	**6,083**
Net financial income/(expense) and income/(expense) from equity investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	**(1,767)**
Income taxes	-	-	-	-	-	-	-	-	-	-	**1,263**
Net income from continuing operations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,053**
Net income from discontinued operations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net income (Group and minority interests)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,053**
Operating assets	**6,429**	**14,938**	**165**	**17,111**	**81,078** (2)	**13,108** (4)	**8,840** (6)	**1,125**	**2,445**	**(5,640)**	**139,599**
Operating liabilities	**5,052**	**3,668**	**308**	**5,513**	**11,817** (3)	**4,907** (5)	**1,018**	**1,472**	**1,325**	**(5,671)**	**29,409**
Capital expenditure	**16**	**293**	**4**	**509**	**875**	**559**	**339**	**-**	**34**	**-**	**2,629**

(1) Segment revenues include both revenues from third parties and revenue flows between the segments. An analogous approach was taken for other income and costs for the period.
(2) Of which €2.314 million regarding units classified as "Held for sale".
(3) Of which €252 million regarding units classified as "Held for sale".
(4) Of which €603 million regarding units classified as "Held for sale".
(5) Of which €26 million regarding units classified as "Held for sale".
(6) Of which €69 million regarding units classified as "Held for sale".

1ST HALF OF 2009 (1)

Millions of euro	Sales	GEM	Eng. & Innov.	Infra. & Networks	Iberia and Latin America	Int'l	Renewable Energy	Parent Company	Services and Other Activities	Eliminations and adjustments	**Total**
Revenues from third parties	10,485	6,027	105	1,117	7,146	2,556	794	191	57	(21)	**28,457**
Revenues from other segments	128	3,267	352	2,354	3	93	69	165	452	(6,883)	-
Total revenues	**10,613**	**9,294**	**457**	**3,471**	**7,149**	**2,649**	**863**	**356**	**509**	**(6,904)**	**28,457**
Net income/(charges) from commodity risk management	(378)	427	-	-	(522)	13	46	1	-	-	**(413)**
Operating income	**(9)**	**1,533**	**12**	**1,596**	**1,462**	**392**	**507**	**50**	**40**	**(4)**	**5,579**
Net financial income/(expense) and income/(expense) from equity investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	**(188)**
Income taxes	-	-	-	-	-	-	-	-	-	-	**1,333**
Net income from continuing operations	-	-	-	-	-	-	-	-	-	-	**4,058**
Net income from discontinued operations	-	-	-	-	-	-	-	-	-	-	**(84)**
Net income (Group and minority interests)	-	-	-	-	-	-	-	-	-	-	**3,974**
Operating assets (2)	**6,598**	**15,054**	**342**	**17,272**	**80,799** (3)	**12,292**	**6,423**	**1,229**	**2,197**	**(6,142)**	**136,064**
Operating liabilities (2)	**5,471**	**4,218**	**363**	**5,651**	**13,016** (4)	**4,786**	**804**	**1,090**	**1,612**	**(4,981)**	**32,030**
Capital expenditure	**26**	**376**	**-**	**520**	**894**	**417**	**326**	**-**	**31**	**-**	**2,590**

(1) Segment revenues include both revenues from third parties and revenue flows between the segments. An analogous approach was taken for other income and costs for the period.
(2) At December 31, 2009. The figures have been restated as a result of the retrospective application of a number of accounting standards and of the completion of the purchase price allocation process for the assets acquired and liabilities assumed in the acquisition of 25.01% of Endesa.
(3) Of which €485 million regarding units classified as "Held for sale".
(4) Of which €102 million regarding units classified as "Held for sale".

The following table reconciles segment assets and liabilities and the consolidated figures.

Millions of euro

	at June 30, 2010	at Dec. 31, 2009 restated (1)
Total assets	**167,396**	**162,331**
Financial assets, cash and cash equivalents	19,386	18,480
Tax assets	8,411	7,787
Segment assets	**139,599**	**136,064**
- of which:		
Sales	6,429	6,598
Generation and Energy Management	14,938	15,054
Engineering and Innovation	165	342
Infrastructure and Networks	17,111	17,272
Iberia and Latin America (2)	81,078	80,799
International (3)	13,108	12,292
Renewable Energy (4)	8,840	6,423
Parent Company	1,125	1,229
Services and Other Activities	2,445	2,197
Eliminations and adjustments	(5,640)	(6,142)
Total liabilities	**117,467**	**116,398**
Loans and other financial liabilities	74,059	71,159
Tax liabilities	13,999	13,209
Segment liabilities	**29,409**	**32,030**
- of which:		
Sales	5,052	5,471
Generation and Energy Management	3,668	4,218
Engineering and Innovation	308	363
Infrastructure and Networks	5,513	5,651
Iberia and Latin America (5)	11,817	13,016
International (6)	4,907	4,786
Renewable Energy	1,018	804
Parent Company	1,472	1,090
Services and Other Activities	1,325	1,612
Eliminations and adjustments	(5,671)	(4,981)

(1) The figures have been restated as a result of the retrospective application of a number of accounting standards and of the completion of the purchase price allocation process for the assets acquired and liabilities assumed in the acquisition of 25.01% of Endesa.
(2) Of which €2,314 million regarding units classified as "Held for sale" at June 30, 2010 (€485 million at December 31, 2009).
(3) Of which €603 million regarding units classified as "Held for sale" at June 30, 2010.
(4) Of which €69 million regarding units classified as "Held for sale" at June 30, 2010.
(5) Of which €252 million regarding units classified as "Held for sale" at June 30, 2010 (€102 million at December 31, 2009).
(6) Of which €26 million regarding units classified as "Held for sale" at June 30, 2010.

Information on the Consolidated Income Statement

Revenues

5.a Revenues from sales and services – *€34,274 million*

Millions of euro	1st Half		
	2010	2009	Change
Revenues from electricity sales and transport and contributions from the Electricity Equalization Fund and similar bodies	30,572	24,518	6,054
Revenues from the sale and transport of natural gas to end users	1,919	1,673	246
Revenues from fuel sales	135	92	43
Connection fees for the electricity and gas networks	659	318	341
Revenues for contract work in progress	85	151	(66)
Other sales and services	904	746	158
Total	**34,274**	**27,498**	**6,776**

"Revenues from electricity sales and transport and contributions from the Electricity Equalization Fund and similar bodies" include €17,258 million in revenues from the sale and transport of electricity abroad (€10,763 million in the 1st Half of 2009), €7,430 million in revenues from the transport and sale of electricity on final domestic markets (€8,789 million in the 1st Half of 2009), and €4,009 million in revenues from the sale of electricity on the Power Exchange and to other domestic resellers (€4,443 million in the 1st Half of 2009). Revenues from the sale and transport of electricity abroad were affected by the effects (€2,180 million) of the application as from July 1, 2009 of the new rate rules for the Spanish electricity sales and distribution market with the introduction of the *Tarifa de Ultimo Recurso* (TUR).

"Revenues from the sale and transport of natural gas to end users" came to €1,919 million in the 1st Half of 2010 and include €1,076 million in revenues from the sale of natural gas in Italy (€1,171 million in the 1st Half of 2009), €205 million in revenues from the transport of natural gas in Italy (€139 million in the 1st Half of 2009), in addition to revenues from the sale of natural gas abroad amounting to €638 million (€363 million in the 1st Half of 2009).

"Revenues from fuel sales" came to €135 million in the 1st Half of 2010, and include €89 million for the sale of other fuels (€67 million in the 1st Half of 2009) and €46 million for the sale of natural gas (€25 million in the 1st Half of 2009).

"Connection fees for the electricity and gas networks" in the 1st Half of 2010 reflect the impact of the application of IFRIC 18 in the amount of €292 million.

"Revenues for contract work in progress" refer to engineering and construction work for third parties.

The table below gives a breakdown of revenues from sales and services by geographical area:

Millions of euro	1st Half	
	2010	2009
Italy	14,705	16,042
Europe	14,286	8,119
Americas	4,620	2,876
Middle East	-	1
Other	663	460
Total	**34,274**	**27,498**

5.b Other revenues – *€528 million*

Millions of euro	1st Half		
	2010	2009	Change
Reimbursement of stranded costs for Nigerian gas	-	72	(72)
Grants	12	125	(113)
Sundry reimbursements	69	77	(8)
Gains on disposal of assets	7	308	(301)
Gains on sale of property, plant and equipment and intangible assets	7	1	6
Service continuity bonuses	-	17	(17)
Other revenues	433	359	74
Total	**528**	**959**	**(431)**

"Reimbursement of stranded costs for Nigerian gas" regards amounts received in respect of the right to reimbursement (which expired on January 1, 2010) of irrecoverable non-generation costs established with the decree issued on August 6, 2004 by the Ministry for Productive Activities.
"Gains on disposal of assets" realized in the 1st Half of 2009 are entirely accounted for by the sale on April 1 of 100% of Enel Linee Alta Tensione (ELAT), the company to which Enel Distribuzione transferred, with effect from January 1, 2009, the business unit represented by the high-voltage power lines and the related legal relationships.

Costs

6.a Raw materials and consumables – *€16,944 million*

Millions of euro	1st Half		
	2010	2009	Change
Electricity	11,685	10,359	1,326
Fuel and gas	4,523	3,603	920
Materials	736	544	192
Total	**16,944**	**14,506**	**2,438**
- of which capitalized	*485*	*323*	*162*

"Electricity" purchases include €2,888 million in purchases from the Single Buyer (€3,576 million in the 1st Half of 2009), €1,646 million in purchases from the Energy Markets Operator (€2,308 million in the 1st Half of 2009) and €159 million in purchases abroad (€155 million in the 1st Half of 2009).
Purchases of "fuel and gas" include €2,658 million in natural gas purchases and €1,865 million in purchases of other fuels.

6.b Services – *€6,609 million*

Millions of euro	1st Half		
	2010	2009	Change
Electricity and gas wheeling	4,205	1,363	2,842
Maintenance and repairs	557	451	106
Telephone and postal	172	145	27
Communication services	46	45	1
IT services	62	62	-
Leases and rentals	284	257	27
Other	1,283	977	306
Total	**6,609**	**3,300**	**3,309**

"Electricity and gas wheeling" in the 1st Half of 2010 includes €1,437 million in respect of the impact of the regulatory changes associated with application of the *Tarifa de Ultimo Recurso* in the Iberian market as from July 1, 2009.

6.c Personnel – *€2,254 million*

Millions of euro	1st Half		
	2010	2009	Change
Wages and salaries	1,664	1,447	217
Social security contributions	419	382	37
Post-employment benefits	55	56	(1)
Other costs	116	141	(25)
Total	**2,254**	**2,026**	**228**
- of which capitalized	*307*	*308*	*(1)*

Personnel costs rose by €228 million in the 1st Half of 2010, while the average workforce expanded by 6.3%. The figure largely reflects the change in the scope of consolidation between the two periods under review, as well as the wage adjustments consequent upon the renewal of the collective bargaining agreement in Italy.

6.d Depreciation, amortization and impairment losses – *€2,795 million*

Millions of euro	1st Half		
	2010	2009	Change
Depreciation	2,200	1,911	289
Amortization	412	230	182
Impairment losses	183	219	(36)
Total	**2,795**	**2,360**	**435**

"Impairment losses" in the 1st Half of 2010 mainly regard writedowns of trade receivables amounting to €193 million (€197 million in the 1st Half of 2009).

6.e Other operating expenses – *€1,001 million*

Millions of euro	1st Half		
	2010	2009	Change
Provisions for risks and charges	69	42	27
Purchase of green certificates	116	308	(192)
Taxes and duties	378	264	114
Other	438	290	148
Total	**1,001**	**904**	**97**

6.f Capitalized costs – *€(792) million*

This item includes €307 million in personnel costs and €485 million in materials costs (€308 million and €323 million, respectively, in the 1st Half of 2009).

Net income/(charges) from commodity risk management

7 Net income/(charges) from commodity risk management – *€92 million*

Net income from commodity risk management reflects €213 million in net realized charges on positions closed during the period and €121 million in net unrealized charges on open positions in commodity derivatives at June 30, 2010.

Millions of euro	1st Half		
	2010	2009	Change
Income			
Unrealized on contracts for differences	10	14	(4)
Unrealized on other contracts	542	402	140
Total unrealized income	552	416	136
Total realized income	445	117	328
Total income	**997**	**533**	**464**
Charges			
Unrealized on contracts outstanding at the end of the period	(673)	(683)	10
Realized on contracts for differences	-	(52)	52
Realized on other contracts	(232)	(211)	(21)
Total realized charges	(232)	(263)	31
Total charges	**(905)**	**(946)**	**41**
NET INCOME/(CHARGES) FROM COMMODITY RISK MANAGEMENT	**92**	**(413)**	**505**
- of which trading/non-IFRS-IAS hedge derivatives	*70*	*(403)*	*473*
- of which ineffective portion of CFH	*9*	*-*	*9*

8 Financial income/(expense) – *€(1,766) million*

Millions of euro	1st Half		
	2010	2009	Change
Interest and other income from financial assets (current and non-current):			
- interest income at effective rate on non-current securities and receivables	19	73	(54)
- financial income on non-current securities at fair value through profit or loss	-	1	(1)
- interest income at effective rate on short-term financial investments	70	52	18
Total interest and other income from financial assets (current and non-current):	**89**	**126**	**(37)**
Foreign exchange gains	**483**	**390**	**93**
Income from derivative instruments:			
- income from cash flow hedge derivatives	1,526	215	1,311
- income from derivatives at fair value through profit or loss	148	1,077	(929)
- income from fair value hedge derivatives	121	65	56
Total income from derivative instruments	**1,795**	**1,357**	**438**
Income from equity investments	**30**	**34**	**(4)**
Other income	**44**	**234**	**(190)**
TOTAL FINANCIAL INCOME	**2,441**	**2,141**	**300**

Financial income amounted to €2,441 million, up €300 million on the previous year. The increase was largely the result of the gains on cross currency swaps hedging the debt, which rose by €1,311 million compared with the year-earlier period. This was partially offset by the decline of €929 million in income from derivatives at fair value through profit or loss (which in the 1st Half of 2009 showed €970 million in income from the early exercise of the put option granted to Acciona and exercised in 2009), as well as the decline of €190 million in other income.

Millions of euro	1st Half		
	2010	2009	Change
Interest and other charges on financial debt (current and non-current):			
- interest expense on bank loans	308	362	(54)
- interest on bonds	890	665	225
- interest expense on other loans	123	92	31
- other charges on financial debt	8	2	6
Total interest expense and other charges on financial debt (current and non-current):	1,329	1,121	208
Foreign exchange losses	1,833	485	1,348
Expense on derivative instruments:			
- expense on cash flow hedge derivatives	289	156	133
- expense on derivatives at fair vale through profit or loss	252	166	86
- expense on fair value hedge derivatives	2	26	(24)
Total expense on derivative instruments	543	348	195
Accretion of post-employment and other employee benefits	139	91	48
Accretion of other provisions	189	132	57
Charges from equity investments	13	14	(1)
Other charges	161	159	2
TOTAL FINANCIAL EXPENSE	**4,207**	**2,350**	**1,857**

Financial expense totaled €4,207 million, an increase of €1,857 million on the 1st Half of 2009.

In particular, the increase in interest expense and other charges on financial debt, equal to €208 million, essentially reflects the full consolidation of Endesa's debt, as well as the refinancing strategy undertaken in the last quarter of 2009 and continued in early 2010 to lengthen the average residual maturity of the debt and replace the Credit Agreement.

The rise in foreign exchange losses, equal to €1,348 million, is mainly attributable to the debt denominated in currencies other than the euro, which was hedged with corresponding cross currency interest rate swaps.

Finally, expense on derivative instruments rose by €195 million as a result of the broad decline in the yield curve compared with the 1st Half of 2009.

9 Share of income/(expense) from equity investments accounted for using the equity method – *€(1) million*

Net expense on equity investments accounted for using the equity method in the 1st Half of 2010 came to €1 million, a deterioration of €22 million compared with the year-earlier period.

10 Income taxes – *€1,263 million*

Millions of euro	1st Half		
	2010	2009	Change
Current taxes	1,623	1,690	(67)
Specific tax on gains from realignment	-	15	(15)
Adjustments for income taxes related to prior years	(168)	(111)	(57)
Deferred tax liabilities	(399)	(268)	(131)
Deferred tax assets	207	7	200
Total	**1,263**	**1,333**	**(70)**

The tax liability amounted to €1,263 million in the 1st Half of 2010, equal to 29.3% of taxable income, compared with 24.7% in the 1st Half of 2009. This development is essentially attributable to the effects of the recognition in the 1st Half of 2009 of partially or fully tax-exempt revenues. Income taxes of the Group's foreign companies came to an estimated €486 million (€288 million in the 1st Half of 2009).

11 Net income from discontinued operations – *€0 million*

In the 1st Half of 2009, the item reported the performance, net of tax effects, attributable to the assets and liabilities of Enel Rete Gas in view of the status of the disposal process at June 30, 2009.

Millions of euro	1st Half		
	2010	2009	Change
Enel Rete Gas:			
Revenues	-	166	(166)
Costs	-	129	(129)
Operating income	-	37	(37)
Net financial expense	-	(15)	15
Income taxes	-	30	(30)
Impairment	-	(136)	136
Net income of Enel Rete Gas	-	(84)	84
Net income from assets acquired for resale	-	-	-
NET INCOME FROM DISCONTINUED OPERATIONS	**-**	**(84)**	**84**

Information on the Consolidated Balance Sheet

Assets

Non-current assets

12 Property, plant and equipment – *€77,201 million*

The breakdown of property, plant and equipment at June 30, 2010 is as follows:

Millions of euro

	at June 30, 2010	at Dec. 31, 2009 restated	Change
Land	561	538	23
Buildings	5,367	5,388	(21)
Plant and machinery	45,699	44,803	896
Industrial and commercial equipment	15,956	16,529	(573)
Other assets	426	552	(126)
Leased assets	391	371	20
Leasehold improvements	79	84	(5)
Assets under construction and advances	8,722	8,322	400
Total	**77,201**	**76,587**	**614**

In addition to depreciation of €2,200 million, the change for the period relates mainly to capital expenditure (€2,411 million) and exchange rate gains in the period (€2,240 million).
Capital expenditure in the 1st Half of 2010 came to €2,411 million, a decrease of €97 million over the 1st Half of 2009. The table below summarizes capital expenditure in the 1st Half of 2010 by category:

Millions of euro

	1st Half	
	2010	2009
Power plants:		
- thermal	637	837
- hydroelectric	114	128
- geothermal	68	72
- nuclear	227	130
- alternative energy resources	227	207
Total power plants	**1,273**	**1,374**
Electricity distribution network	946	938
Gas distribution network	11	26
Land, buildings and other assets and equipment	181	170
TOTAL (1)	**2,411**	**2,508**

(1) Does not include €24 million of capital investment carried out in the 1st Half of 2010 (€106 million in the 1st Half of 2009) in respect of assets classified as "Held for sale".

Capital expenditure on power plants totaled €1,273 million, a decrease of €101 million over the previous period. Investments largely regard projects in Europe and Latin America for the construction of new plants and the transformation of existing power plants, including safety and environmental upgrading.
Investments in the electricity distribution network amounted to €946 million, an increase of €8 million on the 1st Half of 2009, mainly attributable to a rise in expenditure abroad, partially offset by a reduction in that in Italy.

13 Intangible assets – *€40,131 million*

The breakdown of intangible assets at June 30, 2010 was as follows:

Millions of euro

	at June 30, 2010	at Dec. 31, 2009 restated	Change
Development costs	9	35	(26)
Industrial patents and intellectual property rights	505	434	71
Concessions, licenses, trademarks and similar rights	15,624	14,855	769
Service concession arrangements	3,711	3,333	378
Other	580	597	(17)
Assets under development and advances	307	421	(114)
Goodwill	19,395	19,045	350
Total	**40,131**	**38,720**	**1,411**

The change in intangible assets, with the exception of goodwill, is largely attributable to foreign exchange gains in the amount of €1,666 million and investments totaling €219 million; these factors were partially offset by amortization of €412 million.
"Concessions, licenses, trademarks and similar rights" include assets with an indefinite useful life amounting to €10,463.
"Goodwill" came to €19,395 million at June 30, 2010, an increase of €350 million for the period. The rise is mainly the result of adjustments to the value of assets at period-end exchange rates (an increase of €214 million), the recognition of provisional goodwill in respect of the acquisitions carried out in the 1st Half of 2010 (essentially Enel Longanesi Development, Padoma Wind Power and a number of companies acquired by Enel Green Power Italia totaling €87 million), the adjustment of the debt associated with the acquisition of a number of equity investments (an increase of €49 million), and the reclassification to "Assets held for sale" of €18 million in goodwill recognized in respect of Enel Maritza East 3, Enel Operations Bulgaria and Enel Green Power Bulgaria.

Goodwill breaks down as follows:

Millions of euro

	at June 30, 2010	at Dec. 31, 2009 restated	Change
Endesa (includes Enel Green Power España)	15,672	15,651	21
OGK-5	1,325	1,177	148
Slovenské elektrárne	697	697	-
Enel Energia	579	579	-
Enel Energie Muntenia and Enel Distributie Muntenia (formerly Electrica Muntenia Sud)	355	286	69
Enel Latin America	286	253	33
Enel North America	127	80	47
Enel Unión Fenosa Renovables	90	90	-
Enel Green Power Hellas	74	74	-
RusEnergoSbyt	47	42	5
Enel Longanesi Development	35	-	35
Enel Green Power France	26	26	-
Nuove Energie	26	26	-
Enel Green Power Italia	22	-	22
Marcinelle Energie	19	20	(1)
Artic Russia	9	18	(9)
Enel Green Power Romania	5	5	-
Portoscuso Energia	1	1	-
Enel Maritza East 3	-	13	(13)
Wisco	-	2	(2)
Enel Operations Bulgaria	-	2	(2)
Enel Green Power Bulgaria	-	3	(3)
Total	**19,395**	**19,045**	**350**

As to the estimated recoverable value of goodwill recognized definitively in the consolidated financial statements at December 31, 2009, the Group did not perform an impairment test of the value in the absence of any trigger events indicating a potential reduction in value.

14 Deferred tax assets and liabilities – *€6,066 million and €11,359 million*

The following table details changes in deferred tax assets and liabilities by type of temporary 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.

Millions of euro

	at June 30, 2010	at Dec. 31, 2009 restated	Change
Deferred tax assets:			
- differences in the value of intangible assets, property, plant and equipment	1,210	1,218	(8)
- accruals to provisions for risks and charges and impairment losses with deferred deductibility	2,694	2,697	(3)
- tax losses carried forward	81	93	(12)
- measurement of financial instruments	315	808	(493)
- other items	1,766	1,422	344
Total	**6,066**	**6,238**	**(172)**
Deferred tax liabilities:			
- differences on non-current and financial assets	2,138	2,033	105
- income subject to deferred taxation	103	104	(1)
- allocation of excess costs to assets	7,815	7,524	291
- measurement of financial instruments	323	561	(238)
- other items	980	885	95
Total	**11,359**	**11,107**	**252**
Offsettable net deferred tax assets	**1,308**	**2,276**	**(968)**
Non-offsettable deferred tax assets	**3,813**	**2,882**	**931**
Non-offsettable deferred tax liabilities	**10,414**	**10,027**	**387**

Deferred tax assets at June 30, 2010 amounted to €6,066 million, a decrease of €172 million compared with December 31, 2009.

It should also be noted that no deferred tax assets were recorded in relation to prior tax losses in the amount of €781 million because, on the basis of current estimates of future taxable income, it is not certain that such assets could be recovered. More specifically, the losses are mainly attributable to the holding companies located in the Netherlands and Luxembourg (€598 million).

Deferred tax liabilities, which totaled €11,359 million at June 30, 2010 (€11,107 million at December 31, 2009), include the deferred tax liabilities related primarily to the part of the cost incurred and allocated to assets recognized in respect of acquisitions in the various years and to the differences between depreciation charged for tax purposes and depreciation based on the estimated useful lives of assets.

The change for the period in both deferred tax assets and deferred tax liabilities is essentially attributable to the portion accruing for the period, partially offset by the increase due to the change in the exchange rates applied to items denominated in currencies other than the euro.

15 Equity investments accounted for using the equity method – *€991 million*

Equity investments in associated companies accounted for using the equity method are as follows:

Millions of euro		% holding	Income effect	Other changes		% holding
	at Dec. 31, 2009				**at June 30, 2010**	
	restated					
SeverEnergia	287	19.6%	(6)	36	317	19.6%
Elica 2	133	30.0%	-	4	137	30.0%
Enel Rete Gas	144	19.9%	1	(14)	131	19.9%
LaGeo	85	36.2%	1	-	86	36.2%
Other	380		3	(63)	320	
Total	**1,029**		**(1)**	**(37)**	**991**	

16 Non-current financial assets – *€4,232 million*

Millions of euro			
	at June 30, 2010	at Dec. 31, 2009	Change
		restated	
Equity investments in other companies	670	608	62
Other securities designated at fair value through profit or loss	110	108	2
Derivative contracts	1,563	277	1,286
Advances for acquisition of equity investments	6	11	(5)
Other receivables:			
- financial receivables for the Spanish electrical system deficit	-	6,288	(6,288)
- other financial receivables	1,883	1,732	151
Total other receivables	**1,883**	**8,020**	**(6,137)**
TOTAL	**4,232**	**9,024**	**(4,792)**

The following table provides a breakdown of "Equity investments in other companies" by the major companies.

Millions of euro		% holding		% holding	
	at June 30, 2010		at Dec. 31, 2009		Change
			restated		
Terna	303	5.12%	306	5.12%	(3)
Bayan Resources	192	10.00%	138	10.00%	54
Echelon	18	7.36%	24	7.36%	(6)
Tri Alpha Energy	8	4.42%	8	4.96%	-
Other	149	-	132		17
Total	**670**		**608**		**62**

"Other securities designated at fair value through profit or loss" are essentially accounted for by investments in bonds, government securities and investment funds.

The following table reports the notional values and the fair values of the derivative contracts, grouped by type and designation.

Millions of euro	Notional value		Fair value		
	at June 30, 2010	at Dec. 31, 2009 restated	**at June 30, 2010**	at Dec. 31, 2009 restated	Change
Cash flow hedge derivatives:					
- interest rates	1,675	2,123	8	10	(2)
- exchange rates	9,312	2,566	1,288	219	1,069
- commodities	184	230	15	19	(4)
Total	**11,171**	**4,919**	**1,311**	**248**	**1,063**
Fair value hedge derivatives:					
- interest rates	83	98	11	8	3
- exchange rates	487	22	52	2	50
Total	**570**	**120**	**63**	**10**	**53**
Trading derivatives:					
- interest rates	75	75	10	9	1
- exchange rates	737	103	49	4	45
- commodities	1,263	71	130	6	124
Total	**2,075**	**249**	**189**	**19**	**170**
TOTAL	**13,816**	**5,288**	**1,563**	**277**	**1,286**

At June 30, 2010, the notional value of the cash flow hedge derivative contracts classified as non-current financial assets came to €11,171 million, with the corresponding fair value of €1,311 million.
The decline in the fair value of the cash flow hedge derivatives on interest rates was mainly due to the fall in interest rates during the 1st Half of 2010, which was especially steep in the long-term segment of the yield curve, giving rise to the reclassification of part of the derivatives to non-current financial liabilities.
The increase in the fair value and notional value of exchange rate cash flow hedge derivatives mainly reflects the broad depreciation in the euro against the other main currencies, which had an especially significant impact on hedges of the bond issues carried out under the Global Medium Term Notes program in 2007 and 2009 by Enel SpA and its subsidiary Enel Finance International.
Commodity derivatives regard:
> derivatives on energy with a fair value of €4 million classified as cash flow hedges;
> derivatives on fuels with a fair value of €11 million classified as cash flow hedges;
> derivatives held by Endesa with a fair value of €116 million;
> two-way contracts for differences, classified as trading derivatives, with a fair value of €2 million;
> derivatives on energy with a fair value of €11 million classified as trading derivatives;
> embedded derivatives related to energy sales and purchase contracts in Slovakia, with a fair value of €1 million.

"Financial receivables for the Spanish electrical system deficit" refer to the long-term portion of the deficit financed by Endesa. The deficit is created in Spain's regulated market when rate revenues are not sufficient to cover the costs of the system itself. The change in the period is due to the classification of the receivable under current financial assets as a result of the mechanism established by the Spanish government to allow companies to assign such receivables to a specially created securitization fund.

17 Other non-current assets – *€989 million*

Millions of euro

	at June 30, 2010	at Dec. 31, 2009 restated	Change
Receivables due from the Electricity Equalization Fund and similar the bodies	188	188	-
Receivables due from State Decommissioning Fund	515	483	32
Other long-term receivables:			
- net assets of employee benefit programs	140	138	2
- other receivables	146	167	(21)
Total other long-term receivables	**286**	**305**	**(19)**
TOTAL	**989**	**976**	**13**

The change for the period reflects €32 million in respect of the increase in "Receivables due from State Decommissioning Fund" of Slovenské elektrárne for payments to the Fund and a €9 million reduction in tax receivables.

Current assets

18 Inventories – *€2,703 million*

Millions of euro

	at June 30, 2010	at Dec. 31, 2009 restated	Change
Raw materials, consumables and supplies:			
- fuel	1,875	1,705	170
- materials, equipment and other inventories	731	702	29
Total	**2,606**	**2,407**	**199**
Buildings available for sale	87	88	(1)
Advances	10	5	5
TOTAL	**2,703**	**2,500**	**203**

"Raw materials, consumables and supplies" consist of fuel inventories to cover the requirements of the generation companies and trading activities, as well as materials and equipment for plant operation, maintenance and construction. The "buildings available for sale" are related to remaining units from the Group's real estate portfolio and are primarily civil buildings. The decrease reflects sales made during the period.

19 Trade receivables – *€12,457 million*

Millions of euro

	at June 30, 2010	at Dec. 31, 2009 restated	Change
Customers:			
- sale and transport of electricity	10,378	11,020	(642)
- distribution and sale of natural gas	1,659	1,284	375
- other activities	344	630	(286)
Total	**12,381**	**12,934**	**(553)**
Trade receivables due from associates	22	44	(22)
Receivables for contract work in progress	54	32	22
TOTAL	**12,457**	**13,010**	**(553)**

Trade receivables from customers are recognized net of allowances for doubtful accounts, which at the end of the period came to €1,051 million, compared with an opening balance of €934 million. The table below shows the changes in these allowances.

Millions of euro

Total at Jan. 1, 2010	**934**
Accruals	245
Utilization	(149)
Writebacks	(52)
Other changes	73
Total at June 30, 2010	**1,051**

20 Tax receivables – *€2,324 million*

Tax receivables at June 30, 2010 amounted to €2,324 million (€1,534 million at December 31, 2009) and are mainly made up of income tax credits of €1,519 million (€523 million at December 31, 2009), indirect tax credits of €288 million (€450 million at December 31, 2009) and credits of €196 million for other taxes and tax surcharges (€240 million at December 31, 2009).

21 Current financial assets – *€10,562 million*

Millions of euro

	at June 30, 2010	at Dec. 31, 2009 restated	Change
Short-term portion of long-term financial receivables	7,903	767	7,136
Receivables for factoring advances	254	304	(50)
Derivative contracts	957	770	187
Other securities	82	97	(15)
Other	1,366	2,248	(882)
Total	**10,562**	**4,186**	**6,376**

"Short-term portion of long-term financial receivables" essentially consists of the financial receivable in respect of the Spanish electricity system deficit financed by Endesa in the amount of €7,857 million (€739 million at December 31, 2009) and reclassified to this item following the establishment of a mechanism by the Spanish government to allow receivables to be collected by assigning them to a special securitization fund. This process is expected to be completed in the 1st Half of 2011.

The following table reports the notional values and the fair values of the derivative contracts, grouped by type and designation.

Millions of euro	Notional value		*Fair value*		
	at June 30, 2010	at Dec. 31, 2009 restated	**at June 30, 2010**	at Dec. 31, 2009 restated	Change
Cash flow hedge derivatives:					
- interest rates	-	508	-	1	(1)
- exchange rates	1,412	1,385	225	47	178
- commodities	456	649	25	66	(41)
Total	1,868	2,542	250	114	136
Fair value hedge derivatives:					
- interest rates	25	140	1	-	1
Total	25	140	1	-	1
Trading derivatives:					
- interest rates	500	-	-	-	-
- exchange rates	1,977	1,284	168	31	137
- commodities	3,830	13,713	538	625	(87)
Total	6,307	14,997	706	656	50
TOTAL	**8,200**	**17,679**	**957**	**770**	**187**

The increase in the fair value of trading derivatives on exchange rates is essentially due to the broad depreciation of the euro against the other main currencies during the first half of 2010.

Commodity derivatives regard:
> derivatives held by Endesa with a fair value of €17 million classified as cash flow hedges;
> two-way contracts for differences, classified as cash flow hedges, with a fair value of €1 million;
> other commodity derivatives, classified as cash flow hedges, with a fair value of €7 million;
> commodity derivatives on fuels, with a fair value of €402 million;
> trading transactions in energy and other commodities, with a fair value of €136 million.

22 Cash and cash equivalents – *€3,535 million*

Cash and cash equivalents are not restricted by any encumbrances, apart from €67 million (€217 million at December 31, 2009) essentially in respect of deposits pledged to secure transactions.

23 Other current assets – *€2,765 million*

Millions of euro

	at June 30, 2010	at Dec. 31, 2009 restated	Change
Receivables due from the Electricity Equalization Fund and similar bodies	1,051	2,047	(996)
Receivables due from employees	41	44	(3)
Receivables due from others	1,485	1,281	204
Accrued operating income and prepaid expenses	188	118	70
Total	**2,765**	**3,490**	**(725)**

"Receivables due from the Electricity Equalization Fund and similar bodies" include receivables in respect of the Italian system in the amount of €632 million, essentially from the application of equalization mechanisms to electricity purchases (€764 million at December 31, 2009), and the Spanish system in the amount of €419 million (€1,283 million at December 31, 2009).
Including the portion of receivables classified as long-term (€188 million), operating receivables due from the Electricity Equalization Fund and similar bodies at June 30, 2010 amounted to €1,239 million (€2,235 million at December 31, 2009), offset by payables of €2,689 million (€3,058 million at December 31, 2009).

24 Assets held for sale – *€3,156 million*

At June 30, 2010, the item mainly included:

> the assets of Enel Maritza East 3 (and its related holding company), Enel Operations Bulgaria (and its related holding company) and Enel Green Power Bulgaria in view of the status of negotiations for their disposal to non-Group counterparties;

> certain assets held by Endesa in Spain (including Endesa Gas and the assets of high-voltage transmission operations), Greece and Latin America that, as a result of decisions made by management, meet the requirements of IFRS 5 for classification as assets held for sale.

At December 31, 2009, the item included assets in respect of the renewable energy operations of Endesa set out in the agreement of February 20, 2009 and certain other assets held in Greece and Brazil, and the 1% stake in Red Eléctrica de España, which was sold in the 1st Half of 2010.

Millions of euro

	at June 30, 2010	at Dec. 31, 2009 restated	Change
Property, plant and equipment	2,229	283	1,946
Intangible assets	550	105	445
Goodwill	18	-	18
Deferred tax assets	19	11	8
Other non-current assets	54	53	1
Inventories	40	22	18
Trade receivables	91	52	39
Cash and cash equivalents	98	22	76
Other current assets	57	24	33
Total	**3,156**	**572**	**2,584**

Liabilities and shareholders' equity

Equity

25 Equity attributable to the shareholders of the Parent Company – *€35,756 million*

Share capital – *€9,403 million*

As no options were exercised during the 1st Half of the year, share capital at June 30, 2010 is represented by 9,403,357,795 ordinary shares with a par value of €1.00 each (9,403,357,795 at December 2009).

Based on the shareholders' register and other available information, no shareholders held more than 2% of the total share capital, apart from the Ministry for the Economy and Finance, which holds 13.88%, its subsidiary Cassa Depositi e Prestiti SpA, which holds 17.36%, and Blackrock Inc., with 2.74%.

Reserves – *€9,711 million*

Share premium reserve – *€5,293 million*

There were no changes in the reserve in the 1st Half of 2010.

Legal reserve – *€1,881 million*

Other reserves – *€2,261 million*

Reserve from translation of financial statements in currencies other than euro – *€695 million*

The change in this aggregate for the period is attributable to the net depreciation of the functional currency against the foreign currencies used by subsidiaries.

Reserve from measurement of financial instruments – *€(459) million*

This item includes net losses recognized directly to equity resulting from the measurement of cash flow hedging derivatives, as well as unrealized losses arising in respect of the fair value measurement of financial assets.

Reserve from equity investments accounted for using equity method – *€40 million*

The table below shows the changes in gains and losses recognized directly in equity, including minority interests.

Millions of euro	at Dec. 31, 2009 restated	Gains/(Losses) recognized in equity for the period	Released to income statement	Income taxes	at June 30, 2010
Gains/(Losses) from change in fair value of effective portion of CFH commodity derivatives on prices and exchange rates (IAS 39)	495	908	(1,929)	246	(280)
Gains/(Losses) from change in fair value of effective portion of CFH derivatives on interest rates and exchange rates (IAS 39)	(1,459)	1,039	17	(278)	(681)
Share of OCI of associated companies accounted for using the equity method	8	32	-	-	40
Reserve for fair value of financial investments available for sale	321	49	5	(1)	374
Exchange rate differences	(900)	2,753	-	-	1,853
Total gains/(losses) recognized in equity	**(1,535)**	**4,781**	**(1,907)**	**(33)**	**1,306**

Non-current liabilities

26 Long-term loans (including the portion falling due within 12 months) – *€58,836 million*

The aggregate includes long-term payables in respect of bonds, bank loans and other loans in euro and other currencies, including the portion falling due within twelve months.

The following table shows long-term debt and repayment schedules at June 30, 2010, grouped by loan and interest rate type.

Millions of euro	Maturing	Balance	Nominal value	Balance	Current portion	Portion falling due at more than 12 months	Maturing in				
		at June 30, 2010		at Dec. 31, 2009 restated			2nd Half 2011	2012	2013	2014	Beyond
Bonds:											
- listed, fixed rate	2010-2097	21,812	22,000	19,308	1,315	20,497	187	1,269	1,861	368	16,812
- listed, floating rate	2010-2029	6,851	6,921	5,645	322	6,529	533	1,036	121	1,195	3,644
- unlisted, fixed rate	2011-2039	6,998	7,005	5,965	-	6,998	38	200	812	1,107	4,841
- unlisted, floating rate	2010-2032	1,999	1,999	2,067	80	1,919	29	58	59	61	1,712
Total		**37,660**	**37,925**	**32,985**	**1,717**	**35,943**	**787**	**2,563**	**2,853**	**2,731**	**27,009**
Bank loans:											
- fixed rate	2010-2046	449	459	441	29	420	16	111	61	12	220
- floating rate	2010-2035	14,317	14,428	19,841	689	13,628	315	4,819	779	3,112	4,603
- use of revolving credit lines	2010-2012	3,606	3,606	2,788	-	3,606	210	3,396	-	-	-
Total		**18,372**	**18,493**	**23,070**	**718**	**17,654**	**541**	**8,326**	**840**	**3,124**	**4,823**
Preference shares:											
- fixed rate											
- floating rate (1)	2013	1,469	1,500	1,463	-	1,469	-	-	1,469	-	-
Total		**1,469**	**1,500**	**1,463**	**-**	**1,469**	**-**	**-**	**1,469**	**-**	**-**
Non-bank loans:											
- fixed rate	2010-2029	677	677	627	238	439	42	71	48	38	240
- floating rate	2010-2028	658	659	614	185	473	62	145	69	71	126
Total		**1,335**	**1,336**	**1,241**	**423**	**912**	**104**	**216**	**117**	**109**	**366**
TOTAL		**58,836**	**59,254**	**58,759**	**2,858**	**55,978**	**1,432**	**11,105**	**5,279**	**5,964**	**32,198**

(1) The preference shares issued by Endesa Capital Finance LLC are perpetual, with an option for early redemption at par as from 2013.

The balance for bonds is stated net of €394 million relating to the unlisted floating-rate "Special series of bonds reserved for employees 1994-2019", which the Parent Company holds in portfolio, while Enel.Re holds bonds issued by Enel SpA totaling €30 million.

The table below reports long-term financial debt by currency and interest rate.

LONG-TERM FINANCIAL DEBT BY CURRENCY AND INTEREST RATE

Millions of euro	Balance	Nominal value	Balance	Current average interest rate	Current effective interest rate
	at June 30, 2010		at Dec. 31, 2009 restated	at June 30, 2010	
Euro	40,479	40,789	42,512	3.02%	3.18%
US dollar	9,349	9,393	8,266	5.84%	6.24%
Pound sterling	4,579	4,635	4,210	5.83%	5.93%
Japanese yen	183	184	150	3.25%	3.29%
Russian ruble	235	235	116	10.13%	10.41%
Chilean peso/UF	735	741	649	7.90%	7.90%
Brazilian real	1,282	1,285	1,233	10.32%	10.94%
Colombian peso	1,382	1,382	1,099	7.40%	7.40%
Peruvian sol	417	417	338	6.20%	6.20%
Other currencies	195	193	186		
Total non-euro currencies	18,357	18,465	16,247		
Total	**58,836**	**59,254**	**58,759**		

CHANGE IN THE NOMINAL VALUE OF LONG-TERM DEBT

Millions of euro	Nominal value	Repayments	Change in own bonds	Change in scope of consolidation	New financing	Exchange rate differences	Reclassification to liabilities held for sale	Nominal value
	at Dec. 31, 2009 restated							at June 30, 2010
Bonds	33,192	(559)	(42)	-	3,229	2,105	-	37,925
Bank loans	23,279	(6,257)	-	20	1,743	184	(476)	18,493
Preference shares	1,500	-	-	-	-	-	-	1,500
Other loans	1,241	(132)	-	-	81	146	-	1,336
Total financial debt	**59,212**	**(6,948)**	**(42)**	**20**	**5,053**	**2,435**	**(476)**	**59,254**

Compared with December 31, 2009, the nominal value of long-term debt at June 30, 2010 increased by €42 million, which is the net effect of €6,948 million in repayments and redemptions, €5,053 million in new financing, €20 million arising from changes in the scope of consolidation, €42 million due to changes in own bond holdings, €2,435 million in exchange rate losses and €476 million from the reclassification to liabilities held for sale.

The main repayments and redemptions for the period concerned bonds in the amount of €559 million, the repayment of maturing bank loans in the amount of €6,257 million, as well as non-bank loans in the amount of €132 million.

More specifically, the main bonds maturing in the 1st Half of 2010 included:

> €342 million related to bonds issued by International Endesa BV that were called in during 1st Half of 2010;

> €183 million related to bonds issued locally by Enersis and the other Latin American companies of the Endesa Group that matured during the 1st Half of 2010.

Repayments of bank loans made during the year were the following:

> €3,000 million in voluntary repayments following the issue of bonds for retail investors by Enel SpA, of which:
  – €1,484 million related to the tranche maturing in 2012;
  – €1,042 million related to the tranche maturing in 2014;
  – €474 million related to the tranche maturing in 2016;
> €2,000 million in respect of a syndicated credit line negotiated by Endesa in 2009 and maturing in 2011, which was repaid early;
> €500 million in respect of the 5-year €5 billion revolving credit facility obtained in November 2005 and extinguished early in April 2010;
> €757 million related to other bank loans of Group companies maturing in the 1st Half of 2010.

The main financing contracts finalized in the 1st Half of 2010 included:

> on March 26, 2010, OGK-5 signed a loan contract with the European Investment Bank for €250 million, falling due in 15 years;
> on April 19, 2010, Enel agreed a 5-year revolving credit facility for €10 billion to replace in part a €5 billion revolving credit facility that would have expired in November 2010. The new credit line can be used by Enel and by Enel Finance International SA (with Enel SpA guarantee) and gives the Group a highly flexible instrument for its treasury operations, to be used in managing working capital;
> on June 3, 2010, Enel Finance International renewed its commercial paper program, which is guaranteed by Enel SpA, increasing its amount from €4 billion to €6 billion.

In addition, the reclassification to liabilities held for sale includes the long-term debt of the Bulgarian companies and Endesa Gas, for a total of €476 million.

The main financing transactions of the 1st Half of 2010 include:

> the issue on February 26, 2010 by Enel SpA of a pan-European multi-tranche bond for retail investors totaling €3,000 million, with the following characteristics:
  – €2,000 million fixed-rate 3.5% bond maturing on February 26, 2016;
  – €1,000 million floating-rate bond maturing on February 26, 2016;
> as part of the Rouble Commercial Paper program established by OGK-5 in December 2009, a loan of 4 billion rubles (equal to €104 million) was issued. The paper has a maximum term of three years, repayable as from the second year, and is intended to refinance the commercial paper issues maturing in July;
> bonds issued locally by the Enersis Group totaling €125 million;
> an increase in drawings by Endesa on committed revolving credit facilities in the amount of €1,600 million;
> the use by Enel Green Power of a subsidized loan by Simest to finance the Palo Viejo project in Guatemala in the amount of €44 million;
> the use by OGK-5 of bank loans issued by Community bodies in the amount of €40 million;
> drawings on other bank credit lines totaling €59 million by Group companies.

The following table compares the carrying amount and the fair value of long-term debt, including the portion falling due within twelve months, broken down by category. For listed debt instruments, the fair value is given by official prices. For unlisted instruments the fair value is determined using appropriate valuation models for each category of financial instrument and market data at the closing date of the year, including Enel SpA's credit spreads.

Millions of euro	Carrying amount	Fair value	Carrying amount	Fair value
	at June 30, 2010		at Dec. 31, 2009	
			restated	
Bonds:				
- fixed rate	28,810	30,500	25,273	26,712
- floating rate	8,850	9,023	7,712	8,012
Total	**37,660**	**39,523**	**32,985**	**34,724**
Bank loans:				
- fixed rate	449	477	441	480
- floating rate	17,923	18,279	22,629	23,395
Total	**18,372**	**18,756**	**23,070**	**23,875**
Preference shares:				
- floating rate	1,469	1,500	1,463	1,388
Total	**1,469**	**1,500**	**1,463**	**1,388**
Non-bank loans:				
- fixed rate	677	664	627	609
- floating rate	658	688	614	640
Total	**1,335**	**1,352**	**1,241**	**1,249**
TOTAL	**58,836**	**61,131**	**58,759**	**61,236**

The following tables show the changes in long-term loans for the period, distinguishing current amounts from amounts falling due at more than twelve months.

LONG-TERM LOANS (EXCLUDING CURRENT PORTION)

Millions of euro	Carrying amount		
	at June 30, 2010	at Dec. 31, 2009 restated	Change
Bonds:			
- fixed rate	27,495	24,689	2,806
- floating rate	8,448	7,200	1,248
Total	**35,943**	**31,889**	**4,054**
Bank loans:			
- fixed rate	420	375	45
- floating rate	17,234	21,257	(4,023)
Total	**17,654**	**21,632**	**(3,978)**
Preference shares:			
- floating rate	1,469	1,463	6
Total	**1,469**	**1,463**	**6**
Non-bank loans:			
- fixed rate	439	401	38
- floating rate	473	465	8
Total	**912**	**866**	**46**
TOTAL	**55,978**	**55,850**	**128**

CURRENT PORTION OF LONG-TERM LOANS

Millions of euro	Carrying amount		
	at June 30, 2010	at Dec. 31, 2009 restated	Change
Bonds:			
- fixed rate	1,315	584	731
- floating rate	402	512	(110)
Total	**1,717**	**1,096**	**621**
Bank loans:			
- fixed rate	29	66	(37)
- floating rate	689	1,372	(683)
Total	**718**	**1,438**	**(720)**
Non-bank loans:			
- fixed rate	238	226	12
- floating rate	185	149	36
Total	**423**	**375**	**48**
TOTAL	**2,858**	**2,909**	**(51)**

At June 30, 2010, 47% of net financial debt paid floating interest rates (51% at December 31, 2009). Taking account of cash flow hedges for interest rate risk considered effective under the provisions of the IFRS-EU, exposure to interest rate risk at June 30, 2010 was 25% (26% at December 31, 2009). If account is also taken of interest rate derivatives used as hedges but which do not qualify for hedge accounting, the residual exposure of net financial debt to interest rate risk falls even lower, to 18% (20% at December 31, 2009).

The Group's main long-term financial debts are governed by covenants containing undertakings by the borrowers (Enel SpA, Endesa and the other Group companies) and in some cases Enel SpA as guarantor that are commonly adopted in international business practice. The main covenants governing Enel's debt regard the bond issues carried out within the framework of the Global Medium-Term Notes program, loans granted by the European Investment Bank (EIB) and Cassa Depositi e Prestiti, the Credit Agreement 2007, the Credit Agreement 2009 and the €10 billion revolving line of credit agreed in April 2010. At the same time, the €5 billion revolving line of credit was extinguished. To date none of the covenants have been triggered.
The commitments in respect of the bond issues in the Global Medium-Term Notes program can be summarized as follows:

> negative pledge clauses under which the issuer may not establish or maintain (except under statutory requirement) mortgages, liens or other encumbrances on all or part of its assets to secure any listed bond or bond for which listing is planned unless the same guarantee is extended equally or pro rata to the bonds in question;
> pari passu clauses, under which the securities constitute a direct, unconditional and unsecured obligation of the issuer and are issued without preferential rights among them and have at least the same seniority as other present and future bonds of the issuer;
> specification of default events, whose occurrence (e.g. insolvency, failure to pay principle or interest, initiation of liquidation proceedings, etc.) constitutes a default; under cross-default clauses, the occurrence of a default event in respect of any financial liability (above a threshold level) issued by the issuer or "significant" subsidiaries (i.e. consolidated companies whose gross revenues or total assets are at least 10% of gross consolidated revenues or total consolidated assets) constitutes a default in respect of the liability in question, which becomes immediately repayable;
> early redemption clauses in the event of new tax requirements, which permit early redemption at par of all outstanding bonds.

The main covenants governing the loans granted to a number of Enel Group companies by the EIB can be summarized as follows:

> negative pledge clauses, under which Enel undertakes not to establish or grant to third parties additional guarantees or privileges with respect to those already established in the individual contracts by the company or subsidiaries of the Enel Group, unless an equivalent guarantee is extended equally or pro rata to the loans in question;
> clauses that require the guarantor (whether Enel SpA or banks acceptable to the EIB) to maintain its rating above a specified grade; in the case of guarantees provided by Enel SpA, the Group's equity may not fall below a specified level;
> material changes clauses, under which the occurrence of a specified event (mergers, spin-offs, disposal or transfer of business units, changes in company control structure, etc.) gives rise to the consequent adjustment of the contract, without which the loan shall become repayable immediately without payment of any commission;

> requirements to report periodically to the EIB;
> requirement for insurance coverage and maintenance of title, possession and use of the works, plant and machinery financed by the loan over the entire term of the agreement;
> contract termination clauses, under which the occurrence of a specified event (serious inaccuracies in documentation presented in support of the contract, failure to repay at maturity, suspension of payments, insolvency, special administration, disposal of assets to creditors, dissolution, liquidation, total or partial disposal of assets, declaration of bankruptcy or composition with creditors or receivership, substantial decrease in equity, etc.) triggers immediate repayment.

In 2009 Cassa Depositi e Prestiti SpA granted a loan to Enel Distribuzione SpA. The main covenants governing the loan and the guarantee issued by Enel SpA can be summarized as follows:
> a termination and acceleration clause, under which the occurrence of a specified event (such as failure to pay principal or interest installments, breach of contract obligations or occurrence of a substantive prejudicial event) entitles Cassa Depositi e Prestiti to terminate the loan;
> a clause forbidding Enel or its significant subsidiaries (defined in the contract and the guarantee as subsidiaries pursuant to Article 2359 of the Civil Code or consolidated companies whose turnover or total gross assets are at least 10% of consolidated turnover or consolidated gross assets) from establishing additional liens, guarantees or other encumbrances except for those expressly permitted unless Cassa Depositi e Prestiti gives it prior consent;
> clauses requiring Enel to report to Cassa Depositi e Prestiti both periodically and upon the occurrence of specified events (such as a change in Enel's credit rating, or breach in an amount above a specified threshold in respect of any financial debt contracted by Enel, Enel Distribuzione or any of their significant subsidiaries, etc.). Violation of such obligation entitles Cassa Depositi e Prestiti to exercise an acceleration clause;
> a gearing clause, under which, at the end of each measurement period (half yearly), Enel's consolidated net financial debt shall not exceed 6 times annual consolidated EBITDA. The contract establishes that as from January 1, 2013, Enel's consolidated net financial debt shall not exceed 4.5 times annual consolidated EBITDA.

During 2010, Enel SpA and Enel Finance International SA (the borrowers) and a pool of banks (the lenders) agreed a €10 billion revolving credit facility.
The main covenants for the Credit Agreement 2007, the Credit Agreement 2009 and the €10 billion revolving line of credit are substantially similar and can be summarized as follows:
> negative pledge clauses under which the borrower (and its significant subsidiaries) may not establish or maintain (with the exception of permitted guarantees) mortgages, liens or other encumbrances on all or part of its assets to secure any present or future financial liability;
> pari passu clauses, under which the payment undertakings constitute a direct, unconditional and unsecured obligation of the borrower and bear no preferential rights among them and have at least the same seniority as other present and future loans;
> change of control clause, which is triggered in the event (i) control of Enel is acquired by one or more parties other than the Italian state or (ii) Enel or any

of its subsidiaries transfer a substantial portion of the Group's assets to parties outside the Group such that the financial reliability of the Group is significantly compromised. The occurrence of one of the two circumstances may give rise to (a) the renegotiation of the terms and conditions of the financing or (b) compulsory early repayment of the financing by the borrower;
> specification of default events, whose occurrence (e.g. failure to make payment, breach of contract, false statements, insolvency or declaration of insolvency by the borrower or its significant subsidiaries, business closure, government intervention or nationalization, administrative proceeding with potential negative impact, illegal conduct, nationalization and government expropriation or compulsory acquisition of the borrower or one of its significant subsidiaries) constitutes a default. Unless remedied within a specified period of time, under an acceleration clause such default will trigger an obligation to make immediate repayment of the loan under cross-default clauses; the occurrence of a default event in respect of any financial liability (above a threshold level) of the issuer or "significant" subsidiaries (consolidated companies whose gross revenues or total assets are at least equal to a specified percentage, i.e. 10% of gross consolidated revenues or total consolidated assets) constitutes a default in respect of the liability in question, which becomes immediately repayable;
> periodic reporting requirements.

The Credit Agreement 2007 and the Credit Agreement 2009 also provide for the following covenants:
> mandatory early repayment clauses, under which the occurrence of a specified event (e.g. the issue of instruments on the capital market, new bank loans, stock issues or asset disposals) obliges the borrower to repay the related funds in advance at specific declining percentages based on the extent to which the line of credit has been drawn;
> a gearing clause, under which, at the end of each measurement period (half yearly), Enel's consolidated net financial debt shall not exceed 6 times annual consolidated EBITDA;
> a "subsidiary financial indebtedness" clause, under which the net aggregate amount of the financial debt of Enel's subsidiaries (with the exception of the debt of "permitted subsidiaries") must not exceed 20% of total gross consolidated assets.

For the Credit Agreement 2009 only, as from 2012, at the end of each measurement period (half yearly): (i) the gearing clause requires that Enel's net financial debt shall not exceed 4.5 times annual consolidated EBITDA; and (ii) the ratio of annual consolidated EBITDA to net consolidated interest expense shall not be less than 4.

The commitments undertaken in respect of the bond issues by Endesa Capital SA under the Global Medium-Term Notes program can be summarized as follows:
> cross-default clauses under which debt repayment would be accelerated in the case of failure to make payment (above a specified amount) on any financial liability of Endesa SA as guarantor of the Group company or issuer;
> negative pledge clauses under which the issuer may not establish mortgages, liens or other encumbrances on all or part of its assets to secure any financial liability, unless an equivalent guarantee is extended equally or pro rata to the bonds in question;
> pari passu clauses, under which the securities and guarantees have at least the same seniority as all other present and future unsecured and unsubordinated securities issued by Endesa SA as guarantor of the Group company or issuer.

Finally, the loans granted to Endesa, International Endesa BV and Endesa Capital do not contain cross-default clauses regarding the debt of subsidiaries in Latin America.

Undertakings in respect of project financing granted to the Portuguese subsidiaries and other subsidiaries in Latin America contain covenants commonly adopted in international business practice. The main commitments regard clauses pledging all the assets assigned to the projects in favor of the creditors.

A residual portion of the debt of Enersis and Endesa Chile (both controlled indirectly by Endesa) is subject to cross-default clauses under which the occurrence of a default event (failure to make payment or breach of other obligations) in respect of any financial liability of a subsidiary of Enersis or Endesa Chile constitutes a default in respect of the liability in question, which becomes immediately repayable. In addition, many of these agreements also contain cross-acceleration clauses that are triggered by specific circumstances, certain government actions, insolvency or judicial expropriation of assets.

In addition to the foregoing, the May 4, 2009 loan provides for a change of control clause that will be triggered if Enel’s stake in Endesa should fall below 51% of Endesa’s share capital.

The following table reports the net financial position at June 30, 2010 and at December 31, 2009, respectively, pursuant to CONSOB instructions of July 28, 2006, reconciled to the net financial debt.

Millions of euro

	at June 30, 2010	at Dec. 31, 2009 restated	Change
Cash and cash equivalents on hand	17	6	11
Bank and post office deposits	3,518	4,164	(646)
Securities	82	97	(15)
Liquidity	**3,617**	**4,267**	**(650)**
Short-term financial receivables	1,048	2,049	(1,001)
Factoring receivables	254	304	(50)
Short-term portion of long-term financial receivables	7,903	767	7,136
Current financial receivables	**9,205**	**3,120**	**6,085**
Short-term bank debt	(477)	(927)	450
Commercial paper	(7,591)	(6,573)	(1,018)
Short-term portion of long-term bank debt	(718)	(1,438)	720
Drawings on revolving credit lines	(838)	(20)	(818)
Bonds (short-term portion)	(1,717)	(1,096)	(621)
Other loans (short-term portion)	(423)	(375)	(48)
Other short-term financial payables	(830)	(22)	(808)
Total short-term financial debt	**(12,594)**	**(10,451)**	**(2,143)**
Net short-term financial position	**228**	**(3,064)**	**3,292**
Debt to banks and financing entities	(17,654)	(21,632)	3,978
Bonds	(35,943)	(31,889)	(4,054)
Preference shares	(1,469)	(1,463)	(6)
Other loans	(912)	(866)	(46)
Long-term financial position	**(55,978)**	**(55,850)**	**(128)**
NET FINANCIAL POSITION pursuant to CONSOB instructions	**(55,750)**	**(58,914)**	**3,164**
Long-term financial receivables and securities	**1,856**	**8,044**	**(6,188)**
NET FINANCIAL DEBT	**(53,894)**	**(50,870)**	**(3,024)**

27 Provisions for risks and charges – *€8,549 million*

Millions of euro

	at June 30, 2010	at Dec. 31, 2009 restated	Change
Provision for litigation, risks and other charges:			
- nuclear decommissioning	2,975	3,054	(79)
- non-nuclear plant retirement and site restoration	458	529	(71)
- litigation	825	781	44
- CO_2 emissions charges	27	42	(15)
- other	2,071	2,057	14
Total	**6,356**	**6,463**	**(107)**
Provision for early-retirement incentives	2,193	2,383	(190)
TOTAL	**8,549**	**8,846**	**(297)**

Provisions for risks and charges amounted to €8,549 million at June 30, 2010, with a short-term component equal to €1,290 million (€1,316 million at December 31, 2009).

At June 30, 2010, the provision for "nuclear decommissioning" primarily regards the V1 and V2 plants at Jasklovske Bohunice and the EMO 1 and 2 plants at Mochovce for €2,626 million (€2,728 million at December 31, 2009) and includes the provision for the disposal of nuclear waste amounting to €231 million (€261 million at December 31, 2009), the provision for the disposal of spent nuclear fuel in the amount €1,538 million (€1,604 million at December 31, 2009) and a provision for retiring nuclear power plants in the amount of €857 million (€863 million at December 31, 2009). The provision also includes the charges pertaining to Endesa amounting to €348 million (€326 million at December 31, 2009) that will be incurred at the moment of decommissioning by Enresa, a public company charged with the task under Royal Decree 1349/03 and Law 24/05.

28 Non-current financial liabilities – *€2,903 million*

At June 30, 2010 the item amounted to €2,903 million (€2,982 million at December 31, 2009) and was entirely accounted for by derivatives.
The following table reports the notional and fair values of those contracts.

Millions of euro	Notional value		Fair value		
	at June 30, 2010	at Dec. 31, 2009 restated	**at June 30, 2010**	at Dec. 31, 2009 restated	Change
Cash flow hedge derivatives:					
- interest rates	11,502	11,504	831	629	202
- exchange rates	4,802	10,046	1,347	1,772	(425)
- commodities	371	41	21	2	19
Total	**16,675**	**21,591**	**2,199**	**2,403**	**(204)**
Fair value hedge derivatives:					
- exchange rates	30	500	15	52	(37)
Total	**30**	**500**	**15**	**52**	**(37)**
Trading derivatives:					
- interest rates	3,576	2,856	231	164	67
- exchange rates	836	150	68	4	64
- commodities	1,485	442	390	359	31
Total	**5,897**	**3,448**	**689**	**527**	**162**
TOTAL	**22,602**	**25,539**	**2,903**	**2,982**	**(79)**

At June 30, 2010, the notional value of cash flow hedge derivatives classified under non-current financial liabilities came to €16,675 million, with a corresponding fair value of €2,199 million.
Cash flow hedge derivatives on interest rates in effect at June 30, 2010 were essentially composed of interest rate hedges on a number of long-term floating-rate loans. The increase in the notional value and the negative fair value of the cash flow hedge derivatives on interest rates were mainly due to the decline in long-term interest rates during the 1st Half of 2010 (the 5-year euro swap rate at June 30, 2010 was 2.07%, compared with 2.81% at the end of 2009, while the 10-year euro swap rate was 2.9%, down from 3.59% at the end of last year).
The decrease in the notional value and the negative fair value of the cash flow hedge derivatives on exchange rates was largely attributable to the depreciation of the euro against the other main currencies in the 1st Half of 2010, which led to the reclassification under non-current financial assets of certain transactions that at December 31, 2009 had been classified under non-current financial liabilities.
Trading derivatives mainly regard transactions used for hedging purposes but not designated as cash flow hedges or fair value hedges or which did not satisfy the formal requirements for such treatment under IAS 39.

Commodity derivatives mainly related to:
> derivatives held by Endesa with a fair value of €10 million classified as cash flow hedges;
> derivatives on energy, classified as cash flow hedges, with a fair value of €11 million;
> derivatives embedded in contracts for the purchase and sale of electricity in Slovakia, with a fair value of €279 million;
> trading derivatives held by Endesa with a fair value of €111 million.

29 Other non-current liabilities – *€1,183 million*

Millions of euro

	at June 30, 2010	at Dec. 31, 2009 restated	Change
Deferred operating liabilities	982	1,062	(80)
Other items	201	179	22
Total	**1,183**	**1,241**	**(58)**

Deferred operating liabilities regard deferred income in respect of revenues from fees for connection to the electricity and gas networks and grants received for specific assets.

Current liabilities

30 Short-term loans – *€9,736 million*

At June 30, 2010, short-term loans amounted to €9,736 million, an increase of €2,194 million on December 31, 2009, as detailed below.

	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
	at June 30, 2010		at Dec. 31, 2009 restated		Change	
Short-term amounts due to banks	1,315	1,315	947	947	368	368
Commercial paper	7,591	7,591	6,573	6,573	1,018	1,018
Cash collateral and other financing on derivatives	729	729	-	-	729	729
Other short-term financial payables	101	101	22	22	79	79
Short-term financial debt	**9,736**	**9,736**	**7,542**	**7,542**	**2,194**	**2,194**

Short-term amounts due to banks, in the amount of €1,315 million, include an €800 million draw on committed lines of credit obtained by Enel SpA.
The payables represented by commercial paper relate to issues outstanding at the end of June 2010 in the context of the €6,000 million program launched in November 2005 by Enel Finance International and guaranteed by Enel SpA (which was renewed in April 2010) as well as the €3,000 million program of International Endesa BV (now Endesa Latinoamérica), the €2,000 million Pagarés program of Endesa Capital SA, the €35 million Pagarés program of Térmica Portuguesa SA (€17.5 million taking account of proportionate consolidation) and the OGK-5 program totaling 4 billion rubles.
At June 30, 2010, issues under these programs amounted to €7,591 million, of which €4,535 million for Enel Finance International, €2,678 million for Endesa Internacional BV (now Endesa Latinoamérica), €261 million for Endesa Capital SA, €104 million for OGK-5 and €13 million for Térmica Portuguesa SA. The nominal value of the commercial paper is €7,175 million and is denominated in the following currencies: euros (€6,376 million); rubles (€104 million); US dollars (€185 million); yen (€36 million) and Swiss francs (€13 million). With the exception of the commercial paper issued by OGK-5, the exchange rate risk in respect of currencies other than the euro is fully hedged by currency swaps.

31 Current financial liabilities – *€1,959 million*

Millions of euro

	at June 30, 2010	at Dec. 31, 2009 restated	Change
Deferred financial liabilities	828	869	(41)
Derivative contracts	846	859	(13)
Other items	285	56	229
Total	**1,959**	**1,784**	**175**

The change in other items mainly regards the increase in payables in respect of interest on bonds and other loans.

The following table shows the notional value and fair value of the derivative contracts.

Millions of euro	Notional value		Fair value		
	at June 30, 2010	at Dec. 31, 2009 restated	at June 30, 2010	at Dec. 31, 2009 restated	Change
Cash flow hedge derivatives:					
- interest rates	622	153	2	3	(1)
- exchange rates	237	1,316	7	50	(43)
- commodities	832	1,150	42	120	(78)
Total	**1,691**	**2,619**	**51**	**173**	**(122)**
Fair value hedge derivatives:					
- interest rates	-	360	-	8	(8)
Total	**-**	**360**	**-**	**8**	**(8)**
Derivatives hedging net investment in a foreign operation:					
- exchange rates	-	319	-	9	(9)
Total		**319**	**-**	**9**	**(9)**
Trading derivatives:					
- interest rates	145	190	32	18	14
- exchange rates	2,182	1,055	178	30	148
- commodities	16,453	2,944	585	621	(36)
Total	**18,780**	**4,189**	**795**	**669**	**126**
TOTAL	**20,471**	**7,487**	**846**	**859**	**(13)**

Trading derivatives on exchange rates essentially include derivatives transactions used to hedge the exchange rate risk in respect of commodity prices. Even though the transactions were carried out for hedging purposes, they do not meet the requirements to qualify for hedge accounting.

Commodity derivatives mainly related to:

- > cash flow hedges on coal and other oil commodities with a fair value of €42 million;
- > commodity derivatives on fuels, with a fair value of €294 million;
- > two-way contracts for differences, with a fair value of €16 million;
- > trading transactions on energy and other commodities, with a fair value of €169 million;
- > embedded derivatives related to energy sale and purchase contracts in Slovakia, with a fair value of €106 million.

32 Other current liabilities – *€8,088 million*

Millions of euro

	at June 30, 2010	at Dec. 31, 2009 restated	Change
Payables due to customers	1,509	1,484	25
Payables due to the Electricity Equalization Fund and similar bodies	2,689	3,058	(369)
Payables due to employees	346	368	(22)
Other tax payables	878	589	289
Payables due to social security institutions	207	190	17
Put options granted to minority shareholders	527	437	90
Other	1,932	2,021	(89)
Total	**8,088**	**8,147**	**(59)**

"Payables due to customers" include €765 million in security deposits (€728 million at December 31, 2009) related to amounts received from customers as part of electricity and gas supply contracts.
"Payables due to the Electricity Equalization Fund and similar bodies" include payables arising from the application of equalization mechanisms to electricity purchases on the Italian market amounting to €2,405 million (€2,528 million at December 31, 2009) and on the Spanish market amounting to €284 million (€530 million at December 31, 2009).

33 Liabilities held for sale – *€955 million*

At June 30, 2010, the item mainly included:

- > the liabilities associated with Enel Maritza East 3 (and its related holding company), Enel Operations Bulgaria (and its related holding company) and Enel Green Power Bulgaria in view of the status of negotiations for their disposal to non-Group counterparties;
- > certain assets held by Endesa in Spain, Greece and Latin America, which in the light of decisions taken by management meet the requirements under IFRS 5 for their classification among assets held for sale.

At December 31, 2009 the item reported certain other assets held in Greece and Brazil.

Millions of euro

	at June 30, 2010	at Dec. 31, 2009 restated	Change
Long-term loans	481	50	431
Post-employment and other employee benefits	5	2	3
Provisions for risks and charges	83	9	74
Deferred tax liabilities	41	31	10
Other non-current liabilities	95	8	87
Short-term loans	49	40	9
Trade payables	70	76	(6)
Other current liabilities	131	8	123
Total	**955**	**224**	**731**

34. Related parties

As a major operator in the field of generation, transport and distribution of electricity in Italy, Enel provides services to a number of State-controlled companies. In the current regulatory framework, Enel concludes transactions with Terna – Rete Elettrica Nazionale (Terna), the Single Buyer, the Energy Services Operator, and the Energy Markets Operator (each of which is controlled either directly or indirectly by the Ministry for the Economy and Finance).
Fees for the transport of electricity payable to Terna and certain charges paid to the Energy Markets Operator are determined by the Authority for Electricity and Gas. Transactions relating to purchases and sales of electricity concluded with the Energy Markets Operator on the Power Exchange and with the Single Buyer are settled at market prices.
In particular, companies of the Sales Division acquire electricity from the Single Buyer and settle the contracts for differences related to the allocation of CIP 6 energy with the Energy Services Operator, in addition to paying Terna fees for the use of the national transmission network. Companies that are a part of the Generation and Energy Management Division, in addition to paying fees for the use of the national transmission network to Terna, carry out electricity transactions with the Energy Markets Operator on the Power Exchange and sell electricity to the Single Buyer. The company of the Renewable Energy Division that operates in Italy sells electricity to the Energy Markets Operator on the Power Exchange.
Enel also acquires fuel for generation and gas for distribution and sale from Eni, a company controlled by the Ministry for the Economy and Finance. All transactions with related parties are concluded on normal market terms and conditions.
The following table summarizes the relationships:

	Balance sheet		Income statement	
Millions of euro	Receivables	Payables	Revenues	Costs
	at June 30, 2010		1st Half of 2010	
In respect of continuing operations				
Single Buyer	307	880	849	2,888
Energy Markets Operator	625	548	2,167	1,747
Terna	347	420	478	886
Energy Services Operator	76	363	118	12
Eni	2	102	146	407
Poste Italiane	-	19	-	96
Other	2	12	1	50
In respect of assets held for sale	-	-	-	-
Total	**1,359**	**2,344**	**3,759**	**6,086**

The following table shows transactions with associated companies outstanding at June 30, 2010 and carried out during the period, respectively.

	Balance sheet		Income statement	
Millions of euro	Receivables	Payables	Revenues	Costs
	at June 30, 2010		**1st Half of 2010**	
SeverEnergia	166	-	1	-
Enel Rete Gas	21	34	13	170
Elica 2	5	1	-	-
Cesi	1	14	-	5
Other companies	4	4	1	1
Total	**197**	**53**	**15**	**176**

In compliance with the Enel Group's rules of corporate governance, transactions with related parties are carried out in accordance with criteria of procedural and substantive propriety.
With a view to assuring substantive propriety – in order to ensure fairness in transactions with related parties, and to account for the special nature, value or other characteristics of a given transaction – the Board of Directors may ask independent experts to value the assets involved in the transaction and provide financial, legal or technical advice.

35. Contractual commitments and guarantees

The commitments entered into by the Enel Group and the guarantees given to third parties are shown below.

Millions of euro

	at June 30, 2010
Guarantees given:	
- sureties and other guarantees granted to third parties	2,480
Commitments to suppliers for:	
- electricity purchases	55,629
- fuel purchases	63,907
- various supplies	8,759
- tenders	2,262
- other	3,165
Total	133,722
TOTAL	**136,202**

Guarantees granted to third parties amounted to €2,480 million and include €641 million in commitments relating to the sale of real estate assets, in connection with the regulations that govern the termination of leases and the related payments, for a period of six years and six months from July 2004. The value of such guarantees is reduced annually by a specified amount.

Commitments for electricity amounted to €55,629 million at June 30, 2010, of which €17,288 million refer to the period July 1, 2010-2014, €10,874 million to the period 2015-2019, €9,688 million to the period 2020-2024 and the remaining €17,779 million beyond 2024.

Commitments for the purchase of fuels are determined with reference to the parameters and exchange rates applicable at the end of the period (given that fuel prices vary and are mainly set in foreign currencies). The total at June 30, 2010 was €63,907 million, of which €30,219 million refer to the period July 1, 2010-2014, €24,517 million to the period 2015-2019, €7,066 million to the period 2020-2024 and the remaining €2,105 million beyond 2024.

Various supply commitments include €183 million in respect of those under the cooperation agreement with EDF of November 30, 2007 for the construction of the Flamanville nuclear plant. The amount represents Enel's share of 12.5% of the cost of construction of the plant, which is scheduled to enter service in 2012.

36. Contingent liabilities and assets

Compared with the financial statements at December 31, 2009, which the reader is invited to consult, the following main changes have occurred in contingent assets and liabilities.

Developments in the inquiries of the Milan Public Prosecutor's Office and the State Audit Court into former senior managers

With regard to the trial proceedings involving former directors and senior managers of Enelpower and other individuals for offences to the detriment of Enelpower, including receiving payments from contractors to receive certain contracts, on April 20, 2010 the judge ruled that the trial could not proceed against the managers for the offences of corruption and embezzlement as the statute of limitations had run out. The trial is continuing against the managers for the offence of criminal conspiracy. Enel, Enelpower and Enel Produzione therefore remain involved in the proceeding as injured parties for that offence.
Following extinguishment of the grounds for seeking damages for pecuniary losses as a result of the Court of Cassation's ruling no. 26806/09 of December 19, 2009 – restricted to substantiated pecuniary losses with ruling no. 532/08 – and the extinguishment of the charges of embezzlement and corruption due to the statute of limitations, two civil suits were filed with the courts of Monza and Udine seeking tortious damages for the losses caused by the actions of the former directors and senior managers being pursued through the State Audit Court and the criminal court. In addition, Enel Produzione and Enelpower have undertaken revocatory actions against the former directors and senior managers, voiding certain transfers of assets. Finally, following the enforcement proceedings undertaken against the former directors and managers, more than €450,000 have been recovered. Enelpower is participating as an injured party in the trial of the former directors and senior managers for money laundering in the Swiss courts. On March 21, 2010, the Federal Criminal Court of Bellinzona issued its decision, ruling that since the injured parties were already seeking the same damages in Italy, they could not seek damages in Switzerland as well. The full ruling explaining the decision has yet to be issued.

Litigation concerning free bill payment procedures

In its ruling no. 2507/2010 of May 3, 2010, the Council of State granted the appeal of the Authority for Electricity and Gas against ruling no. 321/08 of February 13, 2008 with which the Lombardy Regional Court had voided Resolution no. 66/07. With the latter, the Authority had fined Enel Distribuzione €11.7 million for alleged violation of the provisions of Resolution no. 55/2000 concerning the transparency of invoices. Enel Distribuzione lodged an appeal with the Council of State asking for it to revoke ruling no. 2507/2010, which was notified to the Authority on June 1, 2010. The impact of the fine has been recognized in the income statement for the 1st Half of 2010.

BEG litigation

As regards the arbitration proceeding under Italian law undertaken by BEG SpA in November 2000 against Enelpower for alleged breach of a collaboration agreement concerning the construction of a hydroelectric power station in Albania, on April 28, 2010 the Albanian Court of Appeal upheld the decision of the Court of Tirana awarding Albania BEG Ambient tortious damages of about €25 million as well as an unspecified amount of other tortious damages. The ruling was appealed to the Albanian Court of Cassation.

WISCO litigation

As regards the dispute between Enel.NewHydro and Trenitalia, the latter sold Enel.NewHydro the remaining 49% of WISCO for €16.6 million (net of a discount of €0.9 million and waiver of accrued interest). At the same time, WISCO and Trenitalia signed an addendum to the water treatment services contract of April 6, 2004, providing for an expansion of the activities entrusted to WISCO by Trenitalia.

Contingent liabilities of the Endesa Group

In 2005, the Brazilian tax authorities notified Ampla of an assessment that was subsequently appealed. On December 6, 2007, Ampla was successful in the second level of the administrative appeals, but the Brazilian authorities appealed the ruling to the Superior Council for Tax Appeals. The amount involved in the dispute has risen to about €316 million.

In 2002 the State of Rio de Janeiro ruled that the ICMS (*Impuesto a la Circulación de Mercaderías y Servicios*) should be calculated and paid on the 10th, 20th and 30th of the same month in which the tax accrues. Nevertheless, Ampla continued to pay the tax in compliance with the previous system (up to the 5th day of the subsequent month). Ampla has appealed the ruling to the Court of Appeals. The amount involved in the dispute has risen to €69 million.

As regards the dispute of a Brazilian construction company with CELF and Ampla Energia e Serviços, the court recently granted the appeals lodged by Ampla and the State of Rio de Janeiro. The Brazilian construction company appealed that decision to the Court of Cassation, which declined to grant the petition. The construction company then lodged a new appeal (*"de Agravo Regimental"*) with the Tribunal Superior de Justicia de Brasil, which was also rejected.

With regard to the dispute between CIEN, an Endesa Group company in Brazil, and Tractebel, for analogous reasons in June 2010 the company Furnas also filed suit against CIEN for failure to deliver electricity, requesting payment of about €235 million in addition to unspecified damages. CIEN's defense is similar to the earlier case, namely that as a result of Argentine regulatory changes introduced as a consequence of the economic crisis in 2002, CIEN was unable to make the electricity available.

37. Subsequent events

Disposal of Endesa Hellas

On July 1, 2010, Endesa completed the sale of a 50.01% stake in Endesa Hellas to Mytilineos for €140 million. At the same time, Enel Green Power, taking over from Endesa, acquired a number of power plants using renewable resources in Greece from Endesa Hellas for €20 million. These assets include plants currently in service (for a total of 8.80 MW, of which 2.80 MW mini-hydro and 6 MW wind) as well as under construction (for a total of 6.35 MW, entirely mini-hydro).

Endesa-REE agreement to sell the power transmission network

On July 1, 2010, Endesa SA reached an agreement with Red Eléctrica de España SA (REE) for the sale, to a subsidiary of REE, of the power transmission network owned by Endesa Distribución Electrica SL, a wholly owned subsidiary of Endesa. This sale is to take place in accordance with the provisions of Law 17/2007, which designates REE as the sole entity to perform transmission activities. The agreement refers to both the assets in service and the assets currently under construction expected to go into service in 2010. The agreement, which sets a price of around €1,412 million, will be effective subject to obtaining the required administrative authorizations.

38. Stock incentive plans

Between 2000 and 2008, Enel has implemented stock incentive plans (stock option plans and restricted share units plans) each year in order to give the Enel Group – in line with international business practice and the leading Italian listed companies – a means for fostering management motivation and loyalty, strengthening a sense of corporate team spirit in our key personnel, and ensuring their enduring and constant effort to create value, thus creating a convergence of interests between shareholders and management.

Stock option plans

The following table summarizes developments over the 1st Half of 2010 in the Enel stock option plans, detailing the main assumptions used in calculating their fair value.

DEVELOPMENTS IN STOCK OPTION PLANS

Number of options	2004 plan	2007 plan	2008 plan	**Total**
Options outstanding at December 31, 2008	9,976,935	27,159,834	8,019,779	**45,156,548**
Options granted in 2009	-	-	-	**-**
Options exercised in 2009	-	-	-	**-**
Options lapsed in 2009	9,976,935	27,159,834	-	**37,136,769**
Options outstanding at December 31, 2009	-	-	8,019,779	**8,019,779**
Options lapsed in the 1st Half of 2010	-	-	-	**-**
Options outstanding at June 30, 2010	-	-	8,019,779	**8,019,779**
- of which vested at June 30, 2010	-	-	-	**-**
Fair value at grant date (euro)	0.18	0.29	0.17	
Volatility	17%	13%	21%	
Option expiry	Dec. 2009	Dec. 2013	Dec. 2014	

A discussion of the key features of the above stock option plans is provided in the notes to the separate financial statements of Enel SpA at December 31, 2009, and in the notes to the consolidated financial statements of the Enel Group at December 31, 2009.

Restricted share units plans

The following table summarizes developments over the 1st Half of 2010 in the restricted share units plan adopted by Enel in 2008, detailing the main assumptions used in calculating the fair value of the units.

Number of RSU	2008 plan
RSU granted in 2008	1,766,675
RSU outstanding at December 31, 2008	1,766,675
RSU lapsed in 2009	11,350
RSU exercised in 2009	-
RSU outstanding at December 31, 2009	1,755,325
RSU lapsed in the 1st Half of 2010	9,648
RSU exercised in the 1st Half of 2010	431,063
RSU outstanding at June 30, 2010	1,314,614
-of which vested at June 30, 2010	*442,150*
Fair value at grant date (euro)	3.16
Fair value at June 30, 2010 (euro)	3.49
Expiry of the restricted share units	Dec. 2014

A discussion of the key features of the above restricted share units plan is provided in the notes to the separate financial statements of Enel SpA at December 31, 2009, and in the notes to the consolidated financial statements of the Enel Group at December 31, 2009.

39. Declaration of the Chief Executive Officer and the manager responsible for the preparation of the condensed interim consolidated financial statements of the Enel Group at June 30, 2010, pursuant to the provisions of Article 154-bis, paragraph 5, of Legislative Decree 58 of February 24, 1998 and Article 81-ter of CONSOB Regulation no. 11971 of May 14, 1999

1. The undersigned Fulvio Conti and Luigi Ferraris, in their respective capacities as Chief Executive Officer and manager responsible for the preparation of the financial reports of Enel SpA, hereby certify, taking account of the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree 58 of February 24, 1998:
   a. the appropriateness with respect to the characteristics of the Enel Group and
   b. the effective adoption

   of the administrative and accounting procedures for the preparation of the condensed interim consolidated financial statements of the Enel Group in the period between January 1, 2010 and June 30, 2010.

2. In this regard, we report that:
   a. the appropriateness of the administrative and accounting procedures used in the preparation of the condensed interim consolidated financial statements of the Enel Group has been verified in an assessment of the internal control system. The assessment was carried out on the basis of the guidelines set out in the "Internal Controls - Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO);
   b. the assessment of the internal control system did not identify any material issues.

3. In addition, we certify that:
   3.1 the condensed interim consolidated financial statements of the Enel Group at June 30, 2010:
      a. have been prepared in compliance with the international accounting standards recognized in the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of July 19, 2002;
      b. correspond to the information in the books and other accounting records;
      c. provide a true and fair representation of the performance and financial position of the issuer and the companies included in the scope of consolidation;

4. the interim report on operations contains a reliable analysis of the major events that occurred during the first six months of the year and their impact on the condensed interim financial statements, together with a description of the main risks and uncertainties to be faced in the remaining six months of the year. The interim report on operations also contains a reliable analysis of the information on significant transactions with related parties.

Rome, July 29, 2010

Fulvio Conti Chief Executive Officer of Enel SpA	Luigi Ferraris Manager responsible for the preparation of the financial reports of Enel SpA

Attachments

Subsidiaries, associates and other significant equity investments of the Enel Group at June 30, 2010

In compliance with CONSOB Notice no. DEM/6064293 of July 28, 2006, a list of subsidiaries and associates of Enel SpA at June 30, 2010, pursuant to Article 2359 of the Italian Civil Code, and of other significant equity investments is provided below. Enel has full title to all investments.
The following information is included for each company: name, registered office, activity, share capital, currency of account, Group companies that have a stake in the company and their respective ownership share, and the Group's ownership share.

Subsidiaries consolidated on a line-by-line basis at June 30, 2010 (1)

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Parent company								
Enel SpA	**Rome**	**Rome**	**Holding company**	**9,403,357,795**	**EUR**	**-**	**-**	**-**
Subsidiaries								
Concert Srl	Rome	Italy	Product, plant and equipment certification	10,000	EUR	Enel Produzione SpA	51.00%	51.00%
Deval SpA	Aosta	Italy	Electricity distribution and sales in Valle d'Aosta	37,500,000	EUR	Enel SpA	51.00%	51.00%
Endesa SA	Madrid	Spain	Holding company	1,270,502,540	EUR	Enel Energy Europe SL	92.06%	92.06%
Enel Albania Shpk	Tirana	Albania	Construction, operation and maintenance of plants. Electricity generation and trading	73,230,000	ALL	Enel Investment Holding BV	100.00%	100.00%
Enel Distributie Banat SA	Timisoara	Romania	Electricity distribution	382,158,580	RON	Enel Investment Holding BV	51.00%	51.00%
Enel Distributie Dobrogea SA	Costanza	Romania	Electricity distribution	280,285,560	RON	Enel Investment Holding BV	51.00%	51.00%
Enel Distributie Muntenia SA (formerly Electrica Muntenia Sud SA)	Bucharest	Romania	Electricity distribution	271,635,250	RON	Enel Investment Holding BV	64.43%	64.43%
Enel Distribuzione SpA	Rome	Italy	Electricity distribution	2,600,000,000	EUR	Enel SpA	100.00%	100.00%
Enel Energia SpA	Rome	Italy	Electricity and gas sales	302,039	EUR	Enel SpA	100.00%	100.00%
Enel Energie Muntenia SA (formerly Electrica Furnizare Muntenia Sud SA)	Bucharest	Romania	Electricity sales	37,004,350	RON	Enel Investment Holding BV	64.43%	64.43%
Enel Energie SA	Bucharest	Romania	Electricity sales	140,000,000	RON	Enel Investment Holding BV	51.00%	51.00%
Enel Energy Europe SL	Madrid	Spain	Holding company	500,000,000	EUR	Enel SpA	100.00%	100.00%
Enel ESN Energo LLC	St. Petersburg	Russian Federation	Operation and maintenance of generation plants	2,700,000	RUB	Enel ESN Management BV	100.00%	75.00%
Enel ESN Management BV	Amsterdam	Netherlands	Holding company	18,000	EUR	Enel Produzione SpA	75.00%	75.00%
Enel Finance International SA	Luxembourg	Luxembourg	Finance	1,391,900,230	EUR	Enel SpA	100.00%	100.00%
Enel France Sas	Paris	France	Holding company	34,937,000	EUR	Enel Investment Holding BV	100.00%	100.00%
Enel Green Power Holding SARL (formerly Enel Green Power International SARL)	Luxembourg	Luxembourg	Holding company in the renewables generation sector	211,650,000	EUR	Enel Produzione SpA Enel Investment Holding BV	67.11% 32.89%	100.00%
Enel Green Power SpA	Rome	Italy	Electricity generation from renewable resources	600,000,000	EUR	Enel SpA	100.00%	100.00%
Enel Ingegneria e Innovazione SpA	Rome	Italy	Analysis, design, construction and maintenance of engineering works	30,000,000	EUR	Enel SpA	100.00%	100.00%
Enel Investment Holding BV	Amsterdam	Netherlands	Holding company	1,593,050,000	EUR	Enel SpA	100.00%	100.00%
Enel Lease Eurl (formerly Société du Parc Eolien Grandes Terres Est Eurl)	Lyon	France	Electricity generation from renewable resources	500,000	EUR	Enel France Sas	100.00%	100.00%
Enel Longanesi Developments Srl	Rome	Italy	Prospecting and development of hydrocarbon fields	10,000,000	EUR	Enel Trade SpA	100.00%	100.00%
Enel M@p Srl	Rome	Italy	Metering, remote control and connectivity services via power line communication	100,000	EUR	Enel Distribuzione SpA	100.00%	100.00%
Enel Maritza East 3 AD	Sofia	Bulgaria	Electricity generation	265,943,600	BGN	Maritza East III Power Holding BV	73.00%	73.00%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Enel OGK-5 OJSC (formerly OGK-5 OJSC)	Yekaterinburg	Russian Federation	Electricity generation	35,371,898,370	RUB	Enel Investment Holding BV	56.39%	56.39%
Enel Operations Belgium SA	Marchienne au Pont	Belgium	Management and maintenance of power plants	200,000	EUR	Enel Investment Holding BV	100.00%	100.00%
Enel Operations Bulgaria AD	Galabovo	Bulgaria	Management and maintenance of power plants	50,000	BGN	Maritza O&M Holding Netherlands BV	73.00%	73.00%
Enel Productie Srl (formerly Global Power Investment Srl)	Bucharest	Romania	Electricity generation	19,910,200	RON	Enel Investment Holding BV	100.00%	100.00%
Enel Produzione SpA	Rome	Italy	Electricity generation	1,800,000,000	EUR	Enel SpA	100.00%	100.00%
Enel Romania Srl (formerly Enel Servicii Srl)	Judetul Ilfov	Romania	Business services	200,000	RON	Enel Investment Holding BV	100.00%	100.00%
Enel Rus LLC	Moscow	Russian Federation	Energy services	350,000	RUB	Enel Investment Holding BV	100.00%	100.00%
Enel Service UK Ltd	London	United Kingdom	Energy services	100	GBP	Enel Trade SpA	100.00%	100.00%
Enel Servicii Comune SA	Bucharest	Romania	Energy services	33,000,000	RON	Enel Distributie Banat SA Enel Distributie Dobrogea SA	50.00% 50.00%	51.00%
Enel Servizi Srl	Rome	Italy	Personnel administration activities, information technology and business services	50,000,000	EUR	Enel SpA	100.00%	100.00%
Enel Servizio Elettrico SpA	Rome	Italy	Electricity sales	10,000,000	EUR	Enel SpA	100.00%	100.00%
Enel Sole Srl	Rome	Italy	Public lighting systems	4,600,000	EUR	Enel SpA	100.00%	100.00%
Enel Trade Hungary Kft	Budapest	Hungary	Electricity sourcing and trading	184,650	EUR	Enel Trade SpA	100.00%	100.00%
Enel Trade Romania Srl	Bucharest	Romania	Electricity sourcing and trading	2,000,200	RON	Enel Trade SpA	100.00%	100.00%
Enel Trade SpA	Rome	Italy	Fuel trading and logistics - Electricity sales	90,885,000	EUR	Enel SpA	100.00%	100.00%
Enel Trading Rus BV	Amsterdam	Netherlands	Holding company	18,000	EUR	Enel SpA	100.00%	100.00%
Enel.Factor SpA	Rome	Italy	Factoring	12,500,000	EUR	Enel SpA	100.00%	100.00%
Enel.NewHydro Srl	Rome	Italy	Engineering and water systems	1,000,000	EUR	Enel SpA	100.00%	100.00%
Enel.Re Ltd	Dublin	Ireland	Reinsurance	3,000,000	EUR	Enel Investment Holding BV	100.00%	100.00%
Enelco SA	Athens	Greece	Plant construction, operation and maintenance	36,961,629	EUR	Enel Investment Holding BV	75.00%	75.00%
Enelpower Contractor and Development Saudi Arabia Ltd	Riyadh	Saudi Arabia	Plant construction, operation and maintenance	5,000,000	SAR	Enelpower SpA	51.00%	51.00%
Enelpower SpA	Milan	Italy	Engineering and construction	2,000,000	EUR	Enel SpA	100.00%	100.00%
Enelpower UK Ltd	London	United Kingdom	Electrical engineering	1,000	GBP	Enelpower SpA	100.00%	100.00%
Hydro Dolomiti Enel Srl	Trento	Italy	Electricity generation, purchases and sales	3,000,000	EUR	Enel Produzione SpA	49.00%	49.00%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Hydrogen Park-Marghera per l'idrogeno Scrl	Venice	Italy	Development of studies and projects for the use of hydrogen	245,000	EUR	Enel Produzione SpA	55.10%	55.10%
Linea Albania-Italy Shpk	Tirana	Albania	Construction, maintenance and operation of merchant lines	27,460,000	ALL	Enel Investment Holding BV	100.00%	100.00%
Marcinelle Energie SA	Charleroi	Belgium	Electricity generation, transport, sale and trading	107,000,000	EUR	Enel Investment Holding BV	80.00%	80.00%
Maritza East III Power Holding BV	Amsterdam	Netherlands	Holding company	100,000,000	EUR	Enel Investment Holding BV	100.00%	100.00%
Maritza O&M Holding Netherlands BV	Amsterdam	Netherlands	Holding company	40,000	EUR	Enel Investment Holding BV	100.00%	100.00%
Nuove Energie Srl	Porto Empedocle	Italy	Construction and management of LNG regasification infrastructure	4,100,000	EUR	Enel Trade SpA	90.00%	90.00%
Ochrana a bezpečnosť SE AS	Mochovce	Slovakia	Security services	33,194	EUR	Slovenské elektrárne AS	100.00%	66.00%
OGK-5 Finance LLC	Moscow	Russian Federation	Finance	10,000,000	RUB	Enel OGK-5 OJSC (formerly OGK-5 OJSC)	100.00%	56.39%
Pragma Energy SA	Lugano	Switzerland	Coal trading	4,000,000	CHF	Enel Investment Holding BV	100.00%	100.00%
Prof-Energo LLC	Sredneuralsk	Russian Federation	Energy services	10,000	RUB	Sanatorium-Preventorium Energetik OJSC	100.00%	56.39%
Sanatorium-Preventorium Energetik OJSC	Nevinnomyssk	Russian Federation	Energy services	10,571,300	RUB	Enel OGK-5 OJSC (formerly OGK-5 OJSC) OGK-5 Finance LLC	99.99% 0.01%	56.39%
SE Hydropower Srl	Bolzano	Italy	Generation, purchase and sale of hydroelectric power	30,000,000	EUR	Enel Produzione SpA	40.00%	40.00 %
SE Predaj sro	Bratislava	Slovakia	Electricity supply	4,505,000	EUR	Slovenské elektrárne AS	100.00%	66.00%
Slovenské elektrárne AS	Bratislava	Slovakia	Electricity generation	1,269,295,725	EUR	Enel Produzione SpA	66.00%	66.00%
Slovenské elektrárne Finance BV	Rotterdam	Netherlands	Finance	18,200	EUR	Slovenské elektrárne AS	100.00%	66.00%
Smart P@per SpA	Potenza	Italy	Services	2,184,000	EUR	Enel Servizio Elettrico SpA	10.00%	10.00%
Société du Parc Eolien Grandes Terres Ouest Eurl	Lyon	France	Electricity generation from renewable resources	1,000	EUR	Enel France Sas	100.00%	100.00%
Teploprogress OJSC	Sredneuralsk	Russian Federation	Electricity sales	128,000,000	RUB	OGK-5 Finance LLC	60.00%	33.83%
Vallenergie SpA	Aosta	Italy	Electricity sales	1,700,000	EUR	Enel SpA	51.00%	51.00%
Vyzkont sro	Trnava	Slovakia	Radioactive waste storage	6,639	EUR	Slovenské elektrárne AS	51.00%	33.66%
Water & Industrial Services Company SpA	Monza	Italy	Sewage treatment	15,615,000	EUR	Enel.NewHydro Srl	100.00%	100.00%

(1) Subsidiaries of Endesa SA and Enel Green Power SpA consolidated on a line-by-line basis are reported in separate lists.

Enel Green Power SpA subsidiaries consolidated on a line-by-line basis at June 30, 2010 (1)(2)

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Parent company								
Enel Green Power SpA	**Rome**	**Italy**	**Electricity generation from renewable resources**	**600.000.000**	**EUR**	**Enel SpA**	**100.00%**	**100.00%**
Subsidiaries								
Agassiz Beach LLC	Minneapolis (Minnesota)	U.S.A.	Electricity generation from renewable resources	- -		Chi Minnesota Wind LLC	49.00%	49.00%
Aguilon 20 SA	Zaragoza	Spain	Electricity generation from renewable resources	1,693,060	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	51.00%	49.38%
Aioliko Voskero SA	Heraklion (Crete)	Greece	Construction and use of renewables generation plants	955,600	EUR	Enel Green Power Hellas SA	100.00%	100.00%
Almussafes Servicios Energéticos SL	Valencia	Spain	Management and maintenance of power plants	3,010	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	100.00%	96.82%
Altomonte FV Srl (formerly Resit Altomonte)	Lamezia Terme	Italy	Electricity generation from renewable resources	10,000	EUR	Enel Green Power SpA	100.00%	100.00%
Alvorada Energia SA	Rio de Janeiro	Brazil	Electricity generation and sale	17,117,415.92	BRL	Enel Brasil Participações Ltda	100.00%	100.00%
Apiacàs Energia SA	Rio de Janeiro	Brazil	Electricity generation	21,216,846.33	BRL	Enel Brasil Participações Ltda	100.00%	100.00%
Aquenergy Systems Inc.	Greenville (South Carolina)	U.S.A.	Electricity generation from renewable resources	10,500	USD	Consolidated Hydro Southeast Inc.	100.00%	100.00%
Asoleo SL	Madrid	Spain	Wind plants	800,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	50.01%	48.42%
Asotin Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Enel North America Inc.	100.00%	100.00%
Autumn Hills LLC	Minneapolis (Minnesota)	U.S.A.	Electricity generation from renewable resources	- -		Chi Minnesota Wind LLC	49.00%	49.00%
Aziscohos Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Enel North America Inc.	100.00%	100.00%
Barnet Hydro Company	Burlington (Vermont)	U.S.A.	Electricity generation from renewable resources	- -		Sweetwater Hydroelectric Inc.	100.00%	100.00%
Beaver Falls Water Power Company	Philadelphia (Pennsylvania)	U.S.A.	Electricity generation from renewable resources	- -		Beaver Valley Holdings Ltd.	67.50%	67.50%
Beaver Valley Holdings Ltd	Philadelphia (Pennsylvania)	U.S.A.	Electricity generation from renewable resources	2	USD	Hydro Development Group Inc.	100.00%	100.00%
Beaver Valley Power Company	Philadelphia (Pennsylvania)	U.S.A.	Electricity generation from renewable resources	30	USD	Hydro Development Group Inc.	100.00%	100.00%
Biowatt - Recursos Energéticos Lda	Porto	Portugal	Marketing of projects for electricity generation from renewable resources	5,000	EUR	Finerge - Gestao de Projectos Energéticos SA	51.00%	49.38%
Black River Hydro Assoc.	New York (New York)	U.S.A.	Electricity generation from renewable resources	- -		(Cataldo) Hydro Power Associates	75.00%	75.00%
Blue Energy Srl	Tulcea	Romania	Electricity generation from renewable resources	1,000	RON	Enel Green Power International BV Enel Green Power Romania Srl (formerly Blu Line Impex Srl)	1.00% 99.00%	100.00%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Boott Field LLC	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	-	-	Boott Hydropower Inc.	100.00%	100.00%
Boott Hydropower Inc.	Boston (Massachusetts)	U.S.A.	Electricity generation from renewable resources	-	-	Boott Sheldon Holdings LLC	100.00%	100.00%
Boott Sheldon Holdings LLC	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	-	-	Hydro Finance Holding Company Inc.	100.00%	100.00%
BP Hydro Associates	Boise (Idaho)	U.S.A.	Electricity generation from renewable resources	-	-	Chi Idaho Inc. Chi Magic Valley Inc.	68.00% 32.00%	100.00%
BP Hydro Finance Partnership	Salt Lake City (Utah)	U.S.A.	Electricity generation from renewable resources	-	-	BP Hydro Associates Fulcrum Inc.	75.92% 24.08%	100.00%
Bypass Limited	Boise (Idaho)	U.S.A.	Electricity generation from renewable resources	-	-	El Dorado Hydro	100.00%	100.00%
Bypass Power Company	Los Angeles (California)	U.S.A.	Electricity generation from renewable resources	-	-	Chi West Inc.	100.00%	100.00%
Canastota Wind Power LLC	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	-	-	Essex Company	100.00%	100.00%
Carvemagere - Manutençao e Energias Renováveis Lda	Barcelos	Portugal	Cogeneration of electricity and heat	84,700	EUR	Finerge - Gestao de Projectos Energéticos SA	65.00%	62.94%
Castle Rock Ridge Limited Partnership	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Enel Alberta Wind Inc.	100.00%	100.00%
(Cataldo) Hydro Power Associates	New York (New York)	U.S.A.	Electricity generation from renewable resources	-	-	Hydro Development Group Inc. Chi Black River Inc.	50.00% 50.00%	100.00%
Central American Power Services Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	1	USD	Enel Latin America BV	100.00%	100.00%
Chi Acquisitions II Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Chi Finance LLC	100.00%	100.00%
Chi Acquisitions Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Enel North America Inc.	100.00%	100.00%
Chi Black River Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Chi Finance LLC	100.00%	100.00%
Chi Canada Inc.	Montreal (Quebec)	Canada	Electricity generation from renewable resources	1,757,364	CAD	Chi Finance LLC	100.00%	100.00%
Chi Dexter Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Chi Finance LLC	100.00%	100.00%
Chi Finance LLC	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	-	-	Enel North America Inc.	100.00%	100.00%
Chi Highfalls Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	-	-	Chi Finance LLC	100.00%	100.00%
Chi Hydroelectric Company Inc.	St. John (Newfoundland)	Canada	Electricity generation from renewable resources	6,834,448	CAD	Chi Canada Inc.	100.00%	100.00%
Chi Idaho Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Chi Acquisitions Inc.	100.00%	100.00%
Chi Magic Valley Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Chi Acquisitions Inc.	100.00%	100.00%
Chi Minnesota Wind LLC	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	-	-	Chi Finance LLC	100.00%	100.00%
Chi Mountain States Operations Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Chi Acquisitions Inc.	100.00%	100.00%
Chi Operations Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Enel North America Inc.	100.00%	100.00%
Chi Power Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Enel North America Inc.	100.00%	100.00%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Chi Power Marketing Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Enel North America Inc.	100.00%	100.00%
Chi S. F. LP	Montreal (Quebec)	Canada	Electricity generation from renewable resources	-	-	Chi Hydroelectric Company Inc.	100.00%	100.00%
Chi Universal Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Enel North America Inc.	100.00%	100.00%
Chi West Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Chi Acquisitions Inc.	100.00%	100.00%
Chi Western Operations Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Chi Acquisitions Inc.	100.00%	100.00%
Coneross Power Corporation Inc.	Greenville (South Carolina)	U.S.A.	Electricity generation from renewable resources	110,000	USD	Aquenergy Systems Inc.	100.00%	100.00%
Conexión Energética Centroamericana El Salvador SA de CV	San Salvador	El Salvador	Electricity generation from renewable resources	7,950,600	SVC	Enel Latin America BV Grupo EGI SA de cv	59.14% 40.86%	100.00%
Consolidated Hydro Mountain States Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Chi Acquisitions Inc.	100.00%	100.00%
Consolidated Hydro New Hampshire Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	130	USD	Chi Universal Inc.	100.00%	100.00%
Consolidated Hydro New York Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	200	USD	Enel North America Inc.	100.00%	100.00%
Consolidated Hydro Southeast Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Chi Acquisitions II Inc. Gauley River Power Partners LP	95.00% 5.00%	100.00%
Consolidated Pumped Storage Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Enel North America Inc.	80.00%	80.00%
Consorzio Sviluppo Solare	Rome	Italy	Electricity generation from renewable resources	100,000	EUR	Enel Produzione SpA Enel.si - Servizi integrati Srl	30.00% 70.00%	100.00%
Copenhagen Associates	New York (New York)	U.S.A.	Electricity generation from renewable resources	-	-	Hydro Development Group Inc. Chi Dexter Inc.	50.00% 49.00%	99.00%
Crosby Drive Investments Inc.	Boston (Massachusetts)	U.S.A.	Electricity generation from renewable resources	-	-	Asotin Hydro Company Inc.	100.00%	100.00%
Cte - Central Termica do Estuáerio Lda	Porto	Portugal	Cogeneration of electricity and heat	563,910	EUR	Finerge - Gestao de Projectos Energéticos SA	100.00%	96.82%
Eed –Empreendimentos Eólicos do Douro SA	Porto	Portugal	Electricity generation from renewable resources	50,000	EUR	Finerge - Gestao de Projectos Energéticos SA	85.00%	82.30%
EGP Geronimo Holding Company Inc.	Wilmington (Delaware)	U.S.A.	Holding company	1,000	USD	Enel North America Inc.	100.00%	100.00%
EGP Padoma Holding Company Inc.	Wilmington (Delaware)	U.S.A.	Holding company	1,000	USD	Enel North America Inc.	100.00%	100.00%
EGP Solar 1 LLC	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	-	-	Enel North America Inc.	100.00%	100.00%
El Dorado Hydro	Los Angeles (California)	U.S.A.	Electricity generation from renewable resources	-	-	Olympe Inc. Motherlode Hydro Inc.	82.50% 17.50%	100.00%
Empreendimen Eólico de Rego Lda	Porto	Portugal	Electricity generation from renewable resources	5,000	EUR	Finerge - Gestao de Projectos Energéticos SA	51.00%	49.38%
Empreendimentos Eólicos de Viade Lda	Porto	Portugal	Electricity generation from renewable resources	5,000	EUR	Finerge - Gestao de Projectos Energéticos SA	80.00%	77.46%
Empresa Eléctrica Panguipulli SA	Santiago	Chile	Electricity generation from renewable resources	14,053,147	CLP	Energia Alerce Ltda Enel Chile Ltda	0.01% 99.99%	100.00%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Empresa Eléctrica Puyehue SA	Santiago	Chile	Electricity generation from renewable resources	11,169,752,000	CLP	Energia Alerce Ltda Enel Chile Ltda	0.10% 99.90%	100.00%
Empresa Nacional de Geotermia SA	Santiago	Chile	Electricity generation from renewable resources	-	-	Enel Chile Ltda	51.00%	51.00%
Enel Alberta Wind Inc.	Calgary	Canada	Electricity generation from renewable resources	16,251,021	CAD	Chi Canada Inc.	100.00%	100.00%
Enel Brasil Participações Ltda	Rio de Janeiro	Brazil	Holding company	419,400,000	BRL	Enel Green Power International BV Enel Latin America BV	0.01% 99.99%	100.00%
Enel Chile Ltda	Santiago	Chile	Electricity generation from renewable resources	15,414,240,752	CLP	Energia Alerce Ltda Hydromac Energy BV	99.99% 0.01%	100.00%
Enel Cove Fort LLC	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	-	-	Enel Geothermal LLC	100.00%	100.00%
Enel Cove Fort II LLC	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	-	-	Enel Geothermal LLC	100.00%	100.00%
Enel de Costa Rica SA	San José	Costa Rica	Electricity generation from renewable resources	27,500,000	CRC	Enel Latin America BV	100.00%	100.00%
Enel Fortuna SA	Panama	Republic of Panama	Electricity generation from renewable resources	100,000,000	USD	Enel Panama SA	50.06%	50.06%
Enel Geothermal LLC	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	-	-	Essex Company	100.00%	100.00%
Enel Green Power Bulgaria EAD	Sofia	Bulgaria	Plant construction, operation and maintenance	35,231,000	BGN	Enel Green Power International BV	100.00%	100.00%
Enel Green Power Calabria Srl	Cosenza	Italy	Electricity generation from renewable resources	10,000	EUR	Enel Green Power SpA	100.00%	100.00%
Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	Seville	Spain	Electricity generation from renewable resources	11,152.74	EUR	Endesa Generación SA Enel Green Power International BV	40.00% 60.00%	96.82%
Enel Green Power France Sas (formerly Enel Erelis Sas)	Lyon	France	Electricity generation from renewable resources	60,200,000	EUR	Enel Green Power International BV	100.00%	100.00%
Enel Green Power Hellas SA	Maroussi	Greece	Holding company, energy services	2,060,000	EUR	Enel Green Power International BV	100.00%	100.00%
Enel Green Power International BV	Amsterdam	Netherlands	Holding company	244,532,298	EUR	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Portoscuso Srl (formerly Portoscuso Energia Srl)	Rome	Italy	Electricity generation from renewable resources	10,000	EUR	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Puglia Srl (formerly Italgest Wind Srl)	Melissano	Italy	Electricity generation from renewable resources	1,000,000	EUR	Enel Green Power SpA	100.00%	100.00%
Enel Green Power Romania Srl (formerly Blu Line Impex Srl)	Sat Rusu de Sus Nuseni	Romania	Electricity generation from renewable resources	128,000,000	RON	Enel Green Power International BV	100.00%	100.00%
Enel Green Power Strambino Solar Srl	Turin	Italy	Electricity generation from renewable resources	250,000	EUR	Enel Green Power SpA	60.00%	60.00%
Enel Green Power TSS Srl (formerly Anemos 1 Srl)	Melissano	Italy	Electricity generation from renewable resources	1,000,000	EUR	Enel Green Power Puglia Srl (formerly Italgest Wind Srl)	100.00%	100.00%
Enel Guatemala SA	Guatemala	Guatemala	Electricity generation from renewable resources	5,000	GTQ	Enel Green Power International BV Enel Latin America BV	2.00% 98.00%	100.00%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Enel Kansas LLC	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	-	-	Enel North America Inc.	100.00%	100.00%
Enel Latin America BV	Amsterdam	Netherlands	Electricity generation from renewable resources	244,450,298	EUR	Enel Green Power International BV	100.00%	100.00%
Enel Nevkan Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	-	-	Enel North America Inc.	100.00%	100.00%
Enel North America Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	50	USD	Enel Green Power International BV	100.00%	100.00%
Enel Panama SA	Panama	Republic of Panama	Holding company	3,000	USD	Enel Latin America BV	100.00%	100.00%
Enel Salt Wells LLC	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	-	-	Enel Geothermal LLC	100.00%	100.00%
Enel Stillwater LLC	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	-	-	Enel Geothermal LLC	100.00%	100.00%
Enel Surprise Valley LLC	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	-	-	Enel Geothermal LLC	100.00%	100.00%
Enel Texkan Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	-	-	Chi Power Inc.	100.00%	100.00%
Enel Washington D.C. LLD	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	-	-	Chi Acquisitions Inc.	100.00%	100.00%
Enel.si - Servizi integrati Srl	Rome	Italy	Plant engineering and energy services	5,000,000	EUR	Enel Green Power SpA	100.00%	100.00%
Enelpower do Brasil Ltda	Rio de Janeiro	Brazil	Electrical engineering	1,242,000	BRL	Enel Brasil Participações Ltda Enel Latin America BV	99.99% 0.01%	100.00%
Enercampo - Produçao de Energia Lda	Porto	Portugal	Cogeneration of electricity and heat	249,400	EUR	Finerge - Gestao de Projectos Energéticos SA	100.00%	96.82%
Energética Mataró SA	Barcelona	Spain	Construction and management of a plant for the disposal of industrial waste	484,150	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	85.00%	82.30%
Energía Alerce Ltda	Santiago	Chile	Holding company	1,000,000	CLP	Enel Green Power International BV Hydromac Energy BV	0.10% 99.90%	100.00%
Energia Eolica Srl	Rome	Italy	Electricity generation from renewable resources	4,840,000	EUR	Enel Green Power SpA	51.00%	51.00%
Energía Global de Mexico (ENERMEX) SA de cv	Mexico City	Mexico	Electricity generation from renewable resources	50,000	MXN	Enel Latin America BV	99.00%	99.00%
Energía Global Operaciones SA	San José	Costa Rica	Electricity generation from renewable resources	10,000	CRC	Enel de Costa Rica SA	100.00%	100.00%
Energía Nueva Energía Limpia Mexico Srl de cv	Mexico City	Mexico	Electricity generation from renewable resources	5,339,650	MXN	Enel Guatemala SA Enel Latin America BV	0.01% 99.99%	100.00%
Energías de Aragón II SL	Zaragoza	Spain	Electricity generation	18,500,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	100.00%	96.82%
Energías de Graus SL	Barcelona	Spain	Hydroelectric plants	1,298,160	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	66.67%	64.55%
Energías de la Mancha SA	Villarta de San Juan (Ciudad Real)	Spain	Biomass	279,500	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	68.42%	66.25%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Enerlive Srl	Cosenza	Italy	Electricity generation from renewable resources	6,520,000	EUR	Maicor Wind Srl	100.00%	60.00%
Enerlousado Lda	Porto	Portugal	Combined-cycle generation plant	5,000	EUR	Tp - Sociedade Térmica Portuguesa SA Finerge - Gestao de Projectos Energéticos SA	50.00% 50.00%	72.62%
Enernisa - Produçao de Energia Lda	Porto	Portugal	Cogeneration of electricity and heat	249,400	EUR	Finerge - Gestao de Projectos Energéticos SA	100.00%	96.82%
Enerviz - Produçao de Energia de Vizela Lda	Porto	Portugal	Cogeneration of electricity and heat	673,380	EUR	Finerge - Gestao de Projectos Energéticos SA	100.00%	96.82%
Eol Verde Energia Eólica SA	Porto	Portugal	Water treatment and distribution	50,000	EUR	Finerge - Gestao de Projectos Energéticos SA	75.00%	72.62%
Eolcinf - Produçao de Energia Eólica Lda	Porto	Portugal	Electricity generation from renewable resources	5,000	EUR	Finerge - Gestao de Projectos Energéticos SA	51.00%	49.38%
Eolflor - Produçao de Energia Eólica Lda	Porto	Portugal	Electricity generation from renewable resources	5,000	EUR	Finerge - Gestao de Projectos Energéticos SA	51.00%	49.38%
Eólica de la Cuenca Central Asturiana SL	Asturias	Spain	Wind plant development	30,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	100.00%	96.82%
Eólica Del Noroeste SL	La Coruña	Spain	Wind plant development	36,100	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	51.00%	49.38%
Eólica Valle del Ebro SA	Zaragoza	Spain	Electricity generation from renewable resources	5,559,340	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	50.50%	48.90%
Eólicas de Agaete SL	Las Palmas de Gran Canaria	Spain	Electricity generation from renewable resources	240,400	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	80.00%	77.46%
Eólicas de Fuencaliente SA	Las Palmas de Gran Canaria	Spain	Electricity generation from renewable resources	216,360	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	55.00%	53.25%
Eólicas de Tirajana AIE	Las Palmas de Gran Canaria	Spain	Electricity generation from renewable resources	-	-	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	60.00%	58.09%
Eólicos Touriñán SA	La Coruña	Spain	Electricity generation from renewable resources	601,010	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	100.00%	96.82%
Essex Company	Boston (Massachusetts)	U.S.A.	Electricity generation from renewable resources	-	-	Enel North America Inc.	100.00%	100.00%
Explotaciones Eólicas de Escucha SA	Zaragoza	Spain	Electricity generation from renewable resources	3,505,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	70.00%	67.78%
Explotaciones Eólicas el Puerto SA	Teruel	Spain	Electricity generation from renewable resources	3,230,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	73.60%	71.26%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Explotaciones Eólicas Saso Plano SA	Zaragoza	Spain	Electricity generation from renewable resources	5,488,500	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	70.00%	67.78%
Explotaciones Eólicas Sierra Costera SA	Zaragoza	Spain	Electricity generation from renewable resources	8,046,800	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	90.00%	87.14%
Explotaciones Eólicas Sierra la Virgen SA	Zaragoza	Spain	Electricity generation from renewable resources	4,200,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	90.00%	87.14%
Fermicaise SA de cv	Distrito Federal	Mexico	Cogeneration of electricity and heat	7,667,000	MXN	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	99.99%	96.81%
Finerge - Gestao de Projectos Energéticos SA	Porto	Portugal	Cogeneration of electricity and heat and generation from renewable resources	750,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	100.00%	96.82%
Fisterra Eólica SL	La Coruña	Spain	Electricity generation from renewable resources	3,006	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	100.00%	96.82%
Florence Hills LLC	Minneapolis (Minnesota)	U.S.A.	Electricity generation from renewable resources	-	-	Chi Minnesota Wind LLC	49.00%	49.00%
Fulcrum Inc.	Boise (Idaho)	U.S.A.	Electricity generation from renewable resources	1,003	USD	Consolidated Hydro Mountain States Inc.	100.00%	100.00%
Garden Heights Wind Project LLC	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	-	-	Padoma Wind Power LLC	100.00%	100.00%
Gauley Hydro LLC	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	-	-	Essex Company	100.00%	100.00%
Gauley River Management Corporation	Willison (Vermont)	U.S.A.	Electricity generation from renewable resources	-	-	Chi Finance LLC	100.00%	100.00%
Gauley River Power Partners LP	Willison (Vermont)	U.S.A.	Electricity generation from renewable resources	-	-	Gauley River Management Corporation	100.00%	100.00%
Generadora de Occidente Ltda	Guatemala	Guatemala	Electricity generation from renewable resources	16,261,697.33	GTQ	Enel Guatemala SA Enel Latin America BV	1.00% 99.00%	100.00%
Generadora Montecristo SA	Guatemala	Guatemala	Electricity generation from renewable resources	3,820,000	GTQ	Enel Guatemala SA Enel Latin America BV	1.00% 99.00%	100.00%
Geotermica del Norte SA	Santiago	Chile	Electricity generation from renewable resources	-	-	Enel Chile Ltda	51.00%	51.00%
Geotermica Nicaraguense SA	Managua	Nicaragua	Electricity generation from renewable resources	92,050,000	NIO	Enel Green Power SpA	60.00%	60.00%
Glafkos Hydroelectric Station SA	Maroussi	Greece	Plant construction, operation and maintenance, electricity trading and services	4,690,000	EUR	Enel Green Power Hellas SA	100.00%	100.00%
Gresaise SA de cv	Distrito Federal	Mexico	Cogeneration of electricity and heat	7,647,000	MXN	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	99.99%	96.81%
Grupo EGI SA de cv	San Salvador	El Salvador	Electricity generation from renewable resources	3,448,800	SVC	Enel Green Power International BV Enel Latin America BV	0.01% 99.99%	100.00%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Guadarranque Solar 1 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	100.00%	96.82%
Guadarranque Solar 2 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	100.00%	96.82%
Guadarranque Solar 3 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	100.00%	96.82%
Guadarranque Solar 6 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	100.00%	96.82%
Guadarranque Solar 7 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	100.00%	96.82%
Guadarranque Solar 8 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	100.00%	96.82%
Guadarranque Solar 9 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	100.00%	96.82%
Guadarranque Solar 10 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	100.00%	96.82%
Guadarranque Solar 11 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	100.00%	96.82%
Guadarranque Solar 12 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	100.00%	96.82%
Guadarranque Solar 13 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	100.00%	96.82%
Guadarranque Solar 14 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	100.00%	96.82%
Guadarranque Solar 15 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	100.00%	96.82%
Guadarranque Solar 16 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	100.00%	96.82%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Guadarranque Solar 17 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	100.00%	96.82%
Guadarranque Solar 18 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	100.00%	96.82%
Guadarranque Solar 19 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	100.00%	96.82%
Hadley Ridge LLC	Minneapolis (Minnesota)	U.S.A.	Electricity generation from renewable resources	-	-	Chi Minnesota Wind LLC	49.00%	49.00%
Hidroelectricidad del Pacífico Srl de cv	Mexico City	Mexico	Electricity generation from renewable resources	30,891,536	MXN	Impulsora Nacional de Electricidad Srl de cv	99.99%	99.99%
Highfalls Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	-	-	Chi Finance LLC	100.00%	100.00%
Hispano Generación de Energía Solar SL	Jerez de los Caballeros (Badajoz)	Spain	Photovoltaic plants	3,500	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	51.00%	49.38%
Hope Creek LLC	Minneapolis (Minnesota)	U.S.A.	Electricity generation from renewable resources	-	-	Chi Minnesota Wind LLC	49.00%	49.00%
Hosiery Mills Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Chi Acquisitions Inc.	100.00%	100.00%
Hydro Constructional SA	Maroussi	Greece	Electrical engineering, energy trading and energy services	4,230,000	EUR	Enel Green Power Hellas SA	100.00%	100.00%
Hydro Development Group Inc.	Albany (New York)	U.S.A.	Electricity generation from renewable resources	12	USD	Chi Acquisitions II Inc.	100.00%	100.00%
Hydro Energies Corporation	Willison (Vermont)	U.S.A.	Electricity generation from renewable resources	5,000	USD	Chi Finance LLC	100.00%	100.00%
Hydro Finance Holding Company Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Enel North America Inc.	100.00%	100.00%
Hydrodev Inc.	Montreal (Quebec)	Canada	Electricity generation from renewable resources	7,587,320	CAD	Chi Canada Inc.	100.00%	100.00%
Hydrodev Limited Partnership	Montreal (Quebec)	Canada	Electricity generation from renewable resources	-	-	Hydrodev Inc.	100.00%	100.00%
Hydromac Energy BV	Amsterdam	Netherlands	Holding company	18,000	EUR	Enel Latin America BV	100.00%	100.00%
Impulsora Nacional de Electricidad Srl de cv	Mexico City	Mexico	Holding company	308,628,665	MXN	Enel Green Power International BV Enel Latin America BV	0.01% 99.99%	100.00%
International Wind Parks of Achaia SA	Maroussi	Greece	Electricity generation from renewable resources	8,121,000	EUR	Enel Green Power International BV	100.00%	100.00%
International Wind Parks of Crete SA	Maroussi	Greece	Plant construction, operation and maintenance, electricity trading and services	3,093,000	EUR	Enel Green Power Hellas SA	100.00%	100.00%
International Wind Parks of Rhodes SA	Maroussi	Greece	Plant construction, operation and maintenance, electricity trading and services	5,070,000	EUR	Enel Green Power Hellas SA	100.00%	100.00%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
International Wind Parks of Thrace SA	Maroussi	Greece	Plant construction, operation and maintenance, electricity trading and services	10,455,000	EUR	Enel Green Power Hellas SA	100.00%	100.00%
International Wind Power SA	Maroussi	Greece	Plant construction, operation and maintenance, electricity trading and services	6,615,300	EUR	Enel Green Power Hellas SA	100.00%	100.00%
Isamu Ikeda Energia SA	Rio de Janeiro	Brazil	Electricity generation and sale	82,974,475.77	BRL	Enel Brasil Participações Ltda	100.00%	100.00%
Italaise SA de CV	Distrito Federal	Mexico	Cogeneration of electricity and heat	7,481,000	MXN	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	99.99%	96.81%
Jack River LLC	Minneapolis (Minnesota)	U.S.A.	Electricity generation from renewable resources	-	-	Chi Minnesota Wind LLC	49.00%	49.00%
Jessica Mills LLC	Minneapolis (Minnesota)	U.S.A.	Electricity generation from renewable resources	-	-	Chi Minnesota Wind LLC	49.00%	49.00%
Julia Hills LLC	Minneapolis (Minnesota)	U.S.A.	Electricity generation from renewable resources	-	-	Chi Minnesota Wind LLC	49.00%	49.00%
Kings River Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Chi Finance LLC	100.00%	100.00%
Kinneytown Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Enel North America Inc.	100.00%	100.00%
LaChute Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Enel North America Inc.	100.00%	100.00%
Lawrence Hydroelectric Associates LP	Boston (Massachusetts)	U.S.A.	Electricity generation from renewable resources	-	-	Essex Company Crosby Drive Investments Inc.	92.50% 7.50%	100.00%
Littleville Power Company Inc.	Boston (Massachusetts)	U.S.A.	Electricity generation from renewable resources	-	-	Hydro Development Group Inc.	100.00%	100.00%
Lower Saranac Corporation	New York (New York)	U.S.A.	Electricity generation from renewable resources	2	USD	Twin Saranac Holdings LLC	100.00%	100.00%
Lower Saranac Hydro Partners	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	-	-	Lower Saranac Corporation	100.00%	100.00%
Maicor Wind Srl	Cosenza	Italy	Electricity generation from renewable resources	20,850,000	EUR	Enel Green Power SpA	60.00%	60.00%
Mascoma Hydro Corporation	Concord (New Hampshire)	U.S.A.	Electricity generation from renewable resources	-	-	Chi Acquisitions II Inc.	100.00%	100.00%
Mason Mountain Wind Project LLC	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	-	-	Padoma Wind Power LLC	100.00%	100.00%
Mataró Tractament Térmic Eficient SA	Barcelona	Spain	Environmental studies	1,878,000	EUR	Energética Mataró SA	80.00%	65.84%
Metro Wind LLC	Minneapolis (Minnesota)	U.S.A.	Electricity generation from renewable resources	-	-	Chi Minnesota Wind LLC	49.00%	49.00%
Mexicana de Hidroelectricidad Mexhidro Srl de cv	Mexico City	Mexico	Electricity generation from renewable resources	181,728,201	MXN	Impulsora Nacional de Electricidad Srl de cv	99.99%	99.99%
Micase SA de CV	Distrito Federal	Mexico	Cogeneration of electricity and heat	47,132,000	MXN	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	51.00%	49.38%
Mill Shoals Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Chi Finance LLC	100.00%	100.00%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Minnewawa Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Enel North America Inc.	100.00%	100.00%
Missisquoi Associates	Los Angeles (California)	U.S.A.	Electricity generation from renewable resources	-	-	Sheldon Vermont Hydro Company Inc. Sheldon Springs Hydro Associates LP	1.00% 99.00%	100.00%
Molinos de Viento del Arenal SA	San José	Costa Rica	Electricity generation from renewable resources	9,709,200	USD	Enel de Costa Rica SA	49.00%	49.00%
Motherlode Hydro Inc.	Los Angeles (California)	U.S.A.	Electricity generation from renewable resources	-	-	Chi West Inc.	100.00%	100.00%
Nevkan Renewables LLC	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	-	-	Enel Nevkan Inc.	100.00%	100.00%
Newbury Hydro Company	Burlington (Vermont)	U.S.A.	Electricity generation from renewable resources	-	-	Sweetwater Hydroelectric Inc.	100.00%	100.00%
NeWind Group Inc.	St. John (Newfoundland)	Canada	Electricity generation from renewable resources	578,192	CAD	Chi Canada Inc.	100.00%	100.00%
Northwest Hydro Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Chi West Inc.	100.00%	100.00%
Notch Butte Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Chi Finance LLC	100.00%	100.00%
O&M Cogeneration Inc.	Montreal (Quebec)	Canada	Electricity generation from renewable resources	15	CAD	Hydrodev Inc.	66.66%	66.66%
Olympe Inc.	Los Angeles (California)	U.S.A.	Electricity generation from renewable resources	-	-	Chi West Inc.	100.00%	100.00%
Operación Y Mantenimiento Tierras Morenas SA	San José	Costa Rica	Electricity generation from renewable resources	30,000	CRC	Enel de Costa Rica SA	85.00%	85.00%
Ottauquechee Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Chi Finance LLC	100.00%	100.00%
P.H. Chucas SA	San José	Costa Rica	Electricity generation from renewable resources	100,000	CRC	Enel de Costa Rica SA Inversiones Eólicas La Esperanza SA	28.57% 71.43%	65.00%
P.H. Don Pedro SA	San José	Costa Rica	Electricity generation from renewable resources	100,001	CRC	Enel de Costa Rica SA	33.44%	33.44%
P.H. Guacimo SA	San José	Costa Rica	Electricity generation from renewable resources	50,000	CRC	Enel de Costa Rica SA	40.00%	40.00%
P.H. Rio Volcan SA	San José	Costa Rica	Electricity generation from renewable resources	100,001	CRC	Enel de Costa Rica SA	34.32%	34.32%
Padoma Wind Power LLC	Los Angeles	U.S.A.	Electricity generation from renewable resources	-	-	EGP Padoma Holding Company Inc.	100.00%	100.00%
Paravento SL	Lugo	Spain	Electricity generation from renewable resources	3,010	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	90.00%	87.14%
Parc Eolien de Beauséjour Sasu	Lyon	France	Electricity generation from renewable resources	37,000	EUR	Enel Green Power France Sas (formerly Enel Erelis Sas)	100.00%	100.00%
Parc Eolien de Bouville Sasu	Lyon	France	Electricity generation from renewable resources	37,000	EUR	Enel Green Power France Sas (formerly Enel Erelis Sas)	100.00%	100.00%
Parc Eolien de Coulonges-Thouarsais Sasu	Lyon	France	Electricity generation from renewable resources	37,000	EUR	Enel Green Power France Sas (formerly Enel Erelis Sas)	100.00%	100.00%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Parc Eolien de la Chapelle Gaudin Sasu	Lyon	France	Electricity generation from renewable resources	37,000	EUR	Enel Green Power France Sas (formerly Enel Erelis Sas)	100.00%	100.00%
Parc Eolien de la Grande Epine Sasu	Lyon	France	Electricity generation from renewable resources	37,000	EUR	Enel Green Power France Sas (formerly Enel Erelis Sas)	100.00%	100.00%
Parc Eolien de la Parigodière Sasu	Lyon	France	Electricity generation from renewable resources	37,000	EUR	Enel Green Power France Sas (formerly Enel Erelis Sas)	100.00%	100.00%
Parc Eolien de la Terre aux Saints Sasu	Lyon	France	Electricity generation from renewable resources	37,000	EUR	Enel Green Power France Sas (formerly Enel Erelis Sas)	100.00%	100.00%
Parc Eolien de la Vallière Sasu	Lyon	France	Electricity generation from renewable resources	37,000	EUR	Enel Green Power France Sas (formerly Enel Erelis Sas)	100.00%	100.00%
Parc Eolien de la Vigne de Foix Sasu	Lyon	France	Electricity generation from renewable resources	37,000	EUR	Enel Green Power France Sas (formerly Enel Erelis Sas)	100.00%	100.00%
Parc Eolien de Noirterre Sasu	Lyon	France	Electricity generation from renewable resources	37,000	EUR	Enel Green Power France Sas (formerly Enel Erelis Sas)	100.00%	100.00%
Parc Eolien de Pouille L'Hermenault Sasu	Lyon	France	Electricity generation from renewable resources	37,000	EUR	Enel Green Power France Sas (formerly Enel Erelis Sas)	100.00%	100.00%
Parc Eolien de Thire Sasu	Lyon	France	Electricity generation from renewable resources	37,000	EUR	Enel Green Power France Sas (formerly Enel Erelis Sas)	100.00%	100.00%
Parc Eolien des Ramiers Sasu	Lyon	France	Electricity generation from renewable resources	37,000	EUR	Enel Green Power France Sas (formerly Enel Erelis Sas)	100.00%	100.00%
Parc Eolien du Mesnil Sasu	Lyon	France	Electricity generation from renewable resources	37,000	EUR	Enel Green Power France Sas (formerly Enel Erelis Sas)	100.00%	100.00%
Parque Eólico Carretera de Arinaga SA	Las Palmas de Gran Canaria	Spain	Electricity generation from renewable resources	1,007,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	80.00%	77.46%
Parque Eólico de Aragón AIE	Zaragoza	Spain	Electricity generation from renewable resources	601,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	80.00%	77.46%
Parque Eólico de Barbanza SA	La Coruña	Spain	Electricity generation from renewable resources	3,606,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	63.43%	61.42%
Parque Eólico de Enix SA	Seville	Spain	Electricity generation from renewable resources	3,005,100	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	95.00%	91.98%
Parque Eólico de Gevancas SA	Porto	Portugal	Electricity generation from renewable resources	50,000	EUR	Finerge - Gestao de Projectos Energéticos SA	100.00%	96.82%
Parque Eólico de Santa Lucía SA	Las Palmas de Gran Canaria	Spain	Electricity generation from renewable resources	901,500	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	65.67%	63.58%
Parque Eólico do Alto da Vaca Lda	Porto	Portugal	Electricity generation from renewable resources	125,000	EUR	Finerge - Gestao de Projectos Energéticos SA	65.00%	62.94%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Parque Eólico do Vale do Abade Lda	Porto	Portugal	Electricity generation from renewable resources	5,000	EUR	Finerge - Gestao de Projectos Energéticos SA	51.00%	49.38%
Parque Eólico Finca de Mogán SA	Las Palmas de Gran Canaria	Spain	Construction and operation of wind plants	3,810,340	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	90.00%	87.14%
Parque Eólico Montes de Las Navas SA	Madrid	Spain	Construction and operation of wind plants	6,540,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	55.50%	53.74%
Parque Eólico Punta de Teno SA	Tenerife	Spain	Electricity generation from renewable resources	528,880	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	52.00%	50.35%
Parque Eólico Serra da Capucha SA	Porto	Portugal	Electricity generation from renewable resources	50,000	EUR	TP - Sociedade Térmica Portuguesa SA Finerge - Gestao de Projectos Energéticos SA	50.00% 50.00%	72.62%
Pelzer Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Consolidated Hydro Southeast Inc.	100.00%	100.00%
Planta Eólica Europea SA	Seville	Spain	Electricity generation from renewable resources	1,198,530	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	56.12%	54.34%
Primavera Energia SA	Rio de Janeiro	Brazil	Electricity generation and sale	59,965,444.64	BRL	Enel Brasil Participações Ltda	100.00%	100.00%
Productor Regional de Energía Renovable I SA	Valladolid	Spain	Development and construction of wind plants	60,500	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	100.00%	96.82%
Productor Regional de Energía Renovable II SA	Valladolid	Spain	Development and construction of wind plants	60,500	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	75.00%	72.62%
Productor Regional de Energía Renovable III SA	Valladolid	Spain	Development and construction of wind plants	60,500	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA))	75.00%	72.62%
Productor Regional de Energía Renovable SA	Valladolid	Spain	Development and construction of wind plants	711,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	85.00%	82.30%
Proveedora de Electricidad de Occidente Srl de cv	Mexico City	Mexico	Electricity generation from renewable resources	89,707,935	MXN	Impulsora Nacional de Electricidad Srl de cv	99.99%	99.99%
Proyectos Eólicos Valencianos SA	Valencia	Spain	Electricity generation	2,550,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración Y Renovables SA)	100.00%	96.82%
Pyrites Associates	New York (New York)	U.S.A.	Electricity generation from renewable resources	-	-	Hydro Development Group Inc. Chi Dexter Inc.	50.00% 50.00%	100.00%
Quatiara Energia SA	Rio de Janeiro	Brazil	Electricity generation	12,148,511.8	BRL	Enel Brasil Participações Ltda	100.00%	100.00%
Renovables de Guatemala SA	Guatemala	Guatemala	Electricity generation from renewable resources	1,924,465,600	GTQ	Enel Guatemala SA Enel Latin America BV Enel Green Power SpA	0.01% 42.83% 51.00%	93.84%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Rock Creek Limited Partnership	Los Angeles (California)	U.S.A.	Electricity generation from renewable resources	-	-	El Dorado Hydro	100.00%	100.00%
Ruthton Ridge LLC	Minneapolis (Minnesota)	U.S.A.	Electricity generation from renewable resources	-	-	Chi Minnesota Wind LLC	49.00%	49.00%
San Juan Mesa Wind Project II LLC	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	-	-	Padoma Wind Power LLC	100.00%	100.00%
SE Hazelton A. LP	Los Angeles (California)	U.S.A.	Electricity generation from renewable resources	-	-	Bypass Limited	100.00%	100.00%
Sealve - Sociedade Eléctrica de Alvaiázere SA	Porto	Portugal	Electricity generation from renewable resources	50,000	EUR	Finerge - Gestao de Projectos Energéticos SA	100.00%	96.82%
Sheldon Springs Hydro Associates LP	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	-	-	Sheldon Vermont Hydro Company Inc.	100.00%	100.00%
Sheldon Vermont Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	-	-	Boott Sheldon Holdings LLC	100.00%	100.00%
Sisconer - Exploraçao de Sistemas de Conversao de Energia Lda	Porto	Portugal	Electricity generation from renewable resources	5,000	EUR	Finerge - Gestao de Projectos Energéticos SA	55.00%	53.25%
Slate Creek Hydro Associates LP	Los Angeles (California)	U.S.A.	Electricity generation from renewable resources	-	-	Slate Creek Hydro Company Inc.	100.00%	100.00%
Slate Creek Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Chi Acquisitions II Inc.	100.00%	100.00%
Smoky Hills Wind Farm LLC	Topeka (Kansas)	U.S.A.	Electricity generation from renewable resources	-	-	Texkan Wind LLC	100.00%	100.00%
Smoky Hills Wind Project II LLC	Topeka (Kansas)	U.S.A.	Electricity generation from renewable resources	-	-	Nevkan Renewables LLC	100.00%	100.00%
Snyder Wind Farm LLC	Dallas (Texas)	U.S.A.	Electricity generation from renewable resources	-	-	Texkan Wind LLC	100.00%	100.00%
Socibe Energia SA	Rio de Janeiro	Brazil	Electricity generation and sale	33,969,032.25	BRL	Enel Brasil Participações Ltda	100.00%	100.00%
Société Armoricaine d'Energie Eolienne Sarl	Lyon	France	Electricity generation from renewable resources	1,000	EUR	Enel Green Power France Sas (formerly Enel Erelis Sas)	100.00%	100.00%
Société du Parc Eolien de Family Sarl	Lyon	France	Electricity generation from renewable resources	10,000	EUR	Enel Green Power France Sas (formerly Enel Erelis Sas)	100.00%	100.00%
Société du Parc Eolien des Champs D'Eole Sarl	Lyon	France	Electricity generation from renewable resources	1,000	EUR	Enel Green Power France Sas (formerly Enel Erelis Sas)	100.00%	100.00%
Société du Parc Eolien du Chemin de la Ligue Snc	Meyzieu	France	Electricity generation from renewable resources	1,000	EUR	Enel Green Power France Sas (formerly Enel Erelis Sas)	100.00%	100.00%
Société du Parc Eolien du Mazet Saint Voy Sarl	Mese	France	Electricity generation from renewable resources	4,000	EUR	Enel Green Power France Sas (formerly Enel Erelis Sas)	100.00%	100.00%
Soliloquoy Ridge LLC	Minneapolis (Minnesota)	U.S.A.	Electricity generation from renewable resources	-	-	Chi Minnesota Wind LLC	49.00%	49.00%
Somersworth Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	100	USD	Chi Universal Inc.	100.00%	100.00%
Southwest Transmission LLC	Minneapolis (Minnesota)	U.S.A.	Electricity generation from renewable resources	-	-	Chi Minnesota Wind LLC	49.00%	49.00%
Spartan Hills LLC	Minneapolis (Minnesota)	U.S.A.	Electricity generation from renewable resources	-	-	Chi Minnesota Wind LLC	49.00%	49.00%
St.-Felicien Cogeneration	Montreal (Quebec)	Canada	Electricity generation from renewable resources	-	-	Chi S. F. LP	96.00%	96.00%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Summit Energy Storage Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	8,200	USD	Enel North America Inc.	75.00%	75.00%
Sun River LLC	Minneapolis (Minnesota)	U.S.A.	Electricity generation from renewable resources	-	-	Chi Minnesota Wind LLC	49.00%	49.00%
Sweetwater Hydroelectric Inc.	Concord (New Hampshire)	U.S.A.	Electricity generation from renewable resources	250	USD	Chi Acquisitions II Inc.	100.00%	100.00%
Tecnoguat SA	Guatemala	Guatemala	Electricity generation from renewable resources	30,948,000	GTQ	Enel Latin America BV	75.00%	75.00%
Texkan Wind LLC	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	-	-	Enel Texkan Inc.	100.00%	100.00%
Transnova SA	Guatemala	Guatemala	Electricity generation from renewable resources	5,000	GTQ	Enel Guatemala SA Generadora Montecristo SA	98.00% 2.00%	100.00%
TKO Power Inc.	Los Angeles (California)	U.S.A.	Electricity generation from renewable resources	-	-	Chi West Inc.	100.00%	100.00%
Triton Power Company	New York (New York)	U.S.A.	Electricity generation from renewable resources	-	-	Chi Highfalls Inc. Highfalls Hydro Company Inc.	2.00% 98.00%	100.00%
Tsar Nicholas LLC	Minneapolis (Minnesota)	U.S.A.	Electricity generation from renewable resources	-	-	Chi Minnesota Wind LLC	49.00%	49.00%
Twin Falls Hydro Associates	Seattle (Washington)	U.S.A.	Electricity generation from renewable resources	-	-	Twin Falls Hydro Company Inc.	51.00%	51.00%
Twin Falls Hydro Company Inc.	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	10	USD	Twin Saranac Holdings LLC	100.00%	100.00%
Twin Lake Hills LLC	Minneapolis (Minnesota)	U.S.A.	Electricity generation from renewable resources	-	-	Chi Minnesota Wind LLC	49.00%	49.00%
Twin Saranac Holdings LLC	Wilmington (Delaware)	U.S.A.	Electricity generation from renewable resources	-	-	Enel North America Inc.	100.00%	100.00%
Unelco Cogeneraciones Sanitarias del Archipiélago SA	Las Palmas de Gran Canaria	Spain	Cogeneration of electricity and heat	1,202,020	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	100.00%	96.82%
Western New York Wind Corporation	Albany (New York)	U.S.A.	Electricity generation from renewable resources	300	USD	Enel North America Inc.	100.00%	100.00%
Willimantic Power Corporation	Hartford (Connecticut)	U.S.A.	Electricity generation from renewable resources	-	-	Chi Acquisitions Inc.	100.00%	100.00%
Wind Park of Koryfao SA	Maroussi	Greece	Electricity generation from renewable resources	60,000	EUR	Enel Green Power Hellas SA	100.00%	100.00%
Wind Parks of Thrace SA	Maroussi	Greece	Plant construction, operation and maintenance, electricity trading and services	8,032,200	EUR	Enel Green Power Hellas SA	100.00%	100.00%
Wind Park of West Ktenias SA	Maroussi	Greece	Electricity generation from renewable resources	60,000	EUR	Enel Green Power Hellas SA	100.00%	100.00%
Winter's Spawn LLC	Minneapolis (Minnesota)	U.S.A.	Electricity generation from renewable resources	-	-	Chi Minnesota Wind LLC	49.00%	49.00%
WP Bulgaria 1 EOOD	Sofia	Bulgaria	Plant construction, operation and maintenance	5,000	BGN	Enel Green Power Bulgaria EAD	100.00%	100.00%
WP Bulgaria 3 EOOD	Sofia	Bulgaria	Plant construction, operation and maintenance	5,000	BGN	Enel Green Power Bulgaria EAD	100.00%	100.00%
WP Bulgaria 6 EOOD	Sofia	Bulgaria	Plant construction, operation and maintenance	5,000	BGN	Enel Green Power Bulgaria EAD	100.00%	100.00%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
WP Bulgaria 8 EOOD	Sofia	Bulgaria	Plant construction, operation and maintenance	5,000	BGN	Enel Green Power Bulgaria EAD	100.00%	100.00%
WP Bulgaria 9 EOOD	Sofia	Bulgaria	Plant construction, operation and maintenance	5,000	BGN	Enel Green Power Bulgaria EAD	100.00%	100.00%
WP Bulgaria 10 EOOD	Sofia	Bulgaria	Plant construction, operation and maintenance	5,000	BGN	Enel Green Power Bulgaria EAD	100.00%	100.00%
WP Bulgaria 11 EOOD	Sofia	Bulgaria	Plant construction, operation and maintenance	5,000	BGN	Enel Green Power Bulgaria EAD	100.00%	100.00%
WP Bulgaria 12 EOOD	Sofia	Bulgaria	Plant construction, operation and maintenance	5,000	BGN	Enel Green Power Bulgaria EAD	100.00%	100.00%
WP Bulgaria 13 EOOD	Sofia	Bulgaria	Plant construction, operation and maintenance	5,000	BGN	Enel Green Power Bulgaria EAD	100.00%	100.00%
WP Bulgaria 14 EOOD	Sofia	Bulgaria	Plant construction, operation and maintenance	5,000	BGN	Enel Green Power Bulgaria EAD	100.00%	100.00%
WP Bulgaria 15 EOOD	Sofia	Bulgaria	Plant construction, operation and maintenance	5,000	BGN	Enel Green Power Bulgaria EAD	100.00%	100.00%
WP Bulgaria 19 EOOD	Sofia	Bulgaria	Plant construction, operation and maintenance	5,000	BGN	Enel Green Power Bulgaria EAD	100.00%	100.00%
WP Bulgaria 21 EOOD	Sofia	Bulgaria	Plant construction, operation and maintenance	5,000	BGN	Enel Green Power Bulgaria EAD	100.00%	100.00%
WP Bulgaria 26 EOOD	Sofia	Bulgaria	Plant construction, operation and maintenance	5,000	BGN	Enel Green Power Bulgaria EAD	100.00%	100.00%

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

Endesa subsidiaries consolidated on a line-by-line basis at June 30, 2010

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Parent company:								
Endesa SA	**Madrid**	**Spain**	**Holding company**	**1,270,502,540**	**EUR**	**Enel Energy Europe SL**	**92.06%**	**92.06%**
Subsidiaries:								
Agrícola e Inmobiliaria Pastos Verdes Ltda	Santiago	Chile	Financial investment	37,029,389,730	CLP	Inmobiliaria Manso de Velasco Ltda	55.00%	30.69%
Aguas Santiago Poniente SA	Santiago	Chile	Water services	6,601,120,747	CLP	Inmobiliaria Manso de Velasco Ltda Agrícola e Inmobiliaria Pastos Verdes Ltda	25.82% 53.06%	30.70%
Aioliki Androu Rachi Xirokampi SA	Athens	Greece	Electricity generation from renewable resources	160,000	EUR	Mytilhnaios Aiolikh Energeiakh Ellados SA Endesa Hellas Power Generation and Supplies Société Anonyme	99.00% 1.00%	36.92%
Aioliki Androu Tsirovlidi SA	Athens	Greece	Electricity generation from renewable resources	220,000	EUR	Mytilhnaios Aiolikh Energeiakh Ellados SA Endesa Hellas Power Generation and Supplies Société Anonyme	99.00% 1.00%	36.92%
Aioliki Evias Chelona SA	Athens	Greece	Electricity generation from renewable resources	160,000	EUR	Mytilhnaios Aiolikh Energeiakh Ellados SA Endesa Hellas Power Generation and Supplies Société Anonyme	99.00% 1.00%	36.92%
Aioliki Evias Diakoftis SA	Athens	Greece	Electricity generation from renewable resources	160,000	EUR	Mytilhnaios Aiolikh Energeiakh Ellados SA Endesa Hellas Power Generation and Supplies Société Anonyme	99.00% 1.00%	36.92%
Aioliki Evias Pounta SA	Athens	Greece	Electricity generation from renewable resources	160,000	EUR	Mytilhnaios Aiolikh Energeiakh Ellados SA Endesa Hellas Power Generation and Supplies Société Anonyme	99.00% 1.00%	36.92%
Aioliki Evias Pyrgos SA	Athens	Greece	Electricity generation from renewable resources	160,000	EUR	Mytilhnaios Aiolikh Energeiakh Ellados SA Endesa Hellas Power Generation and Supplies Société Anonyme	99.00% 1.00%	36.92%
Aioliki Martinou SA	Athens	Greece	Electricity generation from renewable resources	3,800,000	EUR	Delta Energiaki SA	100.00%	41.44%
Aioliki Samothrakis SA	Athens	Greece	Electricity generation from renewable resources	160,000	EUR	Mytilhnaios Aiolikh Energeiakh Ellados SA Endesa Hellas Power Generation and Supplies Société Anonyme	99.00% 1.00%	36.92%
Aioliki Sidirokastroy SA	Athens	Greece	Electricity generation from renewable resources	3,360,000	EUR	Mytilhnaios Aiolikh Energeiakh Ellados SA Endesa Hellas Power Generation and Supplies Société Anonyme	99.00% 1.00%	36.92%
Ampla Energía e Serviços SA	Río de Janeiro	Brazil	Electricity generation, transmission and distribution	998,230,000	BRL	Enersis SA Chilectra SA Chilectra Inversud SA Endesa Brasil SA	13.68% 10.34% 21.02% 46.89%	50.71%
Ampla Investimentos e Serviços SA	Río de Janeiro	Brazil	Electricity generation, transmission and distribution	120,000,000	BRL	Enersis SA Chilectra SA Chilectra Inversud SA Endesa Brasil SA	13.68% 10.34% 21.02% 46.89%	50.71%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Ananeosimes Pigesboriou Aigaiou SA	Athens	Greece	Electricity generation from renewable resources	1,000,000	EUR	Endesa Hellas Power Generation and Supplies Société Anonyme	100.00%	46.04%
Andorra Desarrollo SA	Teruel	Spain	Sviluppo regionale	901,520	EUR	Endesa Generación SA	100.00%	92.06%
Apamea 2000 SL	Madrid	Spain	Servizi	3,000	EUR	Endesa SA	100.00%	92.06%
Aragonesa de Actividades Energéticas SA	Teruel	Spain	Electricity generation	60,100	EUR	Endesa Generación SA	100.00%	92.06%
Argyri Energiaki SA	Athens	Greece	Electricity generation from renewable resources	3,050,000	EUR	Delta Energiaki SA	100.00%	41.44%
Asin Carbono USA Inc.	Wilmington (Delaware)	U.S.A.	-	-	-	Endesa Carbono USA LLC	100.00%	75.95%
Bolonia Real Estate SL	Madrid	Spain	Real estate	3,008	EUR	Endesa SA	100.00%	92.06%
Carboex SA	Madrid	Spain	Fuel supply	24,040,480	EUR	Endesa Generación SA	100.00%	92.06%
Carbones de Berga SA	Barcelona	Spain	Mining	649,080	EUR	Minas Y Ferrocarril de Utrillas SA	100.00%	92.06%
Centrais Elétricas Cachoeira Dourada SA	Goiania	Brazil	Electricity generation and sale	289,060,000	BRL	Endesa Brasil SA	99.61%	54.66%
Central Dock Sud SA	Capital Federal	Argentina	Electricity generation, transmission and distribution	355,950,000	ARS	Sociedad Inversora Dock Sud SA	69.99%	36.82%
Central Eólica Canela SA	Santiago	Chile	Electricity generation from renewable resources	12,284,740,000	CLP	Endesa Eco SA	75.00%	25.10%
Central Geradora Termelétrica Fortaleza SA	Caucaia	Brazil	Thermal generation plants	151,940,000	BRL	Endesa Brasil SA	100.00%	54.87%
Chilectra Inversud SA	Santiago	Chile	Holding company	569,020,000	USD	Chilectra SA	100.00%	55.30%
Chilectra SA	Santiago	Chile	Holding company. Electricity distribution	367,928,682,000	CLP	Inmobiliaria Manso de Velasco Ltda Enersis SA	0.01% 99.08%	55.30%
Chinango SAC	Lima	Peru	Electricity generation, sale and transmission	294,249,298	PEN	Edegel SA	80.00%	53.56%
Codensa SA ESP	Bogotá D.C.	Colombia	Electricity distribution and sale	13,209,330,000	COP	Enersis SA Chilectra SA Endesa Latinoamerica SA	12.47% 9.35% 26.66%	36.67%
Companhia Energética do Ceará SA	Fortaleza	Brazil	Electricity generation, transmission and distribution	442,950,000	BRL	Endesa Brasil SA Investluz SA	2.27% 56.59%	20.98%
Compañía Americana de Multiservicios Ltda (Brasil)	Río de Janeiro	Brazil	Purchase and sale of electricity products	14,327,826	BRL	Compañía Americana de Multiservicios Ltda	100.00%	55.81%
Compañía Americana de Multiservicios SRL (Argentina)	Capital Federal	Argentina	Services	1,000,000	ARS	Inmobiliaria Manso de Velasco Ltda Compañía Americana e Multiservicios Ltda	5.00% 95.00%	55.81%
Compañía Americana de Multiservicios Ltda	Santiago	Chile	Services	2,572,038,000	CLP	Enersis SA Synapsis Soluciones Y Servicios It Ltda	99.99% 0.01%	55.81%
Compañía Americana de Multiservicios Ltda (Colombia)	Bogotá D.C.	Colombia	Services	1,615,500,000	COP	Compañía Americana de Multiservicios Ltda	100.00%	55.81%
Compañía Americana de Multiservicios del Perú Ltda	Lima	Peru	Services	5,220,000	PEN	Compañía Americana de Multiservicios Ltda	100.00%	55.81%
Compañía de Interconexión Energética SA	Río de Janeiro	Brazil	Electricity generation, transmission and distribution	285,050,000	BRL	Endesa Brasil SA	100.00%	54.87%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Compañía de Transmisión del Mercosur SA	Capital Federal	Argentina	Electricity generation, transmission and distribution	14,175,999	ARS	Compañía de Interconexión Energética SA	100.00%	54.87%
Compañía Eléctrica San Isidro SA	Santiago	Chile	Electricity generation, transmission and distribution	39,005,900,000	CLP	Empresa Nacional de Electricidad SA	100.00%	33.47%
Compañía Eléctrica Tarapacá SA	Santiago	Chile	Electricity generation, transmission and distribution	103,099,640,000	CLP	Empresa Nacional de Electricidad SA Endesa Inversiones Generales SA	99.94% 0.06%	33.47%
Compostilla Re. SA	Luxembourg	Luxembourg	Reinsurance	12,000,000	EUR	Endesa SA	100.00%	92.06%
Construcciones Y Proyectos Los Maitenes SA	Santiago	Chile	Engineering and construction	4,712,875,471	CLP	Inmobiliaria Manso de Velasco Ltda	55.00%	30.69%
Delta Energiaki SA	Athens	Greece	Electricity generation from renewable resources	15,050,000	EUR	Endesa Hellas Power Generation and Supplies Société Anonyme	90.00%	41.44%
Desaladora de Carboneras UTE	Carboneras (Almeria)	Spain	Construction and management of a desalinization plant	6,010	EUR	Endesa Generación SA	75.00%	69.05%
Distribuidora de Energía Eléctrica del Bages SA	Barcelona	Spain	Electricity distribution and sale	108,240	EUR	Hidroeléctrica de Catalunya SL Endesa Red SA	45.00% 55.00%	92.06%
Distribuidora Eléctrica del Puerto de La Cruz SA	Tenerife	Spain	Electricity purchasing, transmission and distribution	12,621,210	EUR	Endesa Red SA	100.00%	92.06%
Distribuidora Regional de Gas SA	Medina del Campo (Valladolid)	Spain	Gas distribution and sale	3,606,070	EUR	Endesa Gas SAU	100.00%	92.06%
Distrilec Inversora SA	Capital Federal	Argentina	Holding company	497,610,000	ARS	Enersis SA Chilectra SA Empresa Nacional de Electricidad SA	27.19% 23.42% 0.89%	28.42%
Edegel SA	Lima	Peru	Electricity generation, distribution and sales	2,064,301,735	PEN	Empresa Nacional de Electricidad SA Generandes Perú SA	29.40% 54.20%	66.95%
Ekmetalefsi Ydatinou Dynamikou SA	Athens	Greece	Electricity generation from renewable resources	2,450,000	EUR	Delta Energiaki SA	100.00%	41.44%
Elliniki Fotovoltaiki SA	Athens	Greece	Electricity generation from renewable resources	1,260,000	EUR	Endesa Hellas Power Generation and Supplies Société Anonyme	100.00%	46.04%
Emgesa SA ESP	Bogotá D.C.	Colombia	Electricity generation and sale	655,222,310,000	COP	Empresa Nacional de Electricidad SA Endesa Latinoamerica SA	26.88% 21.60%	28.88%
Empresa Carbonífera del Sur SA	Madrid	Spain	Mining	18,030,000	EUR	Endesa Generación SA	100.00%	92.06%
Empresa de Distribución Eléctrica de Lima Norte SA	Lima	Peru	Electricity distribution and sales	638,560,000	PEN	Enersis Sa Inversiones Distrilima SA	24.00% 51.68%	48.68%
Empresa de Ingeniería Ingendesa SA	Santiago	Chile	Engineering services	2,600,176,000	CLP	Empresa Nacional de Electricidad SA Endesa Inversiones Generales SA	98.75% 1.25%	33.47%
Empresa Distribuidora Sur SA	Capital Federal	Argentina	Electricity distribution and sales	898,590,000	ARS	Enersis SA Chilectra SA Distrilec Inversora SA Endesa Latinoamerica SA	16.02% 20.85% 56.36% 6.22%	42.41%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Empresa Eléctrica Cabo Blanco SA	Lima	Peru	Holding company	46,508,170	PEN	Endesa Latinoamerica SA	80.00%	73.65%
Empresa Eléctrica de Colina Ltda	Santiago	Chile	Electricity generation, transmission and distribution	82,222,000	CLP	Chilectra SA	100.00%	55.30%
Empresa Eléctrica de Piura SA	Lima	Peru	Electricity generation	73,982,594	PEN	Empresa Eléctrica Cabo Blanco SA	60.00%	44.19%
Empresa Eléctrica Pangue SA	Santiago	Chile	Electricity generation, transmission and distribution	91,041,497,037	CLP	Empresa Nacional de Electricidad SA Endesa Inversiones Generales SA Endesa Latinoamerica SA	94.98% 0.01% 5.01%	36.41%
Empresa Eléctrica Pehuenche SA	Santiago	Chile	Electricity generation, transmission and distribution	200,319,020,730	CLP	Empresa Nacional de Electricidad SA	92.65%	31.01%
Empresa Nacional de Electricidad SA	Santiago	Chile	Electricity generation, transmission and distribution	1,331,714,090,000	CLP	Enersis SA	59.98%	33.47%
EN-Brasil Comercio e Serviços SA	Río de Janeiro	Brazil	Electrical activities	10,000	BRL	Endesa Brasil SA	99.99%	54.86%
Endesa Argentina SA	Capital Federal	Argentina	Holding company	514,530,000	ARS	Empresa Nacional de Electricidad SA Endesa Inversiones Generales SA	99.66% 0.34%	33.47%
Endesa Brasil SA	Río de Janeiro	Brazil	Holding company	916,880,000	BRL	Enersis SA Chilectra SA Chilectra Inversud SA Empresa Nacional de Electricidad SA Edegel SA Endesa Latinoamerica SA	21.46% 4.53% 4.23% 35.29% 4.07% 27.71%	54.87%
Endesa Capital Finance LLC	Wilmington (Delaware)	U.S.A.	Finance	100	USD	International Endesa BV	100.00%	92.06%
Endesa Capital SA	Madrid	Spain	Finance	60,200	EUR	Endesa SA	100.00%	92.06%
Endesa Carbono SL	Madrid	Spain	Sales of emission rights	17,200	EUR	Endesa SA	82.50%	75.95%
Endesa Carbono USA LLC	Virginia	U.S.A.	-	20,000	USD	Endesa Carbono SL	100.00%	75.95%
Endesa Cemsa SA	Capital Federal	Argentina	Electricity sales	14,010,014	ARS	Endesa Argentina SA Endesa Latinoamerica SA	45.00% 55.00%	65.70%
Endesa Costanera SA	Capital Federal	Argentina	Electricity generation and sale	146,990,000	ARS	Empresa Nacional de Electricidad SA Endesa Argentina SA Southern Cone Power Argentina SA	12.33% 51.93% 5.50%	25.35%
Endesa Desarrollo SL	Madrid	Spain	Holding company	3,010	EUR	Endesa SA	100.00%	92.06%
Endesa Distribución Eléctrica SL	Barcelona	Spain	Electricity distribution	1,204,540,060	EUR	Endesa Red SA	100.00%	92.06%
Endesa Eco SA	Santiago	Chile	Studies and projects in the renewable resources field	681,850,000	CLP	Empresa Nacional de Electricidad SA Endesa Inversiones Generales SA	99.99% 0.01%	33.47%
Endesa Energía XXI SL	Madrid	Spain	Studies and projects in the renewable resources field	2,000,000	EUR	Endesa Energía SA	100.00%	92.06%
Endesa Energía SA	Madrid	Spain	Energy product marketing	12,981,860	EUR	Endesa SA	100.00%	92.06%
Endesa Financiación Filiales SA	Madrid	Spain	Finance	4,621,003,000	EUR	Endesa SA	100.00%	92.06%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Endesa Gas Distribución SAU	Madrid	Spain	Gas distribution	14,610,970	EUR	Endesa Gas SAU	100.00%	92.06%
Endesa Gas Transportista SLU	Zaragoza	Spain	Regasification and gas storage	5,445,000	EUR	Endesa Gas SAU	100.00%	92.06%
Endesa Gas SAU	Zaragoza	Spain	Gas production, transmission and distribution	45,261,350	EUR	Endesa Red SA	100.00%	92.06%
Endesa Generación II SA	Seville	Spain	Electricity generation	63,107	EUR	Endesa SA	100.00%	92.06%
Endesa Generación Portugal SA	Paço D'arcos-Oieiras	Portugal	Electricity generation	50,000	EUR	Endesa Generación SA Finerge - Gestao de Projectos Energéticos SA Endesa Energía SA Energías de Aragón II SL Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	99.20% 0.20% 0.20% 0.20% 0.20%	92.09%
Endesa Generación SA	Seville	Spain	Electricity generation and sale	1,945,329,830	EUR	Endesa SA	100.00%	92.06%
Endesa Hellas Power Generation and Supplies Société Anonyme	Athens	Greece	Electricity generation	5,486,920	EUR	Endesa Desarrollo SL	50.01%	46.04%
Endesa Ingeniería SLU	Seville	Spain	Engineering and consulting services	1,000,000	EUR	Endesa Red SA	100.00%	92.06%
Endesa Inversiones Generales SA	Santiago	Chile	Holding company	3,055,837,927	CLP	Empresa Nacional de Electricidad SA Empresa Eléctrica Pehuenche SA	99.51% 0.49%	33.46%
Endesa Ireland Ltd	Dublin	Ireland	Electricity generation, transmission and distribution	1,000	EUR	Endesa SA	100.00%	92.06%
Endesa Latinoamerica SA	Madrid	Spain	Holding company	1,500,000,000	EUR	Endesa SA	100.00%	92.06%
Endesa Network Factory SL	Barcelona	Spain	New technologies	23,149,170	EUR	Endesa Servicios SL	100.00%	92.06%
Endesa North América Inc.	New York (New York)	U.S.A.	Representative office	1	USD	Endesa Desarrollo SL	100.00%	92.06%
Endesa Operaciones Y Servicios Comerciales SL	Barcelona	Spain	Services	10,138,580	EUR	Endesa Red SA	100.00%	92.06%
Endesa Power Trading Ltd	London	United Kingdom	Trading	1,000	GBP	Endesa SA	100.00%	92.06%
Endesa Red SA	Barcelona	Spain	Electricity distribution	729,555,911.85	EUR	Endesa SA	100.00%	92.06%
Endesa Servicios SL	Madrid	Spain	Services	89,999,790	EUR	Endesa SA	100.00%	92.06%
Endesa Trading SA	Madrid	Spain	Trading	800,000	EUR	Endesa Desarrollo SL	100.00%	92.06%
Endesa XXI Comercializaçao de Energia Sa	Porto	Portugal	Electricity generation and sale	250,000	EUR	Endesa Energía SA	100.00%	92.06%
Energías de Aragón I SL	Zaragoza	Spain	Electricity transmission, distribution and sales	3,200,000	EUR	Endesa Generación SA	100.00%	92.06%
Enersis SA	Santiago	Chile	Electricity generation and distribution	2,824,882,830,000	CLP	Endesa Latinoamerica SA	60.62%	55.81%
Eólica Fazenda Nova - Generaçao e Comercializaçao de Energia SA	Rio Grande do Norte	Brazil	Wind plants	1,839,000	BRL	Endesa Brasil SA	99.95%	54.84%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Foivos Energiaki SA	Athens	Greece	Electricity generation from renewable resources	2,129	EUR	Delta Energiaki SA	100.00%	41.44%
Gas Aragón SA	Zaragoza	Spain	Gas distribution	5,889,920	EUR	Endesa Gas SAU	60.67%	55.85%
Gas Y Electricidad Generación SAU	Palma de Mallorca	Spain	Electricity generation	213,775,700	EUR	Endesa Generación SA	100.00%	92.06%
Gasificadora Regional Canaria SA	Las Palmas de Gran Canaria	Spain	Gas distribution	238,320	EUR	Endesa Gas SAU	82.20%	75.67%
Generalima SA	Lima	Peru	Holding company	3,060,000	PEN	Endesa Latinoamerica SA	100.00%	92.06%
Generandes Perú SA	Lima	Peru	Holding company	853,429,020	PEN	Empresa Nacional de Electricidad SA	61.00%	20.42%
Gesa Gas SAU	Palma de Mallorca	Spain	Gas distribution	17,128,500	EUR	Endesa Gas SAU	100.00%	92.06%
Green Energy	-	Bulgaria	Electricity generation from renewable resources	5,000	BGN	Endesa Hellas Power Generation and Supplies Société Anonyme	80.00%	36.83%
Guadarranque Solar 4 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Endesa Generación II SA	100.00%	92.06%
Hidroeléctrica de Catalunya SL	Barcelona	Spain	Electricity transmission and distribution	126,210	EUR	Endesa Red SA	100.00%	92.06%
Hidroeléctrica El Chocón SA	Capital Federal	Argentina	Electricity generation and sale	298,584,050	ARS	Empresa Nacional de Electricidad SA Endesa Argentina SA Hidroinvest SA	2.48% 6.19% 59.00%	21.88%
Hidroflamicell SL	Barcelona	Spain	Electricity distribution and sales	78,120	EUR	Hidroeléctrica de Catalunya SL	75.00%	69.05%
Hidroinvest SA	Capital Federal	Argentina	Holding company	55,312,093	ARS	Empresa Nacional de Electricidad SA Endesa Argentina SA	41.94% 54.16%	32.17%
Hydria Energiaki SA	Athens	Greece	Electricity generation from renewable resources	600,000	EUR	Delta Energiaki SA Hydrohoos Energiaki SA	99.00% 1.00%	41.44%
Hydrohoos Energiaki SA	Athens	Greece	Electricity generation from renewable resources	1,500,000	EUR	Delta Energiaki SA	100.00%	41.44%
Ingendesa do Brasil Ltda	Río de Janeiro	Brazil	Design, engineering and consulting	500,000	BRL	Empresa Nacional de Electricidad SA Empresa de Ingeniería Ingendesa SA	1.00% 99.00%	33.47%
Inmobiliaria Manso de Velasco Ltda	Santiago	Chile	Engineering and construction	25,916,800,510	CLP	Enersis SA	100.00%	55.81%
International Endesa BV	-	Netherlands	Holding company	15,882,308	EUR	Endesa SA	100.00%	92.06%
Inversiones Distrilima SA	Lima	Peru	Holding company	287,837,245	PEN	Enersis SA Chilectra SA Endesa Latinoamerica SA	35.02% 30.15% 34.83%	68.28%
Inversiones Endesa Norte SA	Santiago	Chile	Investments in energy projects	92,571,641,874	CLP	Empresa Nacional de Electricidad SA	100.00%	33.47%
Inversora Codensa Ltda U	Bogotá D.C.	Colombia	Electricity transmission and distribution	5,000,000	COP	Codensa SA ESP	100.00%	36.67%
Investluz SA	Fortaleza	Brazil	Holding company	954,620,000	BRL	Endesa Brasil SA Ampla Investimentos e Serviços SA	63.57% 36.43%	34.88%
Joint Venture Fotovoltaiki - Voulgarakis Epe	Athens	Greece	Electricity generation from renewable resources	30,000	EUR	Elliniki Fotovoltaiki SA	70.00%	32.23%
Luz Andes Ltda	Santiago	Chile	Electricity transmission, distribution and sales and fuel	1,224,348	CLP	Chilectra SA Synapsis Soluciones Y Servicios It Ltda	99.90% 0.10%	55.30%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Metka Aiolika Platanoy SA	Athens	Greece	Electricity generation from renewable resources	310,000	EUR	Mytilhnaios Aiolikh Energeiakh Ellados SA Endesa Hellas Power Generation and Supplies Société Anonyme	99.00% 1.00%	36.92%
Mikroi Hydroelektrikoi Stathmoi Peloponnisou SA	Athens	Greece	Electricity generation from renewable resources	2,100,000	EUR	Delta Energiaki SA	100.00%	41.44%
Minas de Estercuel SA	Madrid	Spain	Mineral deposits	93,160	EUR	Minas Gargallo SL	99.65%	91.66%
Minas Gargallo SL	Madrid	Spain	Mineral deposits	150,000	EUR	Endesa Generación SA	99.91%	91.98%
Minas Y Ferrocarril de Utrillas SA	Barcelona	Spain	Mineral deposits	3,850,320	EUR	Endesa Generación SA	100.00%	92.06%
Myhs Kastaniotiko SA	Athens	Greece	Electricity generation from renewable resources	2,560,000	EUR	Endesa Hellas Power Generation and Supplies Société Anonyme Delta Energiaki SA	45.90% 54.10%	43.55%
Myhs Pougakia SA	Athens	Greece	Electricity generation from renewable resources	1,200,000	EUR	Endesa Hellas Power Generation and Supplies Société Anonyme Delta Energiaki SA	51.00% 49.00%	43.78%
Mytilhnaios Aioliki Energeiakh Ellados SA	Athens	Greece	Electricity generation from renewable resources	4,167,000	EUR	Endesa Hellas Power Generation and Supplies Société Anonyme	80.00%	36.83%
Mytilhnaios Aioliki Neapoleos SA	Athens	Greece	Electricity generation from renewable resources	170,000	EUR	Mytilhnaios Aiolikh Energeiakh Ellados SA Endesa Hellas Power Generation and Supplies Société Anonyme	99.00% 1.00%	36.92%
Nubia 2000 SL	Madrid	Spain	Electricity generation	3,000	EUR	Endesa SA	100.00%	92.06%
Nueva Compañía de Distribución Eléctrica 4 SL	Madrid	Spain	Electricity generation	3,000	EUR	Endesa SA	100.00%	92.06%
Nueva Marina Real Estate SL	Madrid	Spain	Real estate	3,200	EUR	Endesa SA	60.00%	55.24%
Pereda Power SL	La Pereda (Mieres)	Spain	Development of generation activities	5,000	EUR	Endesa Generación II SA	70.00%	64.44%
Sociedad Agrícola de Cameros Ltda	Santiago	Chile	Financial investment	5,738,046,495	CLP	Inmobiliaria Manso de Velasco Ltda	57.50%	32.09%
Sociedad Concesionaria Túnel el Melón SA	Santiago	Chile	Engineering	46,709,460,176	CLP	Empresa Nacional de Electricidad SA Endesa Inversiones Generales SA	99.99% 0.01%	33.47%
Sociedad Inversora Dock Sud SA	Capital Federal	Argentina	Holding company	241,490,000	ARS	Endesa Latinoamerica SA	57.14%	52.60%
Southern Cone Power Argentina SA	Capital Federal	Argentina	Holding company	19,870,000	ARS	Empresa Nacional de Electricidad SA Endesa Inversiones Generales SA	98.03% 1.97%	33.47%
Spider Energeiakh SA	Athens	Greece	Electricity generation from renewable resources	1,150,000	EUR	Endesa Hellas Power Generation and Supplies Société Anonyme	100.00%	46.04%
Suministro de Luz Y Fuerza SL	Torroella de Montgri (Girona)	Spain	Electricity distribution	2,800,000	EUR	Hidroeléctrica de Catalunya SL	60.00%	55.24%
Synapsis Argentina Ltda	Buenos Aires	Argentina	IT services	466,129	ARS	Synapsis Soluciones Y Servicios It Ltda Enersis SA	95.00% 5.00%	55.81%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Synapsis Brasil Ltda	Río de Janeiro	Brazil	IT services	4,241,890	BRL	Synapsis Soluciones Y Servicios It Ltda Synapsis Argentina Ltda	0.05% 99.95%	55.81%
Synapsis Colombia Ltda	Bogotá D.C.	Colombia	IT services	238,450,000	COP	Enersis SA Synapsis Brasil Ltda Synapsis Soluciones Y Servicios It Ltda Synapsis Argentina Ltda	0.20% 2.40% 94.90% 2.50%	54.41%
Synapsis Perú Ltda	Lima	Peru	IT services	609,200	PEN	Synapsis Soluciones Y Servicios It Ltda	100.00%	55.81%
Synapsis Soluciones Y Servicios It Ltda	Santiago	Chile	IT services	3,943,579,923	CLP	Enersis SA Chilectra SA	99.99% 0.01%	55.81%
Thessaliki Energiaki SA	Athens	Greece	Electricity generation from renewable resources	1,200,000	EUR	Delta Energiaki SA	100.00%	41.44%
Transportadora de Energía SA	Capital Federal	Argentina	Electricity generation, transmission and distribution	55,512,000	ARS	Compañía de Interconexión Energética SA	100.00%	54.87%
Transportes Y Distribuciones Eléctricas SA	Olot (Girona)	Spain	Electricity transmission	72,120	EUR	Endesa Distribución Eléctrica SL	73.33%	67.51%
Transportista Regional de Gas SA	Medina del Campo (Valladolid)	Spain	Natural gas transport	5,748,260	EUR	Endesa Gas SAU Endesa Gas Transportista SLU	50.00% 50.00%	92.06%
Triema SA	Capital Federal	Argentina	Marketing of commercial management systems	-	ARS	Endesa Servicios SL	55.00%	50.63%
Unión Eléctrica de Canarias Generación SAU	Las Palmas de Gran Canaria	Spain	Electricity generation	190,171,520	EUR	Endesa Generación SA	100.00%	92.06%
YHS Peponia S SA	Athens	Greece	Electricity generation from renewable resources	400,000	EUR	Delta Energiaki SA	62.50%	25.90%

Enel SpA companies consolidated on a proportionate basis at June 30, 2010

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Parent company:								
Enel SpA	**Rome**	**Italy**	**Holding company**	**9,403,357,795**	**EUR**	**-**	**-**	**-**
Subsidiaries:								
Adria Link Srl	Gorizia	Italy	Design, construction and operation of merchant lines	150,000	EUR	Enel Produzione SpA	33.33%	33.33%
Artic Russia BV (formerly Eni Russia BV)	Amsterdam	Netherlands	Holding company	100,000	EUR	Enel Investment Holding BV	40.00%	40.00%
Enel Stoccaggi Srl	Rome	Italy	Construction and operation of storage fields, storage of natural gas	2,030,000	EUR	Enel Trade SpA	51.00%	51.00%
Sviluppo Nucleare Italia Srl	Rome	Italy	Development, construction and operation of EPR nuclear reactors	200,000	EUR	Enel SpA	50.00%	50.00%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Parent company:								
Res Holdings BV	**Amsterdam**	**Netherlands**	**Holding company**	**18,000**	**EUR**	**Enel Investment Holding BV**	**49.50%**	**49.50%**
Subsidiaries:								
Lipetskenergosbyt LLC	Lipetskaya Oblast	Russian Federation	Electricity sales	7,500	RUB	Res Holdings BV	75.00%	37.13%
Res Holdings BV	Amsterdam	Netherlands	Holding company	18,000	EUR	Enel Investment Holding BV	49.50%	49.50%
Rusenergosbyt LLC	Moscow	Russian Federation	Electricity trading	2,760,000	RUB	Res Holdings BV	100.00%	49.50%
Rusenergosbyt Siberia LLC	Krasnoyarskiy Kray	Russian Federation	Electricity sales	4,600	RUB	Res Holdings BV	50.00%	24.75%
Rusenergosbyt S LLC	Khanty-Mansiyskiy	Russian Federation	Electricity sales	5,100	RUB	Res Holdings BV	51.00%	25.25%

Enel Green Power SpA companies consolidated on a proportionate basis at June 30, 2010

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Parent company:								
Enel Green Power SpA	Rome	Italy	Electricity generation from renewable resources	600,000,000	EUR	Enel SpA	100.00%	100.00%
Subsidiaries:								
Andaluza de Energía Solar Primera SL	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Energías Especiales de Andalucía SL	76.00%	36.79%
Andaluza de Energía Solar Tercera SL	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Energías Especiales de Andalucía SL	75.00%	36.31%
Andaluza de Energía Solar Cuarta SL	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Energías Especiales de Andalucía SL	76.00%	36.79%
Andaluza de Energía Solar Quinta SL	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Energías Especiales de Andalucía SL	75.00%	36.31%
Aprovechamientos Eléctricos SA	Madrid	Spain	Electricity generation from renewable resources	420,705.4	EUR	Enel Unión Fenosa Renovables SA	100.00%	48.41%
Aridos Energías Especiales SL	Villalbilla	Spain	Electricity generation from renewable resources	600,000	EUR	Enel Unión Fenosa Renovables SA	41.05%	19.87%
Atelgen - Produção de Energia ACE	Barcelos	Portugal	Electricity generation	-	-	TP - Sociedade Térmica Portuguesa SA	51.00%	24.69%
Azucarera Energías SA	Madrid	Spain	Electricity generation from renewable resources	570,600	EUR	Enel Unión Fenosa Renovables SA	40.00%	19.36%
Barbao SA	Madrid	Spain	Electricity generation from renewable resources	284,878.74	EUR	Enel Unión Fenosa Renovables SA	100.00%	48.41%
Boiro Energía SA	Boiro	Spain	Electricity generation from renewable resources	601,010	EUR	Enel Unión Fenosa Renovables SA	40.00%	19.36%
Campos - Recursos Energéticos ACE	Barroselas	Portugal	Electricity generation	-	-	TP - Sociedade Térmica Portuguesa SA	95.00%	45.99%
Cogeneracion Del Noroeste SL	Santiago de Compostela	Spain	Electricity generation from renewable resources	3,606,000	EUR	Enel Unión Fenosa Renovables SA	40.00%	19.36%
Colina - Produção de Energia Eléctrica Lda	Lisbon	Portugal	Electricity generation	5,486.78	EUR	Parque Eólico Do Moinho Do Céu SA PP - Co-Geração SA	90.00% 10.00%	48.41%
Companhia Térmica do Beato ACE	Lisbon	Portugal	Electricity generation	-	-	TP - Sociedade Térmica Portuguesa SA	65.00%	31.47%
Companhia Térmica do Serrado ACE	Paços de Brandão	Portugal	Electricity generation	-	-	TP - Sociedade Térmica Portuguesa SA	51.00%	24.69%
Companhia Térmica Hectare ACE	Alcochete	Portugal	Electricity generation	-	-	TP - Sociedade Térmica Portuguesa SA	60.00%	29.05%
Companhia Térmica Lusol ACE	Barreiro	Portugal	Electricity generation	-	-	TP - Sociedade Térmica Portuguesa SA	95.00%	45.99%
Companhia Térmica Oliveira Ferreira ACE	Riba de Ave	Portugal	Electricity generation	-	-	TP - Sociedade Térmica Portuguesa SA	95.00%	45.99%
Companhia Térmica Ponte da Pedra ACE	Maia	Portugal	Electricity generation	-	-	TP - Sociedade Térmica Portuguesa SA	95.00%	45.99%
Companhia Térmica Ribeira Velha ACE	S. Paio de Oleiros	Portugal	Electricity generation	-	-	TP - Sociedade Térmica Portuguesa SA PP - CO-Geração SA	51.00% 49.00%	48.41%
Companhia Térmica Tagol Lda	Algés	Portugal	Electricity generation	5,000	EUR	TP - Sociedade Térmica Portuguesa SA	95.00%	45.99%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Concentrasolar SL	Seville	Spain	Photovoltaic plants	10,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	50.00%	48.41%
Confirel AIE	Girona	Spain	Cogeneration of electricity and heat	30,050	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	50.00%	48.41%
Consorcio Eólico Marino Cabo de Trafalgar SL	Cádiz	Spain	Wind plants	200,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	50.00%	48.41%
Depuracion Destilacion Reciclaje SL	Boiro	Spain	Electricity generation from renewable resources	600,000	EUR	Enel Unión Fenosa Renovables SA	40.00%	19.36%
Eevm - Empreendimentos Eólicos Vale do Minho SA	Porto	Portugal	Electricity generation from renewable resources	200,000	EUR	EOL Verde Energia Eólica SA	50.00%	36.31%
Empreendimentos Eólicos da Serra do Sicó SA	Porto	Portugal	Electricity generation from renewable resources	50,000	EUR	TP - Sociedade Térmica Portuguesa SA	52.38%	25.36%
Empreendimentos Eólicos de Alvadia Lda	Porto	Portugal	Electricity generation from renewable resources	1,150,000	EUR	Finerge - Gestao de Projectos Energéticos SA	48.00%	46.48%
Empreendimientos Eólicos Cerveirenses SA	Vila Nova de Cerveira	Portugal	Electricity generation from renewable resources	50,000	EUR	EEVM - Empreendimentos Eólicos Vale do Minho SA	84.99%	30.86%
Empreendimientos Eólicos da Espiga SA	Caminha	Portugal	Electricity generation from renewable resources	50,000	EUR	EEVM - Empreendimentos Eólicos Vale do Minho SA	100.00%	36.31%
Enel Unión Fenosa Renovables SA	Madrid	Spain	Electricity generation from renewable resources	32,505,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	50.00%	48.41%
Enercor - Produção de Energia ACE	Montijo	Portugal	Electricity generation	-	-	TP - Sociedade Térmica Portuguesa SA	70.00%	33.89%
Energética de Rosselló AIE	Barcelona	Spain	Cogeneration of electricity and heat	3,606,060	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	27.00%	26.14%
Energía Termosolar de los Monegros SL	Zaragoza	Spain	Electricity generation from renewable resources	400,000	EUR	Enel Unión Fenosa Renovables SA	80.00%	38.73%
Energías Alternativas del Sur SL	Las Palmas de Gran Canaria	Spain	Electricity generation from renewable resources	301,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	50.00%	48.41%
Energías Ambientales de Somozas SA	La Coruña	Spain	Electricity generation from renewable resources	1,250,000	EUR	Enel Unión Fenosa Renovables SA Energías Ambientales EASA SA	19.40% 77.60%	21.92%
Energías Ambientales EASA SA	La Coruña	Spain	Electricity generation from renewable resources	15,491,460	EUR	Enel Unión Fenosa Renovables SA	33.34%	16.14%
Energías Ambientales Novo SA	Madrid	Spain	Electricity generation from renewable resources	1,480,000	EUR	Energías Ambientales EASA SA	33.30%	5.37%
Energías Ambientales Vimianzo SA	Madrid	Spain	Electricity generation from renewable resources	106,864	EUR	Energías Ambientales EASA SA	33.30%	5.37%
Energías Especiales Alcoholeras SA	Madrid	Spain	Electricity generation from renewable resources	232,002	EUR	Enel Unión Fenosa Renovables SA	82.33%	39.86%
Energías Especiales de Andalucía SL	Seville	Spain	Electricity generation from renewable resources	20,000	EUR	EUFER Renovables Ibéricas 2004 SA	100.00%	48.41%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Energías Especiales de Belmonte SA	Madrid	Spain	Electricity generation from renewable resources	120,400	EUR	Enel Unión Fenosa Renovables SA	50.16%	24.28%
Energías Especiales de Careon SA	La Coruña	Spain	Electricity generation from renewable resources	270,450	EUR	Enel Unión Fenosa Renovables SA	77.00%	37.28%
Energías Especiales de Extremadura SL	Badajoz	Spain	Electricity generation from renewable resources	6,000	EUR	Enel Unión Fenosa Renovables SA	88.34%	42.77%
Energías Especiales de Gata SL	Badajoz	Spain	Electricity generation	3,100	EUR	Enel Unión Fenosa Renovables SA	100.00%	48.41%
Energías Especiales de Padul SL	Madrid	Spain	Electricity generation	3,100	EUR	Enel Unión Fenosa Renovables SA	100.00%	48.41%
Energías Especiales de Pena Armada SA	Madrid	Spain	Electricity generation from renewable resources	963,300	EUR	Enel Unión Fenosa Renovables SA	80.00%	38.73%
Energías Especiales del Alto Ulla SA	Madrid	Spain	Electricity generation from renewable resources	1,722,600	EUR	Enel Unión Fenosa Renovables SA	100.00%	48.41%
Energías Especiales del Bierzo SA	Torre del Bierzo	Spain	Electricity generation from renewable resources	1,635,000	EUR	Enel Unión Fenosa Renovables SA	50.00%	24.21%
Energías Especiales del Noroeste SA	Madrid	Spain	Electricity generation from renewable resources	6,812,040	EUR	Enel Unión Fenosa Renovables SA	100.00%	48.41%
Energías Especiales Montes Castellanos SL	Madrid	Spain	Electricity generation from renewable resources	6,241,000	EUR	Enel Unión Fenosa Renovables SA	100.00%	48.41%
Energías Especiales Montes de Andalucĺa SL	Seville	Spain	Electricity generation from renewable resources	3,100	EUR	Enel Unión Fenosa Renovables SA	100.00%	48.41%
Energías Especiales Santa Barbara SL	Badajoz	Spain	Electricity generation	3,100	EUR	Enel Unión Fenosa Renovables SA	100.00%	48.41%
Energías Especiales Valencianas SL	Valencia	Spain	Electricity generation from renewable resources	60,000	EUR	Enel Unión Fenosa Renovables SA	100.00%	48.41%
Energias Renovables Montes de San Sebastián SL	Madrid	Spain	Electricity generation from renewable resources	1,305,000	EUR	Enel Unión Fenosa Renovables SA	100.00%	48.41%
Eólica Del Cordal de Montouto SL	Madrid	Spain	Electricity generation from renewable resources	160,000	EUR	Enel Unión Fenosa Renovables SA	100.00%	48.41%
Eólica El Molar SL	Fuente Alamo	Spain	Electricity generation from renewable resources	1,235,300	EUR	Enel Unión Fenosa Renovables SA	100.00%	48.41%
Eólica Galaociasturiana SA	La Coruña	Spain	Electricity generation from renewable resources	64,999	EUR	Enel Unión Fenosa Renovables SA	100.00%	48.41%
Eólicas de la Patagonia SA	Buenos Aires	Argentina	Electricity generation from renewable resources	480,930	ARS	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	50.00%	48.41%
Eólicas de Tenerife AIE	Santa Cruz de Tenerife	Spain	Electricity generation from renewable resources	210,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	50.00%	48.41%
Ercasa Cogeneración SA	Zaragoza	Spain	Cogeneration of electricity and heat	601,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	50.00%	48.41%
Erfei AIE	Tarragona	Spain	Cogeneration of electricity and heat	720,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	42.00%	40.67%
EUFER - Caetano Energias Renovaveis Lda	Lapa (Lisbon)	Portugal	Electricity generation from renewable resources	5,010	EUR	EUFER - Energias Especiais de Portugal Unipessoal Lda	51.00%	24.69%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
EUFER - Energias Especiais de Portugal Unipessoal Lda	Lapa (Lisbon)	Portugal	Electricity generation from renewable resources	5,000	EUR	Enel Unión Fenosa Renovables SA	100.00%	48.41%
EUFER Operación SL (formerly EUFER Comercializadora SL)	Madrid	Spain	Electricity generation from renewable resources	60,000	EUR	Enel Unión Fenosa Renovables SA	100.00%	48.41%
EUFER Renovables Ibéricas 2004 SA	Madrid	Spain	Electricity generation from renewable resources	15,653,000	EUR	Enel Unión Fenosa Renovables SA	100.00%	48.41%
Eurohueco Cogeneración AIE	Barcelona	Spain	Cogeneration of electricity and heat	2,606,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	30.00%	29.05%
Explotaciones Eólicas de Aldehuelas SL	Oviedo	Spain	Electricity generation from renewable resources	480,800	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	47.50%	45.99%
Fábrica Do Arco Recursos Energéticos SA	Santo Tirso	Portugal	Electricity generation	500,000	EUR	Finerge - Gestao de Projectos Energéticos SA	50.00%	48.41%
Gallega de Cogeneración SA	Santiago de Compostela	Spain	Electricity generation from renewable resources	1,803,000	EUR	Enel Unión Fenosa Renovables SA	40.00%	19.36%
Hídricas de Viseu SA	Maia	Portugal	Hydroelectric plants	986,000	EUR	TP - Sociedade Térmica Portuguesa SA Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	67.00% 33.00%	64.39%
Hidroribeira - Emp. Hidricos e Eólicos Lda	Paço de Arcos	Portugal	Electricity generation from renewable resources	7,482	EUR	Parque Eólico do Moinho do Céu SA	100.00%	48.41%
Infraestructuras de Aldehuelas SA	Soria	Spain	Construction, operation and maintenance of electrical stations	425,000	EUR	Explotaciones Eólicas de Aldehuelas SL	60.82%	27.97%
Martinez y Lanza SA	Bajo León	Spain	Electricity generation from renewable resources	60,101	EUR	Enel Unión Fenosa Renovables SA	80.00%	38.73%
Parque Eólico A. Capelada AIE	La Coruña	Spain	Electricity generation from renewable resources	2,929,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	50.00%	48.41%
Parque Eólico Cabo Villano SL	Madrid	Spain	Electricity generation from renewable resources	6,625,792.44	EUR	Enel Unión Fenosa Renovables SA	100.00%	48.41%
Parque Eólico Corullón SL	Madrid	Spain	Electricity generation from renewable resources	60,000	EUR	Enel Unión Fenosa Renovables SA	100.00%	48.41%
Parque Eolico de Belmonte SA	Madrid	Spain	Electricity generation from renewable resources	120,400	EUR	Barbao SA	50.16%	24.28%
Parque Eólico de Malpica SA	La Coruña	Spain	Electricity generation from renewable resources	950,000	EUR	Enel Unión Fenosa Renovables SA	35.42%	17.15%
Parque Eólico de Padul SA	Madrid	Spain	Electricity generation from renewable resources	240,000	EUR	Enel Unión Fenosa Renovables SA	100.00%	48.41%
Parque Eólico de San Andrés SA	La Coruña	Spain	Electricity generation from renewable resources	552,920	EUR	Enel Unión Fenosa Renovables SA	82.00%	39.70%
Parque Eólico do Moinho do Céu SA	Porto	Portugal	Electricity generation from renewable resources	50,000	EUR	TP - Sociedade Térmica Portuguesa SA	100.00%	48.41%
Parque Eólico Espina SA	Madrid	Spain	Electricity generation from renewable resources	3,200	EUR	Parque Eólico de Padul SA	100.00%	48.41%
Parque Eólico Sierra del Merengue SL	Cáceres	Spain	Electricity generation from renewable resources	30,000	EUR	Enel Unión Fenosa Renovables SA	50.00%	24.21%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
PP - Co-Geração SA	S. Paio de Oleiros	Portugal	Cogeneration of electricity and heat	50,000	EUR	TP - Sociedade Térmica Portuguesa SA	100.00%	48.41%
Prius Enerólica SL	Madrid	Spain	Electricity generation from renewable resources	3,600	EUR	Enel Unión Fenosa Renovables SA	100.00%	48.41%
Promociones Energeticas del Bierzo SL	Ponferrada	Spain	Electricity generation from renewable resources	12,020	EUR	Enel Unión Fenosa Renovables SA	50.00%	24.21%
Proyectos Universitarios de Energías Renovables SL	Alicante	Spain	Electricity generation from renewable resources	180,000	EUR	Enel Unión Fenosa Renovables SA	33.33%	16.14%
Punta de las Olas Eólica Marina SL	La Coruña	Spain	Electricity generation from renewable resources	3,100	EUR	Enel Unión Fenosa Renovables SA	100.00%	48.41%
Punta de Lens Eólica Marina SL	La Coruña	Spain	Electricity generation from renewable resources	3,100	EUR	Enel Unión Fenosa Renovables SA	100.00%	48.41%
Salto de San Rafael SL	Seville	Spain	Hydroelectric plants	461,410	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	50.00%	48.41%
Sistemas Energeticos Mañón Ortigueira SA	La Coruña	Spain	Electricity generation from renewable resources	4,507,500	EUR	Enel Unión Fenosa Renovables SA	96.00%	46.48%
Sociedad Eólica El Puntal SL	Seville	Spain	Electricity generation from renewable resources	1,643,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	50.00%	48.41%
Sociedad Eólica L'Enderrocada SA	Barcelona	Spain	Electricity generation from renewable resources	920,219	EUR	Energias Ambientales EASA SA	26.66%	4.30%
Sociedad Eólica Los Lances SA	Cádiz	Spain	Electricity generation from renewable resources	1,202,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	50.00%	48.41%
Soternix - Produção de Energia Ace	Barcelos	Portugal	Electricity generation	-	-	TP - Sociedade Térmica Portuguesa SA	51.00%	24.69%
Toledo Pv AEIE	Madrid	Spain	Photovoltaic plants	26,890	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	33.33%	32.27%
TP - Sociedade Térmica Portuguesa SA	Lisbon	Portugal	Cogeneration of electricity and heat	3,750,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	50.00%	48.41%
Ufefys SL	Aranjuez	Spain	Electricity generation from renewable resources	2,373,950	EUR	Enel Unión Fenosa Renovables SA	40.00%	19.36%
Ute Biogas Garraf UTE	Barcelona	Spain	Electricity generation con biogas	3,010	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	50.00%	48.41%
Ventominho Energias Renovaveis SA	Esposende	Portugal	Electricity generation from renewable resources	50,000	EUR	EEVM - Empreendimentos Eólicos Vale Do Minho SA	84.99%	30.86%
Vientos del Noroeste SA	Bajo León	Spain	Electricity generation from renewable resources	60,101.21	EUR	Enel Unión Fenosa Renovables SA	99.70%	48.27%

Endesa companies consolidated on a proportionate basis at June 30, 2010

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Parent company:								
Endesa SA	**Madrid**	**Spain**	**Holding company**	**1,270,502,540**	**EUR**	**Enel Energy Europe SL**	**92.06%**	**92.06%**
Subsidiaries:								
Aquilae Solar SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Asociación Nuclear Ascó-Vandellós II AIE	Tarragona	Spain	Management and maintenance of power plants	19,232,400	EUR	Endesa Generación SA	85.41%	78.63%
Atacama Finance Co.	-	Cayman Islands	Holding company	6,300,000	USD	Inversiones Gas Atacama Holding Ltda Gas Atacama SA	99.90% 0.10%	16.74%
Aysén Transmisión SA	Santiago	Chile	-	24,157,440	CLP	Empresa Nacional de Electricidad SA Centrales Hidroeléctricas de Aysén SA	0.51% 99.00%	17.07%
Carbopego - Abastecimientos e Combustiveis SA	Abrantes	Portugal	Fuel supply	50,000	EUR	Endesa Generación SA Endesa Generación Portugal SA	49.99% 0.01%	46.03%
Cefeidas Desarrollo Solar SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Centrales Hidroeléctricas de Aysén SA	Santiago	Chile	Design	72,916,665,182	CLP	Empresa Nacional de Electricidad SA	51.00%	17.07%
Cephei Desarrollo Solar SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Comercializadora Eléctrica de Cádiz SA	Cádiz	Spain	Electricity generation and sale	600,000	EUR	Suministradora Eléctrica de Cádiz SA	100.00%	30.84%
Consorcio Ara-Ingendesa Ltda	Santiago	Chile	Design and consulting services	1,000,000	CLP	Empresa de Ingeniería Ingendesa SA	50.00%	16.74%
Consorcio Ingendesa-Minmetal Ltda	Santiago	Chile	Engineering services	2,000,000	CLP	Empresa de Ingeniería Ingendesa SA	50.00%	16.74%
Construcciones, Rehabilitaciones y Acabados SA - Endesa Ingeniería SLU UTE	Santander	Spain	Photovoltaic plants	100,000	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Construcciones, Rehabilitaciones y Acabados SA - Endesa Ingeniería SLU 2 UTE	Santander	Spain	Photovoltaic plants	100,000	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Construcciones, Rehabilitaciones y Acabados SA - Endesa Ingeniería SLU 3 UTE	Santander	Spain	Photovoltaic plants	100,000	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Desarrollo Photosolar SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Distribución y Comercialización de Gas Extremadura Dicogexsa SA	Badajoz	Spain	Gas distribution	21,632,400	EUR	Endesa Gas SAU	47.00%	43.27%
Distribuidora Eléctrica de Cundimarca SA Esp	Bogotá D.C.	Colombia	Electricity distribution and sales	1,000,000	COP	Codensa SA ESP	49.00%	17.97%
Elecgas SA	Santarem (Pego)	Portugal	Combined-cycle generation	50,000	EUR	Endesa Generación Portugal SA	50.00%	46.05%
Eléctrica de Lijar SL	Cádiz	Spain	Electricity transmission and distribution	1,081,820	EUR	Endesa Red SA	50.00%	46.03%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Electricidad de Puerto Real SA	Cádiz	Spain	Electricity distribution and supply	6,611,110	EUR	Endesa Distribución Eléctrica SL	50.00%	46.03%
Empresa de Energía Cundinamarca SA Esp	Bogotá D.L.C.	Colombia	Electricity distribution and sales	39,699,630,000	COP	Distribuidora Eléctrica de Cundimarca SA Esp	82.34%	14.80%
Endesa Ingeniería SL - Laxtron Energías Renovables SL UTE	Las Palmas de Gran Canaria	Spain	Engineering and consulting services	3,100	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Endesa Ingeniería SLU - Etime Seguridad SA UTE	Madrid	Spain	Safety systems	10,000	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Endesa Ingeniería SLU - Indra Sistemas SA UTE	Seville	Spain	IT services	1,000	EUR	Endesa Ingeniería SLU	51.00%	46.95%
Energex Co.	Isole Cayman	Isole Cayman	Holding company	10,000	USD	Gas Atacama Chile SA	100.00%	16.74%
Energie Electrique de Tahaddart SA	Tangeri	Morocco	Combined-cycle generation plant	750,400,000	DAM	Endesa Desarrollo SL	32.00%	29.46%
EPRESA Energía SA	Cádiz	Spain	Electricity generation and distribution	1,600,000	EUR	Electricidad de Puerto Real SA	100.00%	46.03%
Fotovoltaica Insular SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Gas Atacama Chile SA	Santiago	Chile	Electricity generation	185,025,186	USD	Gas Atacama SA Inversiones Endesa Norte SA	99.90% 0.05%	16.74%
Gas Atacama SA	Santiago	Chile	Holding company	291,484,088	USD	Inversiones Gas Atacama Holding Ltda	100.00%	16.74%
Gas Extremadura Transportista SL	Badajoz	Spain	Gas transport and storage	5,000,000	EUR	Endesa Gas Transportista SLU	40.00%	36.82%
Gasoducto Atacama Argentina SA	Santiago	Chile	Natural gas transport	208,173,124	USD	Gas Atacama SA Inversiones Endesa Norte SA Energex Co.	57.23% 0.03% 42.71%	16.74%
Gasoducto Atacama Argentina SA Sucursal Argentina	Buenos Aires	Argentina	Natural gas transport	-	-	Gasoducto Atacama Argentina SA	100.00%	16.74%
Gasoducto Taltal SA	Santiago	Chile	Natural gas transport	17,141,400,000	CLP	Gasoducto Atacama Argentina SA Gas Atacama Chile SA	0.12% 99.88%	16.74%
Hispano-Helliniki Aioliki Trikorfa SA	Athens	Greece	Electricity generation and trading	60,000	EUR	Spider Energeiakh SA	50.00%	23.02%
Hospital Juan Ramón Jiménez UTE	Madrid	Spain	Solar generation	6,000	EUR	Endesa Energía SA	50.00%	46.03%
Iniciativas de Gas SL	Madrid	Spain	Natural gas and related services	1,300,010	EUR	Endesa Generación SA	40.00%	36.82%
Instalaciones Inabensa SA - Endesa Ingeniería SLU UTE	Seville	Spain	Electricity services	-	-	Endesa Ingeniería SLU	50.00%	46.03%
Inversiones Gas Atacama Holding Ltda	Santiago	Chile	Natural gas transport	333,520,000	USD	Inversiones Endesa Norte SA	50.00%	16.74%
Makrinoros Société Anonyme	Athens	Greece	Electricity generation and trading	60,000	EUR	Spider Energeiakh SA	50.00%	23.02%
Medidas Ambientales SL	Medina de Pomar (Burgos)	Spain	Environmental studies	60,100	EUR	Nuclenor SA	50.00%	23.02%
Nuclenor SA	Burgos	Spain	Nuclear plant	102,000,000	EUR	Endesa Generación SA	50.00%	46.03%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Parque Fotovoltaico Aricoute I SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Aricoute II SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Aricoute III SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Aricoute IV SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Aricoute V SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Aricoute VI SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Aricoute VII SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Aricoute VIII SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Aricoute IX SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Aricoute X SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Aricoute XI SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Bajio I SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Bajio II SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Bajio III SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Bajio IV SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Bajio V SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Bajio VI SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Bajio VII SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Bajio VIII SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Bajio IX SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Bajio X SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Bajio XI SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico El Guanche I SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico El Guanche II SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico El Guanche III SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico El Guanche IV SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Parque Fotovoltaico El Guanche V SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico El Guanche VI SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico El Guanche VII SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico El Guanche VIII SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico El Guanche IX SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico El Guanche X SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico El Guanche XI SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Llano Delgado I SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Llano Delgado II SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Llano Delgado III SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Llano Delgado IV SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Llano Delgado V SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Llano Delgado VI SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Llano Delgado VII SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Llano Delgado VIII SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Llano Delgado IX SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Llano Delgado X SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Llano Delgado XI SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Tablero I SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Tablero II SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Tablero III SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Tablero IV SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Tablero V SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Tablero VI SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Tablero VII SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Tablero VIII SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Parque Fotovoltaico Tablero IX SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Tablero X SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Parque Fotovoltaico Tablero XI SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Pegop - Energía Eléctrica SA	Abrantes	Portugal	Electricity generation	50,000	EUR	Endesa Generación SA	50.00%	46.03%
Planta de Regasificación de Sagunto SA	Madrid	Spain	Sale of gas and fuel	1,500,000	EUR	Iniciativas de Gas SL	50.00%	18.41%
Progas SA	Santiago	Chile	Gas distribution	1,404,000	CLP	Gas Atacama SA Gas Atacama Chile SA	0.10% 99.90%	16.74%
Sacme SA	Capital Federal	Argentina	Monitoring of electricity system	12,000	ARS	Empresa Distribuidora Sur SA	50.00%	21.21%
SAT 357-05 Acevedo Reid S. Agraria de Transformación - Endesa Ingeniería SLU UTE.	Santa Cruz de Tenerife	Spain	Photovoltaic plants	3,000	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Sociedad Consorcio Ingendesa-Ara Limitada	Santiago	Chile	Engineering services	1,000,000	CLP	Empresa de Ingeniería Ingendesa SA	50.00%	16.74%
Sodesa - Comercializaçao de Energia Electrica SA	Porto	Portugal	Electricity distribution and services	750,000	EUR	Endesa Energía SA	50.00%	46.03%
Sol de Media Noche Fotovoltaica SL	Las Palmas de Gran Canaria	Spain	Photovoltaic plants	3,008	EUR	Endesa Ingeniería SLU	50.00%	46.03%
Suministradora Eléctrica de Cádiz SA	Cádiz	Spain	Electricity distribution and supply	12,020,000	EUR	Endesa Distribución Eléctrica SL	33.50%	30.84%
Tejo Energía, Produçao e Distribuçao de Energia Electrica SA	Paço d'Arcos	Portugal	Electricity generation, transmission and distribution	5,025,000	EUR	Endesa Generación SA	38.89%	35.80%
Transmisora Eléctrica de Quillota Ltda	Santiago	Chile	Electricity transmission and distribution	2,202,223	CLP	Compañía Eléctrica San Isidro SA	50.00%	16.74%

Associated companies accounted for using the equity method at June 30, 2010

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Alpe Adria Energia SpA	Udine	Italy	Engineering, construction and management of interconnection power lines	450,000	EUR	Enel Produzione SpA	40.50%	40.50%
CESI - Centro Elettrotecnico Sperimentale Italiano Giacinto Motta SpA	Milan	Italy	Research and testing	8,550,000	EUR	Enel SpA	25.92%	25.92%
Chladiace veže Bohunice spol. Sro	Bohunice	Slovakia	Engineering and construction	16,598	EUR	Slovenské elektrárne AS	35.00%	23.10%
Compagnia Porto di Civitavecchia SpA	Rome	Italy	Construction of port infrastructure	20,516,000	EUR	Enel Produzione SpA	25.00%	25.00%
Enel Rete Gas SpA	Milan	Italy	Gas distribution	54,139,160	EUR	Enel Distribuzione SpA	19.88%	19.88%
Idrosicilia SpA	Milan	Italy	Water sector	22,520,000	EUR	Enel SpA	40.00%	40.00%
Reaktortest Sro	Trnava	Slovakia	Nuclear power research	66,389	EUR	Slovenské elektrárne AS	49.00%	32.34%
SIET - Società Informazioni Esperienze Termoidrauliche SpA	Piacenza	Italy	Studies, design and research in thermal generation	697,820	EUR	Enel.NewHydro Srl	41.55%	41.55%
Ústav jaderného výzkumu Řež a.s.	Řež	Czech Republic	Nuclear power research and development	524,139,000	CZK	Slovenské elektrárne AS	27.77%	18.33%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Endesa SA:								
Central Térmica de Anllares AIE	Madrid	Spain	Management of thermal plants	595,000	EUR	Endesa Generación SA	33.33%	30.68%
Centrales Nucleares Almaraz-Trillo AIE	Madrid	Spain	Management of nuclear plants	-	-	Endesa Generación SA Nuclenor SA	23.57% 0.69%	22.02%
Compañía Transportista de Gas de Canarias SA	Las Palmas de Gran Canaria	Spain	Natural gas transport	1,907,000	EUR	Unión Eléctrica de Canarias Generación SAU	47.18%	43.43%
Consorcio Ara-Ingendesa Sener Ltda	Santiago	Chile	Progettazione e servizi di consulenza	1,000,000	CLP	Empresa de Ingeniería Ingendesa SA	33.33%	11.16%
Detelca UTE	Las Palmas de Gran Canaria	Spain	Engineering and construction	6,000	EUR	Endesa SA	19.00%	17.49%
Elcogas SA	Puertollano	Spain	Electricity generation	38,162,420	EUR	Endesa Generación SA	40.87%	37.62%
Eléctrica de Jafre SA	Girona	Spain	Electricity distribution and sales	165,880	EUR	Hidroeléctrica de Catalunya SL	47.46%	43.69%
Electron Watt SA	Athens	Greece	Electricity generation from renewable resources	60,000	EUR	Endesa Hellas Power Generation and Supplies Société Anonyme	10.00%	4.60%
Ensafeca Holding Empresarial SL	Barcelona	Spain	IT services	7,721,330,000	EUR	Endesa SA	32.43%	29.86%
Fthiotiki Energiaki SA	Athens	Greece	Electricity generation from renewable resources	360,000	EUR	Delta Energiaki SA	35.00%	14.50%
GNL Chile SA	Santiago	Chile	Design and LNG supply	3,026,160	USD	Empresa Nacional de Electricidad SA	33.33%	11.16%
GNL Quintero SA	Santiago	Chile	Design and LNG supply	195,882,353	USD	Empresa Nacional de Electricidad SA	20.00%	6.69%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Gorona del Viento El Hierro SA	Valverde de El Hierro	Spain	Development and maintenance of El Hierro generation plant	23,937,000	EUR	Unión Eléctrica de Canarias Generación SAU	30.00%	27.62%
Inversiones Electrogas SA	Santiago	Chile	Holding company	13,196,430,000	CLP	Empresa Nacional de Electricidad SA	42.50%	14.23%
Ionia Energiaki SA	Athens	Greece	Electricity generation from renewable resources	4,100,000	EUR	Endesa Hellas Power Generation and Supplies Société Anonyme	49.00%	22.56%
Konecta Chile SA	Santiago	Chile	IT services	1,000,000	CLP	Synapsis Soluciones y Servicios It Ltda	26.20%	14.62%
Kromschroeder SA	L`Hospitalet de Llobregat (Barcelona)	Spain	Services	657,000	EUR	Endesa Gas SAU	27.93%	25.71%
La Pereda CO_2 AIE	Oviedo	Spain	Services	224,286	EUR	Endesa Generación SA	33.33%	30.68%
Myhs Thermorema SA	Athens	Greece	Electricity generation from renewable resources	1,180,000	EUR	Endesa Hellas Power Generation and Supplies Société Anonyme	40.00%	18.42%
Neinver Bolonia SL	Madrid	Spain	Real estate	6,000	EUR	Bolonia Real Estate SL	45.00%	41.43%
Proyecto Almería Mediterraneo SA	Madrid	Spain	Desalinization and water supply	601,000	EUR	Endesa SA	45.00%	41.43%
Regasificadora del Noroeste SA	Mugardos (La Coruña)	Spain	Regasification and transport of natural gas	47,478,520	EUR	Endesa Generación SA	21.00%	19.33%
Sadiel Tecnologías de la Información SA	Seville	Spain	IT services	663,520	EUR	Endesa Servicios SL	37.50%	34.52%
Sistemas Sec SA	Santiago	Chile	Communications and signaling systems	2,037,480,000	CLP	Compañía Americana de Multiservicios Ltda	49.00%	27.35%
Tecnatom SA	Madrid	Spain	Electricity generation and services	4,025,700	EUR	Endesa Generación SA	45.00%	41.43%
Termoeléctrica José de San Martín SA	Buenos Aires	Argentina	Construction and management of a combined-cycle plant	500,000	ARS	Endesa Costanera SA Central Dock Sud SA Hidroeléctrica El Chocón SA	5.51% 5.32% 15.35%	6.61%
Termoeléctrica Manuel Belgrano SA	Buenos Aires	Argentina	Construction and management of a combined-cycle plant	500,000	ARS	Endesa Costanera SA Central Dock Sud SA Hidroeléctrica El Chocón SA	5.51% 5.32% 15.35%	6.61%
Yacylec SA	Capital Federal	Argentina	Electricity transmission	20,000,000	ARS	Endesa Latinoamerica SA	22.22%	20.46%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Enel Green Power SpA:								
Aes Distribuidores Salvadorenos Ltda de cv	San Salvador	El Salvador	Electricity generation from renewable resources	200,000	SVC	Grupo EGI SA de cv	20.00%	20.00%
Aes Distribuidores Salvadorenos Y Compania S. en C. de cv	San Salvador	El Salvador	Electricity generation from renewable resources	200,000	SVC	Grupo EGI SA de cv	20.00%	20.00%
Aplicaçoes Hidroelectricas da Beira Alta Ltda	Lisbon	Portugal	Hydroelectric plants	399,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	35.71%	34.58%
Calizas Elycar SL	Huesca	Spain	Combined-cycle generation plant	1,803,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	25.00%	24.21%
Central Hidráulica Güejar-Sierra SL	Seville	Spain	Management of hydroelectric plants	364,210	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	33.30%	32.24%
Central Hidroeléctrica Casillas SA	Seville	Spain	Management of hydroelectric plants	301,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	49.00%	47.44%
Cogeneración El Salto SL	Zaragoza	Spain	Cogeneration of electricity and heat	36,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	20.00%	19.36%
Cogeneración Hostalrich AIE	Girona	Spain	Cogeneration of electricity and heat	781,300	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	33.00%	31.95%
Cogeneración Lipsa SL	Barcelona	Spain	Cogeneration of electricity and heat	720,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	20.00%	19.36%
Compañía Eólica Tierras Altas SA	Soria	Spain	Wind plants	13,222,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	35.63%	34.50%
Corporación Eólica de Zaragoza SL	Zaragoza	Spain	Electricity generation from renewable resources	2,524,200	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	25.00%	24.21%
Energía de la Loma SA	Jean	Spain	Biomass	4,450,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	40.00%	38.73%
Energias de Villarrubia SL	Barcelona	Spain	Electricity generation from renewable resources	3,010	EUR	Enel Unión Fenosa Renovables SA	20.00%	9.68%
Enerlasa SA	Madrid	Spain	Electricity generation from renewable resources	1,021,700	EUR	Enel Unión Fenosa Renovables SA	45.00%	21.79%
Eólica del Principado SAU	Oviedo	Spain	Electricity generation from renewable resources	90,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	40.00%	38.73%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Eólicas de Fuerteventura AIE	Fuerteventura - Las Palmas	Spain	Electricity generation from renewable resources	-	-	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	40.00%	38.73%
Eólicas de Lanzarote SL	Las Palmas de Gran Canaria	Spain	Electricity generation and distribution	1,758,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	40.00%	38.73%
Ercetesa SA	Zaragoza	Spain	Cogeneration of electricity and heat	294,490	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	35.00%	33.89%
Erecosalz SL	Zaragoza	Spain	Cogeneration of electricity and heat	18,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	33.00%	31.95%
Feneralt - Produção de Energia ACE	Barcelos	Portugal	Electricity generation	-	-	TP - Sociedade Térmica Portuguesa SA	25.00%	12.10%
Garofeica SA	Barcelona	Spain	Cogeneration of electricity and heat	721,200	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	27.00%	26.14%
Geronimo Wind Energy LLC	Minneapolis (Minnesota)	U.S.A.	Electricity generation from renewable resources			EGP Geronimo Holding Company Inc.	25.00%	25.00%
Hidroeléctrica de Ourol SL	Lugo	Spain	Electricity generation from renewable resources	1,608,200	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	30.00%	29.05%
Hidroeléctrica del Piedra SL	Zaragoza	Spain	Electricity generation and sale	160,470	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	25.00%	24.21%
Hipotecaria de Santa Ana Ltda de cv	San Salvador	El Salvador	Electricity generation from renewable resources	100,000	SVC	Grupo EGI SA de cv	20.00%	20.00%
International Eolian of Grammatiko SA	Maroussi	Greece	Electricity generation from renewable resources	258,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
International Eolian of Korinthia SA	Maroussi	Greece	Electricity generation from renewable resources	931,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
International Eolian of Peloponnisos 1 SA	Maroussi	Greece	Electricity generation from renewable resources	178,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
International Eolian of Peloponnisos 2 SA	Maroussi	Greece	Electricity generation from renewable resources	215,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
International Eolian of Peloponnisos 3 SA	Maroussi	Greece	Electricity generation from renewable resources	188,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
International Eolian of Peloponnisos 4 SA	Maroussi	Greece	Electricity generation from renewable resources	204,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
International Eolian of Peloponnisos 5 SA	Maroussi	Greece	Electricity generation from renewable resources	216,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
International Eolian of Peloponnisos 6 SA	Maroussi	Greece	Electricity generation from renewable resources	182,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
International Eolian of Peloponnisos 7 SA	Maroussi	Greece	Electricity generation from renewable resources	178,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
International Eolian of Peloponnisos 8 SA	Maroussi	Greece	Electricity generation from renewable resources	178,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
International Eolian of Skopelos SA	Maroussi	Greece	Electricity generation from renewable resources	169,000	EUR	Enel Green Power International BV	30.00%	30.00%
LaGeo SA de cv	Ahuachapan	El Salvador	Electricity generation from renewable resources	2,562,826,700	SVC	Enel Green Power SpA	36.20%	36.20%
Minicentrales Del Canal Imperial-Gallur SL	Zaragoza	Spain	Hydroelectric plants	1,820,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	36.50%	35.34%
Oxagesa AIE	Teruel	Spain	Cogeneration of electricity and heat	6,010	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	33.33%	32.27%
Parc Eolic Els Aligars SL	Barcelona	Spain	Electricity generation from renewable resources	1,313,100	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	30.00%	29.05%
Parc Eolic La Tossa - La Mola d'En Pascual SL	Barcelona	Spain	Electricity generation from renewable resources	1,183,100	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	30.00%	29.05%
Parque Eólico Sierra del Madero SA	Soria	Spain	Electricity generation from renewable resources	7,193,970	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	48.00%	46.48%
Powercer - Sociedade de Cogeraçao de Vialonga SA	Loures	Portugal	Cogeneration of electricity and heat	50,000	EUR	Finerge - Gestao de Projectos Energéticos SA	30.00%	29.05%
Productora de Energías SA	Barcelona	Spain	Hydroelectric plants	30,050	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	30.00%	29.05%
Puignerel AIE	Barcelona	Spain	Cogeneration of electricity and heat	11,299,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	25.00%	24.21%
Rofeica d'Energía SA	Barcelona	Spain	Cogeneration of electricity and heat	1,983,300	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	27.00%	26.14%
Santo Rostro Cogeneración SA	Seville	Spain	Cogeneration of electricity and heat	207,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	45.00%	43.57%
Sati Cogeneración AIE	Barcelona	Spain	Cogeneration of electricity and heat	66,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	27.50%	26.63%
Serra do Moncoso Cambas SL	La Coruña	Spain	Electricity generation from renewable resources	3,125	EUR	Eólicos Touriñán SA	49.04%	47.48%
Sistemas Energéticos La Muela SA	Zaragoza	Spain	Electricity generation from renewable resources	3,065,100	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	30.00%	29.05%
Sistemas Energéticos Más Garullo SA	Zaragoza	Spain	Electricity generation from renewable resources	1,503,410	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	27.00%	26.14%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Sociedad Eólica de Andalucía SA	Seville	Spain	Electricity generation	4,507,580	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	46.67%	45.19%
Sotavento Galicia SA	Santiago de Compostela	Spain	Electricity generation from renewable resources	601,000	EUR	Enel Unión Fenosa Renovables SA	18.00%	8.71%
Star Lake Hydro Partnership	St. John (Newfoundland)	Canada	Electricity generation from renewable resources	-	-	Chi Hydroelectric Company Inc.	49.00%	49.00%
Termotec Energía AIE	Valencia	Spain	Cogeneration of electricity and heat	481,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	45.00%	43.57%
Thracian Eolian 1 SA	Maroussi	Greece	Electricity generation from renewable resources	149,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Thracian Eolian 2 SA	Maroussi	Greece	Electricity generation from renewable resources	149,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Thracian Eolian 3 SA	Maroussi	Greece	Electricity generation from renewable resources	149,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Thracian Eolian 4 SA	Maroussi	Greece	Electricity generation from renewable resources	149,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Thracian Eolian 5 SA	Maroussi	Greece	Electricity generation from renewable resources	149,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Thracian Eolian 6 SA	Maroussi	Greece	Electricity generation from renewable resources	149,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Thracian Eolian 7 SA	Maroussi	Greece	Electricity generation from renewable resources	149,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Thracian Eolian 8 SA	Maroussi	Greece	Electricity generation from renewable resources	149,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Thracian Eolian 9 SA	Maroussi	Greece	Electricity generation from renewable resources	149,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Tirmadrid SA	Valdemingómez	Spain	Electricity generation from renewable resources	16,828,000	EUR	Enel Unión Fenosa Renovables SA	18.64%	9.02%
Tirme SA	Palma de Mallorca	Spain	Waste treatment and disposal	7,662,750	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	40.00%	38.73%
Trade Wind Energy LLC	Topeka (Kansas)	U.S.A.	Electricity generation from renewable resources	-	-	Enel Kansas LLC	45.00%	45.00%
Urgell Energía SA	Lleida	Spain	Cogeneration of electricity and heat	601,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	27.00%	26.14%
Wind Parks of Anatoli-Prinia SA	Maroussi	Greece	Electricity generation from renewable resources	259,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks of Bolibas SA	Maroussi	Greece	Electricity generation from renewable resources	209,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks of Distomos SA	Maroussi	Greece	Electricity generation from renewable resources	219,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks of Drimonakia SA	Maroussi	Greece	Electricity generation from renewable resources	374,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks of Folia SA	Maroussi	Greece	Electricity generation from renewable resources	175,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks of Gagari SA	Maroussi	Greece	Electricity generation from renewable resources	159,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Wind Parks of Goraki SA	Maroussi	Greece	Electricity generation from renewable resources	209,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks of Gourles SA	Maroussi	Greece	Electricity generation from renewable resources	216,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks of Grammatikaki SA	Maroussi	Greece	Electricity generation from renewable resources	185,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks of Kafoutsi SA	Maroussi	Greece	Electricity generation from renewable resources	209,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks of Kathara SA	Maroussi	Greece	Electricity generation from renewable resources	347,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks of Kerasia SA	Maroussi	Greece	Electricity generation from renewable resources	293,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks of Korfovouni SA	Maroussi	Greece	Electricity generation from renewable resources	229,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks of Korinthia SA	Maroussi	Greece	Electricity generation from renewable resources	569,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks of Makriakkoma SA	Maroussi	Greece	Electricity generation from renewable resources	303,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks of Megavouni SA	Maroussi	Greece	Electricity generation from renewable resources	238,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks of Milia SA	Maroussi	Greece	Electricity generation from renewable resources	435,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks of Mirovigli SA	Maroussi	Greece	Electricity generation from renewable resources	110,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks of Mitika SA	Maroussi	Greece	Electricity generation from renewable resources	294,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks of Organi SA	Maroussi	Greece	Electricity generation from renewable resources	312,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks of Paliopirgos SA	Maroussi	Greece	Electricity generation from renewable resources	233,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks of Pelagia SA	Maroussi	Greece	Electricity generation from renewable resources	331,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks of Petalo SA	Maroussi	Greece	Electricity generation from renewable resources	216,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks of Platanos SA	Maroussi	Greece	Electricity generation from renewable resources	205,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks of Politis SA	Maroussi	Greece	Electricity generation from renewable resources	146,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks of Sagias SA	Maroussi	Greece	Electricity generation from renewable resources	307,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks of Skoubi SA	Maroussi	Greece	Electricity generation from renewable resources	182,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks of Spilia SA	Maroussi	Greece	Electricity generation from renewable resources	340,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks of Stroboulas SA	Maroussi	Greece	Electricity generation from renewable resources	219,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks of Triforko SA	Maroussi	Greece	Electricity generation from renewable resources	170,000	EUR	Enel Green Power Hellas SA	29.25%	29.25%
Wind Parks of Vitalio SA	Maroussi	Greece	Electricity generation from renewable resources	196,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%
Wind Parks of Vourlas SA	Maroussi	Greece	Electricity generation from renewable resources	214,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Yedesa-Cogeneración SA	Almería	Spain	Cogeneration of electricity and heat	234,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	40.00%	38.73%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Artic Russia								
SeverEnergia (formerly Enineftegaz)	Moscow	Russian Federation	Processing and transport of gas and oil	55,114,150,000	RUB	Artic Russia BV (formerly ENI Russia BV)	49.00%	19.60%

Other significant equity investments at June 30, 2010

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Agrupación Acefhat AIE	Barcelona	Spain	Design and services	793,340	EUR	Endesa Distribución Eléctrica SL	16.67%	15.35%
Companhia Térmica Mundo Têxtil ACE	Caldas de Vizela	Portugal	Electricity generation	1,003,476	EUR	TP - Sociedade Térmica Portuguesa SA	10.00%	4.84%
Diseño de Sistemas En Silicio SA	Valencia	Spain	Photovoltaic systems	578,000	EUR	Endesa Network Factory SL	14.39%	13.25%
Empresa Propietaria de la Red SA	Panama	Republic of Panama	Electricity transmission and distribution	58,500,000	USD	Endesa Latinoamerica SA	11.11%	10.23%
Endesa Ingeniería SL - Vestas Eólica SA UTE	Barcelona	Spain	Engineering and consulting services	3,000	EUR	Endesa Ingeniería SLU	19.27%	17.74%
Eneop-Eólicas de Portugal SA	Lisbon	Portugal	Electricity generation from renewable resources	5,000,000	EUR	TP - Sociedade Térmica Portuguesa SA	9.80%	14.23%
						Finerge - Gestao de Projectos Energéticos SA	9.80%	
Energotel AS	Bratislava	Slovakia	Management of fiber optic network	2,191,200	EUR	Slovenské elektrárne AS	16.67%	11.00%
Euskaltel SA	Derio (Vizcaya)	Spain	IT services	325,200,000	EUR	Endesa SA	10.26%	9.45%
Fibrel AIE	Girona	Spain	Cogeneration of electricity and heat	550,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	10.00%	9.68%
Galsi SpA	Milan	Italy	Engineering in energy and infrastructure sector	35,838,000	EUR	Enel Produzione SpA	15.61%	15.61%
Green Fuel Corporacion SA	Santander	Spain	Biodiesel development, construction and operation	121,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	16.51%	24.12%
						Endesa Generación SA	8.83%	
Groberel AIE	Girona	Spain	Hydroelectric plants	-	-	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	12.00%	11.62%
Hisane AIE	Tarragona	Spain	Cogeneration of electricity and heat	1,200	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	10.00%	9.68%
International Multimedia University Srl	Rome	Italy	Distance training	24,000	EUR	Enel Servizi Srl	13.04%	13.04%
Inversiones Eólicas La Esperanza SA	San José	Costa Rica	Electricity generation from renewable resources	100,000	CRC	Enel de Costa Rica SA	51.00%	51.00%
Medgaz SA	Madrid	Spain	Development and design	28,500,000	EUR	Endesa Generación SA	12.00%	11.05%
Minicentrales del Canal de Las Bárdenas AIE	Zaragoza	Spain	Hydroelectric plants	1,202,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	15.00%	14.52%
Miranda Plataforma Logística SA	Miranda de Ebro (Burgos)	Spain	Regional development	1,200,000	EUR	Nuclenor SA	33.00%	15.19%
Papeleira Portuguesa SA	Sao Paio de Oleiros	Portugal	Paper manufacturing	916,229	EUR	TP - Sociedade Térmica Portuguesa SA	13.16%	6.37%
Silicio Energía SA	Campanillas (Málaga)	Spain	Silicon extraction plants	69,000,000	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	17.00%	16.46%
Sociedad de Fomento Industrial de Extremadura SA	Badajoz	Spain	Regional development	155,453,460	EUR	Endesa SA	42.00%	38.67%
Tractament I Revalorització de Residus del Maresme SA	Barcelona	Spain	Waste treatment and disposal	60,600	EUR	Enel Green Power España SL (formerly Endesa Cogeneración y Renovables SA)	10.00%	9.68%

Companies in liquidation or held for sale at June 30, 2010

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				at June 30, 2010				
Climare Scrl (in liquidation)	Genova	Italy	-	30,600	EUR	Enel Distribuzione SpA	66.66%	66.66%
Desaladora de la Costa del Sol SA (in liquidation)	Malaga	Spain	Construction and management of a desalinization plant	5,889,920	EUR	Endesa SA	51.02%	46.97%
Endesa Marketplace SA (in liquidation)	Madrid	Spain	Services	6,743,800	EUR	Enersis SA Endesa Servicios SL	15.00% 63.00%	66.37%
Enel Capital Srl (in liquidation)	Rome	Italy	Holding company	8,500,000	EUR	Enel SpA	100.00%	100.00%
Enel Ireland Finance Ltd (in liquidation)	Dublin	Ireland	Finance	1,000,000	EUR	Enel Finance International SA	100.00%	100.00%
Enel Latin America LLC (in liquidation)	Wilmington (Delaware)	U.S.A.	Holding company	-	-	Enel Latin America BV	100.00%	100.00%
Energoslužby AS (in liquidation)	Trnava	Slovakia	Business services	33,194	EUR	Slovenské elektrárne AS	100.00%	66.00%
Latin America Energy Holding BV (in liquidation)	Amsterdam	Netherlands	Holding company	18,000	EUR	Enel Investment Holding BV	100.00%	100.00%
Q-Channel SpA (in liquidation)	Rome	Italy	-	1,607,141	EUR	Enel Servizi Srl	24.00%	24.00%

Reports

Report of the Independent Auditors

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(Translation from the Italian original which remains the definitive version)

Review report

To the shareholders of
Enel S.p.A.

1 We have reviewed the condensed interim consolidated financial statements comprising the income statement, statement of comprehensive income, balance sheet, statement of changes in shareholders' equity, statement of cash flows and notes thereto of the Enel Group as at and for the six months ended 30 June 2010. The parent's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with IAS 34, "Interim Financial Reporting", endorsed by the European Union. Our responsibility is to prepare this report based on our review.

2 We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. The review consisted primarily of the collection of information relating to the captions of the condensed interim consolidated financial statements and the consistency of application of the accounting policies through discussions with company directors and analytical procedures applied to the financial data presented in such condensed interim consolidated financial statements. The review excluded such audit procedures as tests of controls and verification or validation of assets and liabilities and is significantly less than an audit performed in accordance with generally accepted auditing standards. As a consequence, contrary to our report on the annual consolidated financial statements, we do not express an audit opinion on the condensed interim consolidated financial statements.

The condensed interim consolidated financial statements present the corresponding figures included in the annual consolidated and condensed interim consolidated financial statements of the previous year and the balance sheet as at 1 January 2009 for comparative purposes. As disclosed in the notes, the directors have restated some of the corresponding figures included in the prior year consolidated financial statements and the balance sheet as at 1 January 2009, which is derived from the consolidated financial statements at 31 December 2008. We audited the consolidated financial statements as at and for the years ended 31 December 2009 and 2008 and issued our reports thereon on 9 April 2010 and 10 April 2009, respectively. We have examined the methods used to restate the corresponding figures and related disclosures for the purposes of preparing our report on the condensed interim consolidated financial statements at 30 June 2010. Reference should be made to the review report dated 27 August 2009 for our conclusions on the prior year condensed interim consolidated financial statements, which included the related corresponding figures.

3 Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Enel Group as at and for the six months ended 30 June 2010 have not been prepared, in all material respects, in conformity with IAS 34, "Interim Financial Reporting", endorsed by the European Union.

Rome, 26 August 2010

KPMG S.p.A.

(signed on the original)

Stefano Bandini
Director of Audit

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