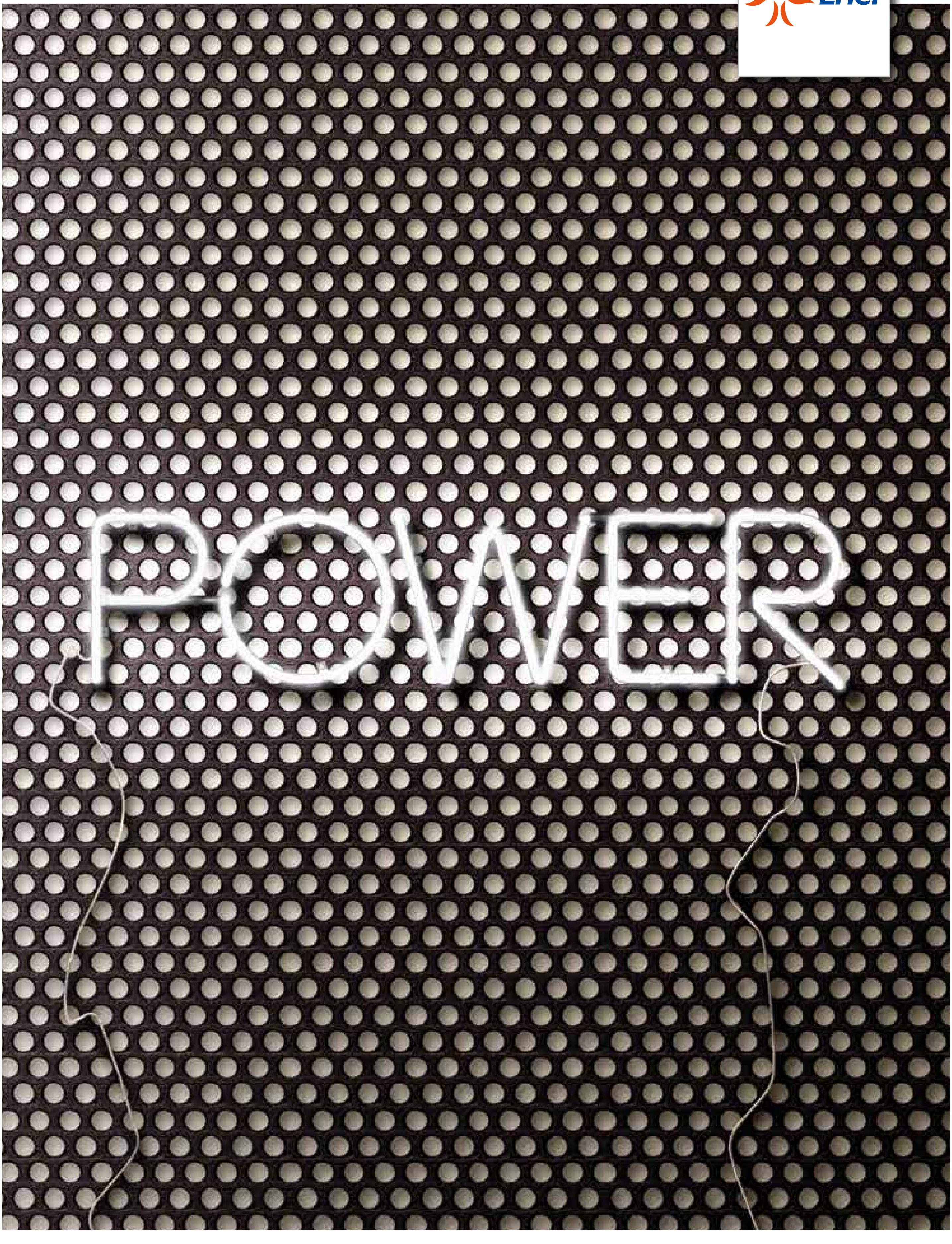
Interim Financial Report at March 31, 2013



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Our mission

At Enel our mission
is to **create and distribute value**
in the international energy market,
to the benefit of our customers' needs,
our shareholders' investments,
the competitiveness of the countries in which we operate
and the expectations of all those who work with us.

Enel works **to serve the community**,
respecting the environment
and the safety of individuals,
with a commitment to creating
a better world for future generations.

Foreword

The Interim Financial Report at March 31, 2013 has been prepared in compliance with Article 154-*ter*, paragraph 5, of Legislative Decree 58 of February 24, 1998, and in conformity with the recognition and measurement criteria set out in the international accounting standards (International Accounting Standards - IAS and International Financial Reporting Standards - IFRS) issued by the International Accounting Standards Board (IASB), as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), recognized in the European Union pursuant to Regulation (EC) no. 1606/2002 and in effect as of the close of the period. For a more thorough discussion of the accounting policies and measurement criteria, please refer to note 1 of the explanatory notes.

Definition of performance indicators

In order to facilitate the assessment of the Group's performance and financial position, this Interim Financial Report at March 31, 2013 uses a number of "alternative performance indicators" not envisaged in the IFRS-EU accounting standards. In accordance with recommendation 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";
> "Securities held to maturity", "Financial investments in funds or portfolio management products at fair value through profit or loss", "Securities available for sale" and "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:

> "Long-term financial receivables (short-term portion)", "Receivables for factoring advances", "Securities", "Financial receivables and cash collateral" and "Other financial receivables";
> "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, for the determination of the net financial position, net of financial receivables and long-term securities.

The Enel organizational model

As from February 2012, the Group has adopted a new operating model based on the following organizational arrangements:

> Parent Company functions, which are responsible for directing and controlling strategic activities for the entire Group;
> global service functions, which are responsible for providing services to the Group, maximizing synergies and economies of scale;
> business lines, represented by six divisions, as well as the **Upstream Gas** function (which pursues selective vertical integration to increase the competitiveness, security and flexibility of strategic sourcing to meet Enel's gas requirements) and the **Carbon Strategy** function (which operates in the world's CO_2 certificate markets).

The activities of the individual divisions are set out below.

The **Generation, Energy Management and Sales Italy Division** is responsible for:

> the generation and sale of electricity:
  - generation from thermal and schedulable hydroelectric power plants in Italy (through Enel Produzione, Hydro Dolomiti Enel, SE Hydropower, SF Energy and ENergy Hydro Piave) and in Belgium with the Marcinelle thermoelectric plant operated by Enel Trade under a tolling agreement;
  - trading on international and Italian markets, primarily through Enel Trade, Enel Trade Romania, Enel Trade d.o.o. (Croatia) and Enel Trade Serbia;
> provisioning for all of the Group's needs and the sale of energy products, including the sale of natural gas to distributors, through Enel Trade;
> the development of natural gas regasification (Nuove Energie) and storage (Enel Stoccaggi) plants.
> commercial activities in Italy, with the objective of developing an integrated package of electricity and gas products and services for end users. More specifically, it is responsible for the sale of electricity on the regulated market (Enel Servizio Elettrico) and the sale of electricity on the free market and the sale of natural gas to end users (Enel Energia).

The **Infrastructure and Networks Division** is primarily responsible for the distribution of electricity (Enel Distribuzione) and public and artistic lighting (Enel Sole) in Italy.

The **Iberia and Latin America Division** focuses on developing Enel Group's presence and coordinating its operations in the electricity and gas markets of Spain, Portugal and Latin America. The geographical areas in which it operates are as follows:

> Europe, with the generation, distribution and sale of electricity and the sale of natural gas in Spain and Portugal;
> Latin America, with the generation, distribution and sale of electricity in Chile, Brazil, Peru, Argentina and Colombia.

The **International Division** supports the Group's strategies for international growth, as well as managing and integrating the foreign businesses outside the Iberian and Latin American markets, 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 management of thermal power plants in Belgium (Marcinelle Energie);
> south-eastern Europe, with 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 **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 and other minor companies), 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) and in Latin America (various companies);
> North America, with power generation from renewable sources (Enel Green Power North America).

The mission of the **Engineering and Research Division** (formerly Engineering and Innovation) is to serve the Group by managing the engineering processes related to the development and construction of power plants (conventional and nuclear) while meeting the quality, temporal and financial objectives set for it. In addition, it manages research activities identified in the process of managing innovation, with a focus on strategic research and technology scouting.

In this Interim Financial Report, the results by operating segment are discussed on the basis of the organizational arrangements described above and taking account of the management approach as provided for under IFRS 8. For that reason, the generation and energy management results of the Generation, Energy Management and Sales Italy Division are shown separately from the results pertaining to electricity sales in Italy, consistent with the practice in previous periods and with the structure of internal reporting to top management.
In addition, account was taken of the possibilities for the simplification of disclosures associated with the materiality thresholds also established under IFRS 8 and, therefore, the item "Other, eliminations and adjustments" includes not only the effects from the elimination of intersegment transactions, but also the figures for the Parent Company, Enel SpA, the "Services and Other Activities" area and the "Engineering and Research" Division, as well as the Upstream Gas function.

Restatement of the balance sheet and the income statement

In the 1st Quarter of 2013, following the application, as from January 1, 2013 with retrospective effect, of the new version of "IAS 19 Revised – Employee benefits", the balance sheet items of the consolidated financial statements at December 31, 2012 and the income statement figures in the Interim Financial Report at March 31, 2012 resulting from the accounting treatment of the benefits deriving from the application of this standard, have been restated and reported solely for comparative purposes. In addition, at the end of 2012, the Group adopted a new accounting policy for white certificates (energy efficiency certificates or EECs) that involves recognizing the overall cost of compliance with energy efficiency requirements through profit or loss in the accounting period to which the compliance requirement pertains, ascertaining any charge in respect of certificates that are not available at the end of that period (the so-called deficit).
For more information on the effects of these restatements, please see note 2 to the condensed quarterly consolidated financial statements.

The following tables report only the changes as a result of the above restatement for the *gross operating margin and operating income*, respectively, for the 1st Quarter of 2012.

Millions of euro	1st Quarter			1st Quarter
	2012	**IAS 19R effect**	**New EEC policy**	2012 restated
Sales	176	-	-	176
Generation and Energy Management	448	-	-	448
Infrastructure and Networks	954	-	(60)	894
Iberia and Latin America	1,881	15	-	1,896
International	423	-	-	423
Renewable Energy	379	-	-	379
Other, eliminations and adjustments	41	-	-	41
Total	**4,302**	**15**	**(60)**	**4,257**

Millions of euro	1st Quarter			1st Quarter
	2012	**IAS 19R effect**	**New EEC policy**	2012 restated
Sales	94	-	-	94
Generation and Energy Management	296	-	-	296
Infrastructure and Networks	724	-	(58)	666
Iberia and Latin America	1,172	15	-	1,187
International	335	-	-	335
Renewable Energy	266	-	-	266
Other, eliminations and adjustments	15	-	-	15
Total	**2,902**	**15**	**(58)**	**2,859**

Summary of results

Performance and financial position

Millions of euro	1st Quarter	
	2013	2012 restated
Revenues	20,885	21,193
Gross operating margin	4,077	4,257
Operating income	2,554	2,859
Net income before non-controlling interests	1,173	1,475
Group net income	852	1,154
Group net income per share in circulation at period-end (euro)	0.09	0.12
Net capital employed	98,720	95,026 (1)
Net financial debt	43,291	42,948 (1)
Shareholders' equity (including non-controlling interests)	55,429	52,078 (1)
Group shareholders' equity per share in circulation at period-end (euro)	3.94	3.91 (1)
Cash flows from operating activities	(925)	67
Capital expenditure on tangible and intangible assets	1,045	1,314

(1) At December 31, 2012.

Revenues in the first three months of 2013 amounted to €20,885 million, a decrease of €308 million or 1.5% on the corresponding period of 2012. The decrease is essentially attributable to the lower revenues from the sale of electricity to end users, only partly offset by the increase in revenues from the transport of electricity and the wholesale business.

Millions of euro	1st Quarter			
	2013	2012 restated	Change	
Sales	4,933	5,325	(392)	-7.4%
Generation and Energy Management	6,500	6,035	465	7.7%
Infrastructure and Networks	1,853	1,806	47	2.6%
Iberia and Latin America	8,025	8,491	(466)	-5.5%
International	2,038	2,300	(262)	-11.4%
Renewable Energy	718	605	113	18.7%
Other, eliminations and adjustments	(3,182)	(3,369)	187	5.6%
Total	**20,885**	**21,193**	**(308)**	**-1.5%**

The *gross operating margin* in the 1st Quarter of 2013 totaled €4,077 million, down €180 million or 4.2% on the year-earlier period. The decline is mainly due to the decrease in the margin on generation in Italy and Spain, partially offset by the positive contribution of the distribution and sale of electricity in Italy and by the Renewable Energy Division.

Millions of euro	1st Quarter			
	2013	2012 restated	Change	
Sales	240	176	64	36.4%
Generation and Energy Management	304	448	(144)	-32.1%
Infrastructure and Networks	958	894	64	7.2%
Iberia and Latin America	1,684	1,896	(212)	-11.2%
International	389	423	(34)	-8.0%
Renewable Energy	478	379	99	26.1%
Other, eliminations and adjustments	24	41	(17)	-41.5%
Total	**4,077**	**4,257**	**(180)**	**-4.2%**

Operating income amounted to €2,554 million in the 1st Quarter of 2013, down €305 million or 10.7% compared with the first three months of 2012, taking account of an increase of €125 million in depreciation, amortization and impairment losses.

Millions of euro	1st Quarter			
	2013	2012 restated	Change	
Sales	81	94	(13)	-13.8%
Generation and Energy Management	201	296	(95)	-32.1%
Infrastructure and Networks	718	666	52	7.8%
Iberia and Latin America	956	1,187	(231)	-19.5%
International	255	335	(80)	-23.9%
Renewable Energy	348	266	82	30.8%
Other, eliminations and adjustments	(5)	15	(20)	-133.3%
Total	**2,554**	**2,859**	**(305)**	**-10.7%**

Group net income amounted to €852 million in the 1st Quarter of 2013, down €302 million or 26.2% on the first three months of 2012, largely reflecting the decline in operating income. Excluding the gain reported in financial income from the disposal of 5.1% of Terna from net income in the 1st Quarter of 2012 (€185 million, essentially tax exempt), Group net income diminished by €121 million or 12.4%.

Net financial debt at March 31, 2013 amounted to €43,291 million, up €343 million compared with December 31, 2012. More specifically, the positive effects of the capital increase of the Chilean subsidiary Enersis were more than offset by cash flows used in operations and investment in the period. At March 31, 2013, the debt/equity ratio came to 0.78 (0.82 at December 31, 2012).

Capital expenditure in the 1st Quarter of 2013 came to €1,045 million, a decrease of 20.5%. This change, common to nearly all the divisions, reflects the investment optimization policy adopted by the Group.

Millions of euro	1st Quarter			
	2013	2012 restated	Change	
Sales	3	3	-	-
Generation and Energy Management	47	34	13	38.2%
Infrastructure and Networks	223	309	(86)	-27.8%
Iberia and Latin America (1)	323	356	(33)	-9.3%
International	179	262	(83)	-31.7%
Renewable Energy	261	275	(14)	-5.1%
Other, eliminations and adjustments (2)	9	75	(66)	-88.0%
Total	**1,045**	**1,314**	**(269)**	**-20.5%**

(1) The figure for the 1st Quarter of 2012 does not include €21 million regarding units classified as "Held for sale".
(2) The figure for the 1st Quarter of 2012 does not include €1 million regarding units classified as "Held for sale".

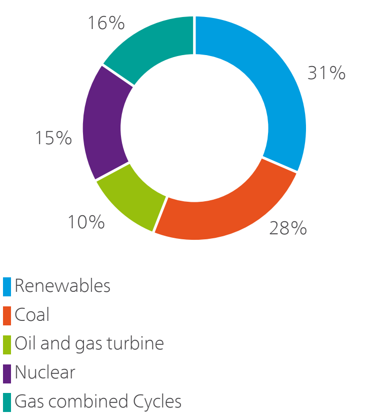
Operations

	1st Quarter					
	Italy	Abroad	**Total**	Italy	Abroad	**Total**
		2013			2012	
Net electricity generated by Enel (TWh)	17.4	53.5	**70.9**	19.7	58.1	**77.8**
Electricity transported on the Enel distribution network (TWh) (1)	58.3	43.6	**101.9**	61.1	44.9	**106.0**
Electricity sold by Enel (TWh) (2)	24.7	52.0	**76.7**	27.0	55.5	**82.5**
Gas sales to end users (billions of m³)	2.0	1.4	**3.4**	2.1	1.3	**3.4**
Employees at period-end (no.) (3)	36,259	37,545	**73,804**	36,205	37,497	**73,702** (4)

(1) The figure for the 1st Quarter of 2012 reflects a more accurate measurement of quantities transported.
(2) Excluding sales to resellers.
(3) Of which 37 in units classified as "Held for sale" at March 31, 2013 and at December 31, 2012.
(4) At December 31, 2012.

Net electricity generated by Enel in the 1st Quarter of 2013 totaled 70.9 TWh, down 8.9% compared with the same period of 2012. More specifically, the decline in demand in mature markets, the greater weight of renewable resources in the generation mix for those markets and weather conditions more favorable to the generation of hydroelectric power all contributed to the sharp decrease in conventional thermal generation (down 9.9 TWh or 20.8%). This was partly offset by the increase in hydroelectric (up 2.6 TWh) and wind (up 1.0 TWh) generation, which benefitted from the entry into service of a number of plants of the Renewable Energy Division, as well as improved water availability.

Net electricity generation by source (1st Quarter of 2013)



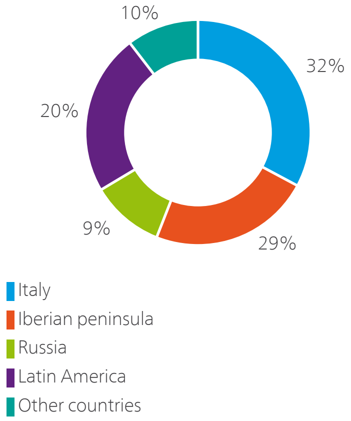
Electricity transported on the Enel distribution network came to 101.9 TWh in the 1st Quarter of 2013, a decline of 4.1 TWh or 3.9%, essentially reflecting developments in demand on the domestic grid and in the other countries in which Enel operates.

Electricity sold by Enel in the 1st Quarter of 2013 totaled 76.7 TWh, a decrease of 5.8 TWh or 7.0%, mainly attributable to lower sales in Italy (down 2.3 TWh) and Spain (down 2.2 TWh) as a result of lower demand in those two countries. There was also a decline in electricity sales in France (down 1.3 TWh), due to the decrease in available capacity following the Enel Group's withdrawal from the Flamanville 3 project at the end of 2012.

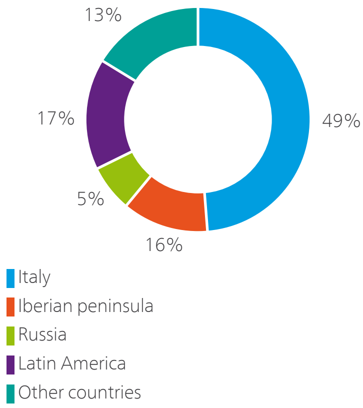
Gas sales in the 1st Quarter of 2013 came to 3.4 billion cubic meters, in line with sales for the same period of 2012.

At March 31, 2013, Enel Group *employees* numbered 73,804, of which 51% employed abroad. The workforce at March 31, 2013 increased by 102 employees compared with the start of the year, owing to the balance between new hirings and terminations (for an increase of 75), and the increase attributable to the change in the scope of consolidation with the acquisition of 50% of PowerCrop (27 employees), leading to the proportional consolidation of the company within the Renewable Energy Division.

Electricity sold by geographical area (1st Quarter of 2013)



Employees by geographical area (at March 31, 2013)



Results by division

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

Results by division for the 1st Quarter of 2013 and 2012

1st Quarter of 2013 (1)

Millions of euro	Sales	GEM	Infra. & Networks	Iberia & Latin America	Int'l	Renewable Energy	Other, eliminations and adjustments	**Total**
Revenues from third parties	4,889	4,786	725	8,009	1,870	589	17	**20,885**
Revenues from other segments	44	1,714	1,128	16	168	129	(3,199)	**-**
Total revenues	**4,933**	**6,500**	**1,853**	**8,025**	**2,038**	**718**	**(3,182)**	**20,885**
Net income/(charges) from commodity risk management	(26)	(20)	-	(106)	(10)	6	-	**(156)**
Gross operating margin	**240**	**304**	**958**	**1,684**	**389**	**478**	**24**	**4,077**
Depreciation, amortization and impairment losses	159	103	240	728	134	130	29	**1,523**
Operating income	**81**	**201**	**718**	**956**	**255**	**348**	**(5)**	**2,554**
Capital expenditure	**3**	**47**	**223**	**323**	**179**	**261**	**9**	**1,045**

(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.

1st Quarter of 2012 restated (1) (2)

Millions of euro	Sales	GEM	Infra. & Networks	Iberia and Latin America	Int'l	Renewable Energy	Other, eliminations and adjustments	Total
Revenues from third parties	5,288	4,127	651	8,457	2,127	519	24	**21,193**
Revenues from other segments	37	1,908	1,155	34	173	86	(3,393)	**-**
Total revenues	**5,325**	**6,035**	**1,806**	**8,491**	**2,300**	**605**	**(3,369)**	**21,193**
Net income/(charges) from commodity risk management	32	78	-	(1)	47	(6)	-	**150**
Gross operating margin	**176**	**448**	**894**	**1,896**	**423**	**379**	**41**	**4,257**
Depreciation, amortization and impairment losses	82	152	228	709	88	113	26	**1,398**
Operating income	**94**	**296**	**666**	**1,187**	**335**	**266**	**15**	**2,859**
Capital expenditure	**3**	**34**	**309**	**356** (3)	**262**	**275**	**75** (4)	**1,314**

(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) The figures have been restated as a result of the change, with retrospective effect, in the accounting treatment of employee benefits under IAS 19 Revised, and in the accounting policy used for white certificates. For further information please see note 2 of the explanatory notes.

(3) Does not include €21 million regarding units classified as "Held for sale".

(4) Does not include €1 million regarding units classified as "Held for sale".

Sales

Operations

Electricity sales

Millions of kWh	1st Quarter			
	2013	2012	Change	
Free market:				
- mass-market customers	6,704	7,000	(296)	-4.2%
- business customers (1)	2,265	3,248	(983)	-30.3%
- safeguard market customers	477	483	(6)	-1.2%
Total free market	**9,446**	**10,731**	**(1,285)**	**-12.0%**
Regulated market:				
- enhanced protection market customers	**15,121**	**16,177**	**(1,056)**	**-6.5%**
TOTAL	**24,567**	**26,908**	**(2,341)**	**-8.7%**

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

Electricity sold in the 1st Quarter of 2013 amounted to 24,567 million kWh, down 2,341 million kWh compared with the same period of 2012. This decrease is attributable to the ongoing shift of customers from the regulated system to the free market, in addition to weakened demand in the free market on the part of both mass market and business customers as a consequence of the deterioration of economic conditions in Italy.

Gas sales

Millions of m^3	1st Quarter			
	2013	2012	Change	
Mass-market customers (1)	1,750	1,771	(21)	-1.2%
Business customers	246	323	(77)	-23.8%
Total	**1,996**	**2,094**	**(98)**	**-4.7%**

(1) Includes residential customers and microbusinesses.

Gas sales in the 1st Quarter of 2013 totaled 1,996 million cubic meters, down 98 million cubic meters compared with the same period of the previous year.

Performance

Millions of euro	1st Quarter		
	2013	2012 restated	Change
Revenues	4,933	5,325	(392)
Net income/(charges) from commodity risk management	(26)	32	(58)
Gross operating margin	*240*	*176*	*64*
Operating income	81	94	(13)
Employees at period-end (no.)	3,689	3,674 (1)	15
Capital expenditure	3	3	-

(1) At December 31, 2012.

Revenues for the 1st Quarter of 2013 amounted to €4,933 million, down €392 million or 7.4% compared with the same period of 2012, as a result of the following main factors:

> a decrease of €350 million in revenues on the regulated electricity market, mainly associated with the decline in rate revenues covering generation costs and the decrease in quantities sold (a decline of 1.1 TWh), the effects of which were only partially offset by the increase in revenues recognized in respect of the sales service and the recognition, during the two periods compared, of certain prior-year items, which had a net positive impact of €8 million;

> a decrease of €75 million in revenues on the free electricity market, essentially due to lower volumes sold (down 1.3 TWh);

> an increase of €37 million in revenues from sales to end users on the natural gas market, mainly due to the increase in average sales prices, which in addition to normal market developments reflects an increase in the rate component for retail sales (QVD).

The ***gross operating margin*** for the 1st Quarter of 2013 came to €240 million, up €64 million or 36.4% on the 1st Quarter of 2012. The increase is attributable to:

> a €41 million increase in the margin on the free market for electricity and gas, due to an increase in unit margins, which more than offset the higher costs associated with the acquisition of new customers;

> a €23 million increase in the margin on the regulated electricity market, mainly associated with the improvement in the electricity margin, due to an increase in revenues for the sales service and the reduction in operating expenses, which more than offset the effect of a decline in the number of customers served.

Operating income in the 1st Quarter of 2013 amounted to €81 million, down €13 million compared with the 1st Quarter of 2012. The decline reflects an increase of €77 million in impairment losses on trade receivables.

Capital expenditure

Capital expenditure amounted to €3 million, in line with the same period of 2012.

Generation and Energy Management

Operations

Net electricity generation

Millions of kWh	1st Quarter			
	2013	2012	Change	
Thermal	10,944	14,791	(3,847)	-26.0%
Hydroelectric	3,787	2,428	1,359	56.0%
Other resources	1	2	(1)	-50.0%
Total net generation	**14,732**	**17,221**	**(2,489)**	**-14.5%**
- of which Italy	*14,225*	*17,221*	*(2,996)*	*-17.4%*
- of which Belgium	*507*	*-*	*507*	*-*

In the 1st Quarter of 2013, net electricity generation amounted to 14,732 million kWh, a decrease of 14.5% compared with the same period of the previous year (down 2,489 million kWh). The increase in hydroelectric output (up 1,359 million kWh) due to better water availability, as well as the decline in demand for electricity and the ever increasing weight of renewables in the energy mix led to a decrease in thermal generation in Italy (down 4,354 million kWh or 29.4%). This was only partially offset by higher output in Belgium following the entry into service of the Marcinelle plant, managed by the Division under a tolling agreement, in the 2nd Quarter of 2012.

Contribution to gross thermal generation

Millions of kWh	1st Quarter					
	2013		2012		Change	
High-sulfur fuel oil (S>0.25%)	96	0.8%	158	1.0%	(62)	-39.2%
Low-sulfur fuel oil (S<0.25%)	45	0.4%	321	2.0%	(276)	-86.0%
Total fuel oil	*141*	*1.2%*	*479*	*3.0%*	*(338)*	*-70.6%*
Natural gas	2,488	21.1%	4,108	26.0%	(1,620)	-39.4%
Coal	9,005	76.5%	11,120	70.3%	(2,115)	-19.0%
Other fuels	143	1.2%	109	0.7%	34	31.2%
Total	**11,777**	**100.0%**	**15,816**	**100.0%**	**(4,039)**	**-25.5%**

Gross thermal generation in 1st Quarter of 2013 totaled 11,777 million kWh, a decline of 4,039 million kWh or 25.5% compared with the same period of 2012. The decrease was seen across all the major fuel types and was primarily associated with the lower demand for electricity as a result of the slowdown in the domestic economy, as well as the decline in weight of conventional thermal generation in the Italian fuel mix.

More specifically, the decline in gas generation is due to the reduction in the use of that fuel in combined-cycle plants, while the decrease in generation from coal is attributable to plant unavailability due to maintenance at section 3 of the Brindisi Sud plant.

Performance

Millions of euro	1st Quarter		
	2013	2012 restated	Change
Revenues	6,500	6,035	465
Net income/(charges) from commodity risk management	(20)	78	(98)
Gross operating margin	*304*	*448*	*(144)*
Operating income	201	296	(95)
Employees at period-end (no.)	6,029	6,043 (1)	(14)
Capital expenditure	47	34	13

(1) At December 31, 2012.

Revenues for the 1st Quarter of 2013 amounted to €6,500 million, up €465 million or 7.7% compared with the same period of 2012, mainly as a result of the following factors:

> a €469 million increase in revenues from electricity sales, mainly due to higher revenues from sales on the Power Exchange (up €669 million, essentially connected with larger volumes handled), only partially offset by lower revenues from electricity sales to other Group divisions (€189 million), especially the Sales Division, which were considerably impacted by the broad decline in demand;

> a €200 million increase in revenues from fuel trading, essentially attributable to sales of natural gas (€179 million)

> a decline of €167 million in revenues from trading on international electricity markets (with a decrease of 1.6 TWh in volumes handled).

The ***gross operating margin*** for the 1st Quarter of 2013 amounted to €304 million, down €144 million or 32.1% compared with the €448 million registered in the 1st Quarter of 2012. The decrease is essentially attributable to:

> a decline in the generation margin (down €65 million), essentially due to the decline in volumes of electricity sold, only partially offset by the increase in unit margins associated with a more advantageous generation mix, characterized by greater utilization of hydroelectric plants;

> a €30 million decline in the margin on natural gas sales and trading;

> the net negative effect of €27 million of the fair value measurement of instruments hedging commodity risk outstanding at period-end.

Operating income amounted to €201 million, down €95 million or 32.1% (with a decrease of €49 million in depreciation, amortization and impairment losses) compared with the €296 million registered in the same period of 2012. The decrease in depreciation is essentially attributable to the conclusion of the useful life of a number of generation plants and the revision in 2012 of the useful life of assets previously classified as to be relinquished free of charge following the enactment of Law 134 of 2012.

Capital expenditure

Capital expenditure in the 1st Quarter of 2013 amounted to €47 million, including €39 million for generation plants. The primary capital expenditures in the 1st Quarter of 2013 related to the refurbishing/repowering of existing plants, as well as works required to comply with safety and environmental protection standards.

Infrastructure and Networks

Operations

Transport of electricity

	1st Quarter			
	2013	2012	Change	
Electricity transported on Enel's distribution network (millions of kWh) (1)	58,330	61,099	(2,769)	-4.5%

(1) The figure for 2012 takes account of a more accurate calculation of quantities transported.

Electricity transported on the Enel network in Italy in the 1st Quarter of 2013 decreased by 2,769 million kWh or 4.5%, going from 61,099 million kWh in the 1st Quarter of 2012 to 58,330 in the 1st Quarter of 2013. The change is essentially in line with the current weakness of electricity demand in Italy.

Performance

Millions of euro	1st Quarter		
	2013	2012 restated (1)	Change
Revenues	1,853	1,806	47
Gross operating margin	*958*	*894*	*64*
Operating income	718	666	52
Employees at period-end (no.)	18,637	18,632 (2)	5
Capital expenditure	223	309	(86)

(1) The figures were restated as a result of the change, with retrospective effect, in the policy applicable to energy efficiency certificates (EEC).
(2) At December 31, 2012.

Revenues in the 1st Quarter of 2013 amounted to €1,853 million, up €47 million or 2.6% compared with the total registered in the same period of the previous year. The change is essentially attributable to:

> an increase of €94 million in rate revenues, attributable to the updating of distribution rates following applica-

tion of Resolution of the Authority for Electricity and Gas (the Authority) no. 122/13, as well as the effect of the increase in the number of customers served and the recognition of positive prior-year items (€32 million);
> a €35 million decrease in connection fees;
> a €15 million decline in grants and revenues from sales with respect to energy efficiency certificates (EEC).

The ***gross operating margin*** amounted to €958 million, up €64 million or 7.2%, and is essentially attributable to:
> an increase of €64 million in the margin on the transport of electricity, due mainly to the updating of distribution rates following application of the Authority resolution noted above, the positive impact of the different mix of customers served, with an increase in the high- and medium-voltage segments, as well as the recognition of prior-year items with a net positive impact of €33 million in the period under review in respect of adjustments and estimate revisions;
> a decrease of €33 million in the margin on connection fees;
> a decrease in operating expenses, reflecting lower net provisions for litigation.

Operating income, after depreciation, amortization and impairment losses of €240 million (€228 million in the 1st Quarter of 2012), amounted to €718 million, up €52 million or 7.8% compared with the same period of 2012. The increase in depreciation, amortization and impairment losses is essentially attributable to greater depreciation of plants.

Capital expenditure

Capital expenditure in the 1st Quarter of 2013 amounted to €223 million, a decrease of €86 million compared with the same period of the previous year.

Iberia and Latin America

Operations

Net electricity generation

Millions of kWh	1st Quarter			
	2013	2012	Change	
Thermal	15,449	20,370	(4,921)	-24.2%
Nuclear	6,785	7,276	(491)	-6.7%
Hydroelectric	9,884	9,307	577	6.2%
Wind	45	31	14	45.2%
Total net generation	**32,163**	**36,984**	**(4,821)**	**-13.0%**
- of which Iberian peninsula	*16,622*	*21,328*	*(4,706)*	*-22.1%*
- of which Argentina	*3,949*	*4,333*	*(384)*	*-8.9%*
- of which Brazil	*1,246*	*963*	*283*	*29.4%*
- of which Chile	*4,895*	*4,734*	*161*	*3.4%*
- of which Colombia	*3,018*	*3,064*	*(46)*	*-1.5%*
- of which Peru	*2,220*	*2,329*	*(109)*	*-4.7%*
- of which other countries	*213*	*233*	*(20)*	*-8.6%*

Net electricity generation in the 1st Quarter of 2013 totaled 32,163 million kWh, a decrease of 4,821 million kWh compared with the same period of 2012.
In the 1st Quarter of 2013, net electricity generation in the Iberian peninsula fell by 4,706 million kWh, mainly as a result of lower coal power generation (down 51.5%) in response to lower demand and improved water conditions during the period.

In Latin America, net electricity generation posted a decline of 95 million kWh, mainly as a result of lower hydroelectric generation in Brazil, Colombia and Chile caused by poorer water conditions. The effect was partially offset by the increase in thermal output in Chile following the entry into service of the new Bocamina II plant, and in Brazil, as a result of a number of restrictions placed by the regulatory authority on hydroelectric generation.

Contribution to gross thermal generation

Millions of kWh	1st Quarter					
	2013		2012		Change	
High-sulfur fuel oil (S>0.25%)	1,633	7.1%	1,836	6.3%	(203)	-11.1%
Natural gas	7,331	32.0%	8,672	29.8%	(1,341)	-15.5%
Coal	5,871	25.6%	9,936	34.1%	(4,065)	-40.9%
Nuclear fuel	7,064	30.8%	7,589	26.1%	(525)	-6.9%
Other fuels	1,014	4.5%	1,084	3.7%	(70)	-6.5%
Total	**22,913**	**100.0%**	**29,117**	**100.0%**	**(6,204)**	**-21.3%**

Gross thermal generation in the 1st Quarter of 2013 amounted to 22,913 million kWh, a decrease of 6,204 million kWh compared with the same period of the previous year due to decline in coal (down 51.5%) and gas generation in Spain as a result of better water conditions and higher wind power output.

Despite the decline reported in the 1st Quarter of 2013, in Latin America natural gas generation continues to be the dominant technology, although there has been an increase in coal generation as a result of the entry into service of the Bocamina II plant.

Electricity transport

Millions of kWh	1st Quarter			
	2013	2012	Change	
Electricity transported on Enel's distribution network	**39,962**	**41,181**	**(1,219)**	**-3.0%**
- of which Iberian peninsula	*24,803*	*26,219*	*(1,416)*	*-5.4%*
- of which Argentina	*3,603*	*3,728*	*(125)*	*-3.4%*
- of which Brazil	*4,775*	*4,517*	*258*	*5.7%*
- of which Chile	*3,160*	*3,109*	*51*	*1.6%*
- of which Colombia	*1,996*	*2,013*	*(17)*	*-0.8%*
- of which Peru	*1,625*	*1,596*	*29*	*1.8%*

Electricity transported in the 1st Quarter of 2013 amounted to 39,962 million kWh, a decrease of 1,219 million kWh, essentially due to a decline in energy distributed in Europe (down 5.4%) as a result of lower demand, partially offset by an increase in Latin America (up 1.3%), especially in Brazil and Chile.

Electricity sales

Millions of kWh	1st Quarter			
	2013	2012	Change	
Free market	26,074	28,667	(2,593)	-9.0%
Regulated market	13,636	13,022	614	4.7%
Total	**39,710**	**41,689**	**(1,979)**	**-4.7%**
- of which Iberian peninsula	*24,552*	*26,728*	*(2,176)*	*-8.1%*
- of which Argentina	*3,603*	*3,728*	*(125)*	*-3.4%*
- of which Brazil	*4,775*	*4,517*	*258*	*5.7%*
- of which Chile	*3,160*	*3,108*	*52*	*1.7%*
- of which Colombia	*1,995*	*2,012*	*(17)*	*-0.8%*
- of which Peru	*1,625*	*1,596*	*29*	*1.8%*

Electricity sales to end users in the 1st Quarter of 2013 totaled 39,710 million kWh, down 1,979 million kWh compared with the same period of 2012.

The decrease in volumes sold in the Iberian peninsula (down 2,176 million kWh) as a result of the continuing economic crisis was only partially offset by increased sales in Latin America (up 197 million kWh) as a result of the increase in electricity demand, especially in Brazil and Chile.

Performance

Millions of euro	1st Quarter		
	2013	2012 restated (1)	Change
Revenues	8,025	8,491	(466)
Net income/(charges) from commodity risk management	(106)	(1)	(105)
Gross operating margin	*1,684*	*1,896*	*(212)*
Operating income	956	1,187	(231)
Employees at period-end (no.)	22,844	22,807 (2)	37
Capital expenditure	323	356 (3)	(33)

(1) The figures were restated as a result of the retrospective application of the revised IAS 19.
(2) At December 31, 2012.
(3) The figure does not include €21 million regarding units classified as "Held for sale".

The table below shows performance by geographical area.

Millions of euro	Revenues			Gross operating margin			Operating income		
	2013	2012 restated	Change	**2013**	2012 restated	Change	**2013**	2012 restated	Change
Europe	5,611	5,874	(263)	969	1,109	(140)	498	690	(192)
Latin America	2,414	2,617	(203)	715	787	(72)	458	497	(39)
Total	**8,025**	**8,491**	**(466)**	**1,684**	**1,896**	**(212)**	**956**	**1,187**	**(231)**

Revenues in the 1st Quarter of 2013 fell by €466 million due to:

- a decrease of €263 million in revenues in Europe, essentially attributable to the decline in demand for electricity and the reduction in volumes. These factors were only partially offset by the increase in revenues from natural gas sales;
- a decrease of €203 million in revenues in Latin America, mainly due to lower average sales prices for end users and the unfavorable developments in exchange rates between the local currencies and the euro.

The ***gross operating margin*** amounted to €1,684 million, down €212 million or 11.2% compared with the same period of 2012 due to:

- a decrease of €72 million in the gross operating margin in Latin America, essentially attributable to a contraction in distribution margins, particularly in Brazil, as well as the unfavorable developments in exchange rates mentioned above. These factors were only partially offset by an increase in generation margins, the effect of the increase in average sales prices;
- a decrease of €140 million in the gross operating margin in Europe, essentially the result of:
  - the €73 million decline in the generation and sales to end users margin. More specifically, the reduction in the generation margin reflects the impact of the higher taxes imposed in Spain starting from January 1, 2013, partially offset by a more favorable generation mix. The decrease in the sales margin was mainly the result of lower volumes sold;
  - a €61 million decrease in the generation margin in the extra-peninsular area, which was also due to the impact of the above regulatory changes;
  - a €19 million decrease in the distribution margin, due to the decline in connection fees, only partially offset by the positive impact of the increase in rates;
  - the change in the scope of business with the sale of Endesa Ireland in the final Quarter of 2012, with an impact of €10 million;
  - the positive effect of the reduction in fixed costs (down €44 million), especially in the peninsular system.

Operating income in the 1st Quarter of 2013, after depreciation, amortization and impairment losses amounting to €728 million (€709 million in the 1st Quarter of 2012), totaled €956 million, a decline of €231 million compared with the same period of 2012, essentially in line with the developments in the gross operating margin discussed above.

Capital expenditure

Capital expenditure amounted to €323 million, a decrease of €33 million compared with the same period of the previous year. In particular, capital expenditure in the 1st Quarter of 2013 primarily concerned work on the distribution network (€199 million), mainly in Spain (€81 million) and Brazil (€54 million). Investment in generation plants (€98 million) focused primarily on the construction of the El Quimbo hydroelectric plant in Colombia.

International

Operations

Net electricity generation

Millions of kWh	1st Quarter			
	2013	2012	Change	
Thermal	11,478	12,660	(1,182)	-9.3%
Nuclear	3,878	3,897	(19)	-0.5%
Hydroelectric	1,287	1,151	136	11.8%
Other resources	20	8	12	156.4%
Total net generation	**16,663**	**17,716**	**(1,053)**	**-5.9%**
- of which Russia	*10,934*	*12,105*	*(1,171)*	*-9.7%*
- of which Slovakia	*5,729*	*5,611*	*118*	*2.1%*

Net generation in the 1st Quarter of 2013 came to 16,663 million kWh, a decrease of 1,053 million kWh compared with the same period of 2012. The change is mainly attributable to the decline in output for Enel OGK-5 (down 1,171 million kWh) due to a fall in demand in Russia as a result of warmer weather and better water conditions, which favored hydroelectric generation over thermal generation. This decrease was only partially offset by the increase in hydroelectric generation in Slovakia due to more favorable water conditions in the period.

Contribution to gross thermal generation

Millions of kWh	1st Quarter					
	2013		2012		Change	
High-sulfur fuel oil (S>0.25%)	11	0.1%	104	0.6%	(93)	-89.4%
Natural gas	6,105	37.4%	6,964	39.7%	(859)	-12.3%
Coal	6,026	37.0%	6,301	35.9%	(275)	-4.4%
Nuclear fuel	4,163	25.5%	4,180	23.8%	(17)	-0.4%
Total	**16,305**	**100.0%**	**17,549**	**100.0%**	**(1,244)**	**-7.1%**

Gross thermal generation in the 1st Quarter of 2013 fell by 1,244 million kWh to 16,305 million kWh. The decline is essentially due to lower natural gas and coal-fired output, mainly at the Russian plants, in line with the developments discussed above.

Electricity transport

Millions of kWh	1st Quarter			
	2013	2012	Change	
Electricity transported on Enel's distribution network	3,609	3,765	(156)	-4.1%

Electricity transported by the Division, entirely in Romania, decreased by 4.1%, going from 3,765 million kWh to 3,609 million kWh in the 1st Quarter of 2013.

Electricity sales

Millions of kWh	1st Quarter			
	2013	2012	Change	
Free market	9,463	10,853	(1,390)	-12.8%
Regulated market	2,820	2,932	(112)	-3.8%
Total	**12,283**	**13,785**	**(1,502)**	**-10.9%**
- of which Romania	*2,351*	*2,450*	*(99)*	*-4.0%*
- of which France	*2,183*	*3,522*	*(1,339)*	*-38.0%*
- of which Russia	*6,774*	*6,751*	*23*	*0.3%*
- of which Slovakia	*975*	*1,062*	*(87)*	*-8.2%*

Electricity sold by the International Division in the 1st Quarter of 2013 decreased by 1,502 million kWh on the year-earlier period, going from 13,785 million kWh to 12,283 million kWh. The decrease is mainly attributable to:

> a 1,339 million kWh decrease in sales in France, largely a result of the reduction in available capacity following the withdrawal from the Flamanville 3 project at the end of 2012;

> an 87 million kWh decline in sales in Slovakia due to a decrease in demand for electricity in that country;

> a 99 million kWh decrease in sales in Romania as a result of better weather conditions, which had a negative impact on volumes of electricity sold.

Performance

Millions of euro	1st Quarter		
	2013	2012 restated (1)	Change
Revenues	2,038	2,300	(262)
Net income/(charges) from commodity risk management	(10)	47	(57)
Gross operating margin	*389*	*423*	*(34)*
Operating income	255	335	(80)
Employees at period-end (no.)	12,646	12,652 (1)	(6)
Capital expenditure	179	262	(83)

(1) At December 31, 2012.

The table below shows performance by geographical area.

Millions of euro	Revenues			Gross operating margin			Operating income		
	2013	2012 restated	Change	**2013**	2012 restated	Change	**2013**	2012 restated	Change
Central Europe	906	1,225	(319)	167	260	(93)	111	202	(91)
South-eastern Europe	310	258	52	77	17	60	49	26	23
Russia	822	817	5	145	146	(1)	95	107	(12)
Total	**2,038**	**2,300**	**(262)**	**389**	**423**	**(34)**	**255**	**335**	**(80)**

Revenues in the 1st Quarter of 2013 came to €2,038 million, a decrease of €262 million or 11.4% compared with the same period of 2012. This net decrease was the product of:

> a decrease of €319 million in revenues in central Europe, mainly associated with the decrease of revenues in Slovakia (€235 million) and a decline in revenues from the sale of electricity in France (€80 million). Both changes are essentially due to a reduction in volumes sold and a decrease in average sales prices;

> an increase of €52 million in revenues in south-eastern Europe, mainly as a result of higher average sales prices in Romania, which more than offset the reduction in volumes sold;

> an increase of €5 million in revenues in Russia.

The ***gross operating margin*** amounted to €389 million, a decrease of €34 million compared with the 1st Quarter of 2012. This change is essentially due to:

> a decrease of €93 million in the gross operating margin in central Europe, due to the decline in the margin in Slovakia (€75 million), essentially attributable to the decrease in average sales prices and the impact of positive changes in estimates for certain provisions in the 1st Quarter of 2012, and to the decrease in the margin in France, essentially the result of the decline in volumes sold and in the average sales price in that market;

> a decrease of €1 million in the gross operating margin in Russia as a result of the decrease in the margin posted by RusEnergoSbyt (down €17 million) associated with entry into force of decree no. 877/2012 in Russia, introducing a number of restrictions on electricity sales. This factor was only partially offset by the improvement in the margin posted by Enel OGK-5 (up €16 million), due largely to the reduction in the cost of fuels;

> an increase of €60 million in the gross operating margin in south-eastern Europe as a result of the improvement in the margin posted in Romania.

Operating income in the 1st Quarter of 2013 totaled €255 million, a fall of €80 million or 23.9% compared with the same period of 2012. The result takes account of an increase of €46 million in depreciation, amortization and impairment losses, essentially due to the writeback recognized in the 1st Quarter of 2012 on a trade receivable in Romania (€42 million).

Capital expenditure

Capital expenditure amounted to €179 million, down €83 million compared with the same period of the previous year. The change is essentially attributable to lower capital expenditure on electricity distribution plant in Romania, lower expenditure on generation plants in Russia due to the completion of certain projects, as well as a slowdown in investment in a number of nuclear plants in Slovakia.

Renewable Energy

Operations

Net electricity generation

Millions of kWh	1st Quarter			
	2013	2012	Change	
Hydroelectric	2,663	2,115	548	25.9%
Geothermal	1,351	1,384	(33)	-2.4%
Wind	3,180	2,177	1,003	46.1%
Other resources	186	190	(4)	-2.1%
Total	**7,380**	**5,866**	**1,514**	**25.8%**
- of which Italy	*3,176*	*2,473*	*703*	*28.4%*
- of which Iberian peninsula	*1,415*	*1,075*	*340*	*31.6%*
- of which France	*88*	*91*	*(3)*	*-3.3%*
- of which Greece	*170*	*107*	*63*	*58.9%*
- of which Romania and Bulgaria	*310*	*164*	*146*	*89.0%*
- of which United States and Canada	*1,156*	*1,022*	*134*	*13.1%*
- of which Panama, Mexico, Guatemala and Costa Rica	*828*	*694*	*134*	*19.3%*
- of which Brazil and Chile	*237*	*240*	*(3)*	*-1.3%*

Net electricity generation by the Division amounted to 7,380 million kWh in the 1st Quarter of 2013, an increase of 1,514 million kWh over the same period of 2012. Of the total rise, 811 million kWh is attributable to greater generation abroad, mainly from wind generation (818 million kWh), which benefitted from the entry into service of wind farms in the Iberian peninsula, the United States, Mexico and Romania. Net electricity generation in Italy in the 1st Quarter of 2013 rose by 703 million kWh compared with the same period of 2012, reflecting an increase in hydroelectric generation (up 541 million kWh) as a result of more favorable water conditions.

Performance

Millions of euro	1st Quarter		
	2013	2012 restated	Change
Revenues	718	605	113
Net income/(charges) from commodity risk management	6	(6)	12
Gross operating margin	*478*	*379*	*99*
Operating income	348	266	82
Employees at period-end (no.)	3,603	3,512 (1)	91
Capital expenditure	261	275	(14)

(1) At December 31, 2012.

The table below shows performance by geographical area.

Millions of euro	Revenues			Gross operating margin			Operating income		
	1st Quarter			1st Quarter			1st Quarter		
	2013	2012 restated	Change	**2013**	2012 restated	Change	**2013**	2012 restated	Change
Italy and the rest of Europe	401	351	50	278	211	67	215	157	58
Iberia and Latin America	251	196	55	160	131	29	113	86	27
North America	66	58	8	40	37	3	20	23	(3)
Total	**718**	**605**	**113**	**478**	**379**	**99**	**348**	**266**	**82**

Revenues in the 1st Quarter of 2013 rose by €113 million or 18.7%, going from €605 million to €718 million. This performance reflects:

> an increase of €50 million in revenues in Italy and the rest of Europe, essentially as a result of:
  - an increase of €43 million in revenues in Italy, mainly connected with higher wind and hydroelectric generation, the latter of which due to improved water conditions for the period;
  - an increase of €30 million in revenues in the rest of Europe, mainly in Romania, as a result of the increase in installed capacity;
  - a decline of €23 million in revenues from sales of photovoltaic panels;

> an increase of €55 million in revenues in the Iberian peninsula and Latin America, essentially attributable to:
  - an increase of €26 million in revenues in the Iberian peninsula, relating to higher wind generation;
  - an increase of €24 million in revenues in Latin America, mainly due to higher wind output in Mexico and greater hydroelectric generation in Guatemala;

> an increase of €8 million in revenues in North America, which mainly reflected the increase in volumes produced.

The ***gross operating margin*** amounted to €478 million, up €99 million or 26.1% over the same period of 2012, due to:

> an increase of €67 million in the margin posted in Italy and the rest of Europe, mainly as a result of the increase in volumes generated despite falling average sales prices;

> an increase of €29 million in the margin registered in the Iberian peninsula and Latin America, reflecting greater volumes produced, particularly in Spain;

> an increase of €3 million in the margin achieved in North America, mainly as a result of greater volumes produced.

Operating income amounted to €348 million, an increase of €82 million, taking account of a rise of €17 million in depreciation, amortization and impairment losses reflecting the entry into service of a number of plants, the effect of which was only partially offset by the reduction in depreciation as a result of the revision in Italy of the useful life of assets to be relinquished free of charge following the enactment of Law 134 of 2012.

Capital expenditure

Capital expenditure in the 1st Quarter of 2013 amounted to €261 million, a decline of €14 million compared with the same period of the previous year.

Investments mainly regarded wind plants in the Iberian peninsula and Latin America (€92 million), Italy and the rest of Europe (€16 million), and North America (€72 million), geothermal plants in Italy and North America (€42 million) and photovoltaic plants in Italy and the rest of Europe (€24 million).

Other, eliminations and adjustments

Millions of euro	1st Quarter		
	2013	2012 restated	Change
Revenues	(3,182)	(3,369)	187
Revenues (net of eliminations)	431	461	(30)
Gross operating margin	*24*	*41*	*(17)*
Operating income	(5)	15	(20)
Employees at period-end (no.)	6,356	6,382 (1)	(26)
Capital expenditure	9	75 (2)	(66)

(1) At December 31, 2012.
(2) The figure does not include €1 million regarding units classified as "Held for sale".

Performance

Revenues net of eliminations in the 1st Quarter of 2013 amounted to €431 million, a decrease of €30 million compared with the same period of the previous year (down 6.5%), essentially attributable to:

> a decrease of €20 million in revenues primarily related to information and communication technology services provided to other Group companies, only partially offset by higher revenues from security services;
> a decrease in revenues from engineering activities connected with the advanced stage of the project to upgrade the Enel OGK-5 plants and the completion of a number of major projects, including the construction of the Marcinelle plant.

The ***gross operating margin*** for the 1st Quarter of 2013 amounted to €24 million, a decrease of €17 million. More specifically, the contraction in the margin on certain services provided to other Group divisions was only partially offset by operational efficiencies achieved.

Operating income showed a loss of €5 million for the 1st Quarter of 2013, a deterioration of €20 million compared with the same period of 2012, taking account of an increase of €3 million in depreciation, amortization and impairment losses.

Capital expenditure

Capital expenditure in the 1st Quarter of 2013 amounted to €9 million, a decline of €66 million compared with the same period of the previous year, mainly regarding the acquisition of mineral interests by the Upstream Gas function in the 1st Quarter of 2012.

Analysis of the Group's financial position

Net capital employed and related funding

The following schedule shows the composition of and changes in net capital employed.

Millions of euro

	at Mar. 31, 2013	at Dec. 31, 2012 restated	Change
Net non-current assets:			
- property, plant and equipment and intangible assets	103,775	103,319	456
- goodwill	16,003	15,963	40
- equity investments accounted for using the equity method	1,107	1,115	(8)
- other net non-current assets/(liabilities)	(734)	(962)	228
Total	**120,151**	**119,435**	**716**
Net current assets:			
- trade receivables	14,457	11,719	2,738
- inventories	3,119	3,338	(219)
- net receivables due from Electricity Equalization Fund and similar bodies	(2,723)	(2,435)	(288)
- other net current assets/(liabilities)	(6,734)	(5,295)	(1,439)
- trade payables	(12,151)	(13,903)	1,752
Total	**(4,032)**	**(6,576)**	**2,544**
Gross capital employed	**116,119**	**112,859**	**3,260**
Sundry provisions:			
- post-employment and other employee benefits	(4,568)	(4,542)	(26)
- provisions for risks and charges and net deferred taxes	(13,236)	(13,600)	364
Total	**(17,804)**	**(18,142)**	**338**
Net assets held for sale	**405**	**309**	**96**
Net capital employed	**98,720**	**95,026**	**3,694**
Total shareholders' equity	**55,429**	**52,078**	**3,351**
Net financial debt	**43,291**	**42,948**	**343**

Net capital employed at March 31, 2013 amounted to €98,720 million and is funded by equity attributable to the shareholders of the Parent Company and non-controlling interests in the amount of €55,429 million and net financial debt of €43,291 million. The debt-to-equity ratio at March 31, 2013 came to 0.78 (0.82 at December 31, 2012).

Analysis of the Group's financial structure

Net financial debt

The following schedule shows the composition of and changes in net financial debt.

Millions of euro

	at Mar. 31, 2013	at Dec. 31, 2012 restated	Change
Long-term debt:			
- bank loans	13,084	13,282	(198)
- bonds and preference shares	41,281	41,509	(228)
- other loans	1,165	1,168	(3)
Long-term debt	*55,530*	*55,959*	*(429)*
Long-term financial receivables and securities	(3,704)	(3,576)	(128)
Net long-term debt	**51,826**	**52,383**	**(557)**
Short-term debt			
Bank loans:			
- short-term portion of long-term debt	802	714	88
- other short-term bank debt	142	283	(141)
Short-term bank debt	*944*	*997*	*(53)*
Bonds (short-term portion)	1,856	3,115	(1,259)
Other loans (short-term portion)	256	228	28
Commercial paper	4,723	2,914	1,809
Cash collateral and other financing on derivatives	445	691	(246)
Other short-term financial payables	135	82	53
Other short-term debt	*7,415*	*7,030*	*385*
Long-term financial receivables (short-term portion)	(4,287)	(5,318)	1,031
Factoring receivables	(216)	(288)	72
Financial receivables - cash collateral	(2,094)	(1,402)	(692)
Other short-term financial receivables	(601)	(521)	(80)
Cash with banks and short-term securities	(9,696)	(9,933)	237
Cash and cash equivalents and short-term financial receivables	*(16,894)*	*(17,462)*	*568*
Net short-term debt	**(8,535)**	**(9,435)**	**900**
NET FINANCIAL DEBT	**43,291**	**42,948**	**343**
Financial debt of "Assets held for sale"	**(9)**	**(10)**	**1**

Net financial debt was equal to €43,291 million at March 31, 2013, up €343 million on December 31, 2012.

Net long-term debt decreased by €557 million as the net result of the decrease in gross long-term debt in the amount of €429 million and the increase in long-term financial receivables of €128 million.
More specifically, bank loans totaled €13,084 million, a reduction of €198 million, due mainly to a reduction of €100 million in drawings on long-term credit lines by Enel SpA.
The €10 billion five-year revolving credit line obtained in April 2010 by Enel SpA and Enel Finance International was entirely undrawn at March 31, 2013. In addition, at the same date the committed credit lines obtained by Enel SpA and Enel Finance International were drawn in the amount of €4,167 million.
Bonds and preference shares amounted to €41,281 million, down €228 million compared with the end of 2012, the net result of private placements totaling €150 million by Enel Finance International, offset by the reclassification of the current portion of bonds and preference shares and by exchange rate differences (in a total amount of €378 million).

Net short-term debt showed a net creditor position of €8,535 million at March 31, 2013, an decrease of €900 million compared with creditor position at the end of 2012. This was the result of a reduction in short-term bank debt of €53 million, an increase in other short-term debt of €385 million, and an increase of €568 million in cash and cash equivalents and short-term financial receivables. In the 1st Quarter of 2013, the following bonds were redeemed:

> $1,000 million in respect of a fixed-rate bond issued by Enel Finance International that matured in January 2013;
> €700 million in respect of a fixed-rate bond issued by International Endesa that matured in February 2013.

More specifically, the decrease of €53 million in short-term bank debt mainly reflected the repayment of credit lines by Enel SpA in the amount of about €126 million, partially offset by drawings of €100 million on lines of credit by Slovenské elektrárne.
Other short-term debt, totaling €7,415 million, includes commercial paper issued by Enel Finance International, Endesa Latinoamérica and Endesa Capital in the total amount of €4,723 million, as well as bonds and preference shares maturing within 12 months in the amount of €1,856 million.
Finally, cash collateral paid to counterparties in over-the-counter derivatives transactions on interest rates, exchange rates and commodities totaled €2,094 million, while cash collateral received from such counterparties amounted to €445 million.
Cash and cash equivalents and short-term financial receivables came to €16,894 million, down €568 million compared with the end of 2012, thanks mainly to the decrease in cash with banks and short-term securities in the amount of €237 million.

As regards significant financial funding transactions in the 1st Quarter of 2013, on March 18, 2013, Enel Latin America signed an agreement for a five-year, $100 million loan and had drawn $70 million on that loan as at March 31, 2013.

As regards major financing agreements in the 1st Quarter of 2013, on February 8, 2013, Enel SpA and Enel Finance International obtained a forward starting revolving credit facility of around €9.4 billion falling due in April 2018. This credit facility will replace the current revolving credit line of €10 billion, starting from the expiry date of that credit line.

Cash flows

Cash flows from operating activities in the first three months of 2013 amounted to a negative €925 million, a swing of €992 million from the positive flows registered in the year-earlier period. More specifically, the greater uses of cash in connection with the change in net current assets in the two periods and the decline in the gross operating margin were only partially offset by exchange rate changes and a number of non-monetary components.

Cash flows from investing/disinvesting activities in the first three months of 2013 absorbed funds in the amount of €1,105 million, while in the corresponding period of 2012 they had absorbed liquidity totaling €1,182 million.
In particular, investments in property, plant and equipment and in intangible assets totaling €1,045 million decreased by €291 million compared with the corresponding period of the previous year.

Investments in entities or business units, net of cash and cash equivalents acquired, amounted to €85 million and mainly regarded the acquisition of 100% of the Chilean company Parque Eólico Talinay Oriente by the Renewable Energy Division.
Cash flows generated by other investing/disinvesting activities in the 1st Quarter of 2013, which totaled €25 million, are essentially attributable to disinvestments during the period.

Cash flows from financing activities generated liquidity in the amount of €1,699 million. In the 1st Quarter of 2012 liquidity generated came to €3,053 million. The flow in the 1st Quarter of 2013 was essentially attributable to the increase in net financial debt of €205 million (including bond issues during the quarter) and to the cash contribution by the non-controlling shareholders to the capital increase of the subsidiary Enersis (€1,795 million). This was partially offset by repayments and other net changes in financial payables (€191 million) and by dividend payments to non-controlling shareholders of the Group (€110 million).

Therefore, in the first three months of 2013, cash flows absorbed in operating activities in the amount of €925 million and in investing activities in the amount of €1,105 million were only partially covered by the cash flows generated by financing activities in the amount of €1,699 million. The difference is reflected in the decrease in cash and cash equivalents, which at March 31, 2013 amounted to €9,697 million compared with €9,933 million at the start of 2013. This decrease also reflects positive developments in exchange rates between local currencies and the euro totaling €95 million.

Significant events in the 1st Quarter of 2013

LaGeo: Paris Court of Appeal upholds ruling of International Court of Arbitration

On January 8, 2013, the Court of Appeal of Paris upheld the ruling of the International Court of Arbitration (International Chamber of Commerce) concerning the international arbitration proceeding brought by Enel Green Power against Inversiones Energéticas (INE), its partner in LaGeo, a joint venture for the development of geothermal energy in El Salvador. The judges rejected the appeal lodged by INE asking for the ruling in favor of Enel Green Power to be voided, confirming that the ruling had been issued at the end of a fair trial. The decision of the Court of Appeal reaffirms Enel Green Power's right to allocate investments in LaGeo to share capital through the subscription of newly issued shares in the joint venture.

Forward starting revolving credit facility

On February 11, 2013, Enel SpA signed in Amsterdam a five-year revolving credit facility amounting to about €9.4 billion, which will replace the €10 billion revolving credit facility (currently not drawn) scheduled to expire in April 2015.

The new forward starting revolving credit line, which may be used by Enel SpA and/or its Dutch subsidiary Enel Finance International (with a Parent Company guarantee), is intended to give the Group's treasury operations a highly flexible instrument to manage working capital. Accordingly, the credit facility is not part of Enel's debt refinancing program.

A large group of national and international banks participated in the transaction, including Mediobanca in the role of Documentation Agent. The cost of the new credit line will vary in relation to Enel's credit rating. At the current rating level, it is equal to a spread of 170 basis points over Euribor, with commitment fees of 40% of the applicable spread.

Agreement for the reconversion of Italian sugar refineries

On March 26, 2013, Enel Green Power and SECI Energia signed the final agreement for the purchase of 50% of PowerCrop, the Maccaferri Group company dedicated to converting former Eridania sugar refineries to the production of energy from biomass.

With the acquisition, Enel Green Power has entered into a broad partnership with SECI Energia to develop the generation of energy from locally-sourced biomass with the construction of five high-efficiency plants (Russi, Macchiareddu, Castiglion Fiorentino, Fermo and Avezzano) with a total installed capacity of 150 MW. Once built, these plants will be capable of generating up to 1 billion kWh. These will provide employment for the former sugar refinery workers, restoring growth opportunities to some of the most important agricultural districts in Italy, which will have a significant economic impact on these areas.

Agreement with Eni on e-mobility

On March 27, 2013, Eni and Enel signed a letter of intent to collaborate on strategic, technological, logistical and commercial opportunities for e-mobility.

Through this agreement, Eni and Enel will develop a program for testing electric vehicle charging options, specifically the installation of charging stations using Enel technology at Eni service stations and locations.

The working group will have six months to find the best solutions for charging electric vehicles at service stations, with testing to begin in selected areas by the end of 2013.

The experiment will involve installing "fast charge" stations at certain Eni service stations. Fast charge stations are capable of recharging a vehicle using direct current and alternating current in 20-30 minutes.

The agreement also provides for the study of possible applications of Enel technology used in smart grids to maximize the use of renewable energy for those Eni stations that have installed renewable energy generation systems (e.g. photovoltaic panels).

Enersis capital increase

On March 29, 2013, the capital increase of Enel's Chilean subsidiary, Enersis, was successfully completed with the subscription of all of the 16,441,606,297 new shares issued, corresponding to a total of about \$6 billion, of which \$2.4 billion in cash.

As a result of the full subscription of the Enersis capital increase and the completion of the transaction, the subsidiary Endesa will continue to hold (directly and through the wholly-owned subsidiary Endesa Latinoamérica) around 60.6% of the share capital of Enersis.

Enersis will become the Enel Group's sole investment vehicle in Latin America for the generation, distribution and sale of electricity (with the exception of the assets currently held by Enel Green Power or any future assets the latter may develop in the renewable energy sector in that geographical area). Thanks to the successful capital increase, Enersis now has the resources necessary to pursue a major development plan, strengthening its presence in the markets in which it already operates.

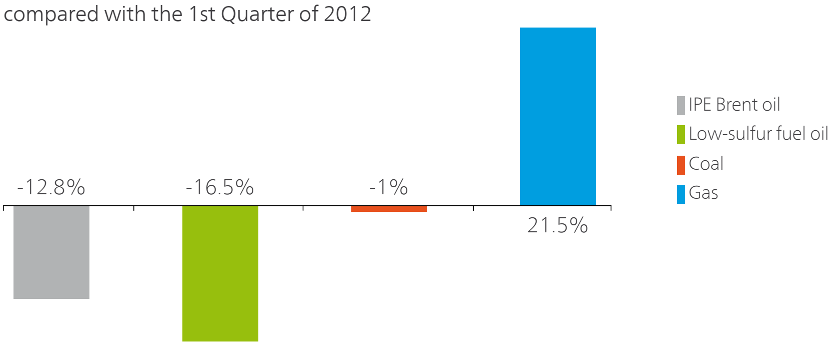
Reference scenario

Developments in the main market indicators

	1st Quarter	
	2013	2012
Market indicators		
Average IPE Brent oil price ($/bbl)	103.1	118.3
Average price of low-sulfur fuel oil ($/t) (1)	618.9	741.2
Average price of coal ($/t CIF ARA) (2)	99.8	100.8
Average price of gas (Gbpence/therm) (3)	71.7	59.0
Average dollar/euro exchange rate	1.321	1.311
Six-month Euribor (average for the period)	0.35%	1.34%

(1) Platt's CIF Med index.
(2) API#2 index.
(3) Belgium Zeebrugge index.

Change in average fuel prices in the 1st Quarter of 2013 compared with the 1st Quarter of 2012



Electricity markets

Developments in electricity demand

TWh	1st Quarter		
	2013	2012	Change
Italy	**80.4**	**83.7**	**-4.0%**
Spain	64.6	67.5	-4.3%
Russia	212.8	216.4	-1.7%
Slovakia (1)	7.7	7.8	-1.3%
Argentina	31.6	31.9	-0.9%
Brazil	114.6	111.8	2.5%
Chile	12.2	11.8	3.4%
Colombia	14.7	14.5	1.4%

(1) Enel estimates.
Source: National TSOs.

In Europe electricity demand decreased in the Mediterranean countries, primarily due to the slowdown in industrial consumption and macroeconomic uncertainty. More specifically, demand decreased by 4.0% in Italy and by 4.3% in Spain. Electricity demand also contracted in Eastern Europe, particularly in Russia (down 1.7%) and in Slovakia (down 1.3%). Demand continued to grow strongly in Latin America, with the exception of Argentina, particularly in Brazil (up 2.5%), Colombia (up 1.4%) and Chile (up 3.4%).

Italy

Domestic electricity generation and demand

Millions of kWh	1st Quarter			
	2013	2012	Change	
Net electricity generation:				
- thermal	49,444	57,406	(7,962)	-13.9%
- hydroelectric	9,714	6,863	2,851	41.5%
- wind	4,985	3,572	1,413	39.6%
- geothermal	1,273	1,305	(32)	-2.5%
- photovoltaic	3,434	3,578	(144)	-4.0%
Total net electricity generation	**68,850**	**72,724**	**(3,874)**	**-5.3%**
Net electricity imports	12,082	11,688	394	3.4%
Electricity delivered to the network	**80,932**	**84,412**	**(3,480)**	**-4.1%**
Consumption for pumping	(511)	(681)	170	25.0%
Electricity demand	**80,421**	**83,731**	**(3,310)**	**-4.0%**

Source: Terna - Rete Elettrica Nazionale (monthly report - March 2013).

Domestic *electricity demand* in the 1st Quarter of 2013 amounted to 80.4 TWh, down 4.0% compared with the same period of 2012. Of total electricity demand, 85.0% was met by net domestic electricity generation for consumption (86.0% in 1st Quarter of 2012), with the remaining 15.0% being met by net electricity imports (14.0% in the 1st Quarter of 2012).

Net electricity imports in the 1st Quarter of 2013 increased by 0.4 TWh, essentially due to the electricity price differential between the Italian market and foreign markets.

Net electricity generation in the 1st Quarter of 2013 declined by 5.3% on the year-earlier period (down 3.9 TWh), to 68.9 TWh. More specifically, the increase in hydroelectric generation (up 2.9 TWh), due to more favorable water conditions, as well as higher wind output (up 1.4 TWh), along with the mentioned decline in electricity demand, caused thermal generation to fall (down 8.0 TWh).

Spain

Electricity generation and demand in the peninsular market

Millions of kWh	1st Quarter			
	2013	2012	Change	
Gross electricity generation - ordinary regime:				
- thermal	13,248	27,399	(14,151)	-51.6%
- nuclear	14,862	16,529	(1,667)	-10.1%
- hydroelectric	10,276	4,087	6,189	151.4%
Total gross electricity generation - ordinary regime	38,386	48,015	(9,629)	-20.1%
Consumption for auxiliary services	(1,388)	(2,087)	699	33.5%
Electricity generation - special regime	**31,607**	**25,712**	**5,895**	**22.9%**
Net electricity generation	68,605	71,640	(3,035)	-4.2%
Net electricity exports (1)	**(1,721)**	**(2,836)**	**1,115**	**39.3%**
Consumption for pumping	(2,314)	(1,322)	(992)	-75.0%
Electricity demand	**64,570**	**67,482**	**(2,912)**	**-4.3%**

(1) Includes the balance of trade with the extra-peninsular system.
Source: Red Eléctrica de España (*Balance eléctrico diario Peninsular* - March 2013 report). Volumes for the 1st Quarter of 2012 are updated to March 22, 2013.

Electricity demand in the peninsular market declined by 4.3% in the 1st Quarter of 2013 compared with the same period of 2012, to 64.6 TWh. Demand was entirely met by net domestic generation for consumption.

Net electricity exports in the 1st Quarter of 2013 fell by 39.3% compared with the 1st Quarter of 2012.

Net electricity generation declined by 4.2% (down 3.0 TWh) in the 1st Quarter of 2013, primarily the result of higher hydroelectric output (up 6.2 TWh), due to better water conditions, as well as increased generation under the special regime (up 5.9 TWh). These factors, along with the decrease in electricity demand, led to a decline in conventional thermal (down 14.2 TWh) and nuclear (down 1.7 TWh) generation.

Electricity generation and demand in the extra-peninsular market

Millions of kWh	1st Quarter			
	2013	2012	Change	
Gross electricity generation - ordinary regime:				
- thermal	3,195	3,639	(444)	-12.2%
Total gross electricity generation - ordinary regime	3,195	3,639	(444)	-12.2%
Consumption for auxiliary services	(193)	(217)	24	11.1%
Electricity generation - special regime	202	233	(31)	-13.3%
Net electricity generation	**3,204**	**3,655**	**(451)**	**-12.3%**
Net electricity imports	284	65	219	-
Electricity demand	**3,488**	**3,720**	**(232)**	**-6.2%**

Source: Red Eléctrica de España (*Balance eléctrico diario Extrapeninsulares* - March 2013 report).

Electricity demand in the extra-peninsular market in 1st Quarter of 2013 decreased by 6.2% compared with the 1st Quarter of 2012 to 3.5 TWh. Demand was almost entirely met by net domestic generation for consumption.

Net electricity imports in the 1st Quarter of 2013 amounted to 0.3 TWh and entirely regarded trade with the Iberian peninsula.

Net electricity generation in the 1st Quarter of 2013 fell by 12.3% or 0.5 TWh as a result of lower thermal generation (down 12.2%) and lower output under the special regime.

Electricity prices

	Average baseload price 1st Quarter of 2013 (€/MWh)	Change in average baseload price 1st Quarter of 2013 – 1st Quarter of 2012	Average peakload price 1st Quarter of 2013 (€/MWh)	Change in average peakload price 1st Quarter of 2013 – 1st Quarter of 2012
Italy	63.8	-22%	70.4	-23%
Spain	40.5	-20%	46.8	-14%
Russia	23.7	10%	27.3	12%
Slovakia	40.3	-12%	53.1	92.9%
Brazil	123.7	332%	208.8	160%
Chile	104.3	-31%	199.2	-5.3%
Colombia	70.9	99%	101.8	66%

Regulatory and rate issues

Compared with the consolidated financial statements at December 31, 2012, which readers are invited to consult for a more detailed discussion of developments, the following section reports the main changes in the period with regard to regulatory and rate issues in the countries in which Enel operates.

The European regulatory framework

Regulation on OTC derivatives, central counterparties and trade repositories (EMIR)

Following the publication of the Implementing Technical Standards, which occurred immediately after approval by the European Commission in December 2012, the Regulatory Technical Standards were published by the Commission as Delegated Regulations on February 23, 2013, after having first been submitted to the Council and the European Parliament for review. A number of the European Market Infrastructure Regulation (EMIR) requirements came into effect starting from March 15, 2013 (the date on which the above standards came into force). These include certain risk mitigation techniques for OTC derivatives that are not subject to centralized clearing obligations and a requirement for non-financial institutions to monitor their OTC derivatives positions to ensure that they do not exceed the clearing thresholds. Additional requirements will take effect in the coming months.

Emission trading

In response to the excess supply of allowances on the EU ETS market, the European Commission decided to postpone the sale of a portion of allowances to be auctioned to the end of the phase 3 in order to reduce short-term supply (the back-loading option). The European Parliament and Council were asked to amend the EU ETS Directive to formally enable the Commission to take such a step. On April 16, 2013 the European Parliament, meeting in plenary session, rejected the proposed amendment that would have authorized back-loading, referring it to the Environment Committee. The proposal may be presented once again to the plenary session within two months. Discussions are also under way to revise the structure of the EU ETS system. The inclusion of international flights under the EU ETS has been temporarily suspended pending the meeting of the International Civil Aviation Organization (ICAO) general assembly to discuss the possibility of a global solution for reducing emissions in the aviation sector.

Sales

Electricity

Retail market

On March 14, 2013, the Regional Administrative Court of Lombardy struck down the rules for the Indemnity System introduced by the Authority aimed at barring customers from switching suppliers to avoid paying their utility bills and to contain operators' credit risk.
In a press release issued on April 11, 2013, the Authority announced that it would lodge an appeal with the Council of State to have the decision suspended.

Gas

Retail market

In the course of reforming the system of prices for the safeguard service, begun last November, the Authority reduced the weight given the spot index in the formula for determining the QE component (covering raw material costs) – for the average residential customer – by about 2.7 eurocents/m^3. This change was the main reason for the first drop in gas prices for end users in three years.

Also with regard to the raw material cost component, on March 13, 2013, the Regional Administrative Court of Lombardy, in the course of an action brought by A2A, nullified (applicable to all operators) the resolutions by which the Authority changed the formula for determining (and thereby reducing) the QE component for the 2010-2011 and 2011-2012 gas years.

Generation and Energy Management

Gas

Wholesale market

Following the approval of the Parliamentary committee and the positive opinion of the Authority, on March 6, 2013, the ministerial decree approving the rules for the natural gas forward market was signed. The Ministry for Economic Development will establish the starting date for the market by decree at a later date.

Infrastructure and Networks

Electricity

Distribution and metering

With Resolution no. 122/13, the Authority published the reference rates for distribution and sales activities for 2013 and updated the rates for 2012 to be used in determining, for each operator, the level of revenues to be recognized to cover grid infrastructure costs.
The new reference rates are set in a manner that ensures the operator will be neutral with respect to unexpected changes in the volumes of power distributed.

Iberia and Latin America

Spain

Bill on the security of supply and the promotion of competition in extra-peninsular electricity systems

On March 15, 2013, the Council of Ministers approved the submission to Parliament of a bill containing a variety of measures for promoting security of supply and competition. The main features of the bill are:

> promotion of more efficient generation capacity: new plants may be admitted to the remuneration regime for the extra-peninsular electrical system (SEIE) for reasons of procurement efficiency and security, a status previously limited to cases where the demand coverage index was not satisfied;
> promotion of the entry of new operators: operators that hold more than 40% of the installed capacity will not be able to benefit from the SEIE remuneration system or from incentives for new plants (with the exception of renewable power plants that have successfully passed through the competitive process, that hold the license or are recorded in the pre-assignment registry);
> ownership of pumping stations and regasification plants: ownership of these assets shall pass to system operators in six months at market prices;
> new remuneration mechanisms for new plants: the remuneration for generation will be established by the competent Ministry in order to reduce generation costs and to provide financial signals to impact plant location to reduce congestion;
> modifying the calculation mechanism for fuel costs: the cost will be calculated on a competitive basis in accordance with the criteria of transparency, objectivity and non-discrimination;
> oversight by the competent Ministry and the System Operator: the *Dirección General de Política energética y Minas* (DGPE) may reduce the remuneration due to operators if it should find a substantial reduction in plant availability or in the plant quality index.

The bill will be examined by Parliament before final approval.

Argentina

Resolution no. 95 – New remuneration for generation

On March 22, 2013, the Energy Secretary approved Resolution no. 95, which establishes a new methodology for remunerating generation companies. The new model should allow operators to recover fixed costs and variable costs and to ensure a return on investment. The new regulatory framework also establishes that CAMMESA (the wholesale electricity market operator) will manage the procurement of fuels and the forward market once the existing contracts expire. The new regulations are applicable starting from February 2013.

Brazil

Presidential Decree 7.945/2013

Presidential Decree 7.945/2013 was published on March 8, 2013, authorizing the transfer of government funds to distribution companies for payment of a portion of the extra costs incurred by distributors arising from the dispatching of power from thermal generation and from contractual exposure to the spot markets. The extra costs that are not immediately compensated by the government will be recovered through the electricity rate. In any case, the regulator, ANEEL, decided that distributors can recover these extra costs through rates when rate adjustments are made or through the transfer of new resources.

International

Russia

Reform of the electricity market

At the start of 2013, a proposed amendment to the plan for the electricity market was put forth envisioning a transition from a centralized capacity and energy market to a system based on bilateral contracts without separate remuneration for capacity, while maintaining existing DPM contracts (list of new plants identified by the government as excluded from the capacity market). The first version of this reform was discussed by the government in March 2013, with a second analysis expected sometime between the 1st and 2nd halves of 2013. If approved, the reform would take effect starting from 2015.

Financial guarantees in the wholesale market

The order of February 21, 2013, approved by the Market Council, introduced the use of financial guarantees in the wholesale market (day-ahead market and balancing market) conditional on monitoring conducted by a central authority (ZFR) to ensure the governance and timing of payments. Consequently, market operators that fail to meet the payment requirements for the March-May 2013 period will be required to provide a financial guarantee starting from July 1, 2013. Thereafter, monitoring will be performed in an ongoing basis.

France

Law 2013-312 – Energy transition and progressive tariffs

In March 2013 the government approved a law aimed at introducing criteria for determining the progressive rates for residential water, electricity and heat consumption. The proposed progressive rate mechanism based on a "bonus-malus" system applicable as from January 1, 2015. However, in reviewing the law, the Constitutional Court rejected the mechanism, finding that it violates the principle of equality. The Ecology and Energy Minister announced that the government does not plan to abandon progressive rates and that a new solution would be proposed in the energy transition planning bill expected in October.

On April 15, 2013, Law 2013-312 was published. It contains a variety of measures for preparing for the energy transition, including, among others, simplifying the authorization procedures for wind plants and certain measures for handling electricity demand.

Renewable Energy

Bulgaria

Revocation of the grid connection fee

In March 2013, acting on an appeal filed by numerous private operators, the Supreme Administrative Court of Bulgaria revoked the measure of September 2012 that introduced a new grid access fee applicable to all renewable energy generation plants. However, the regulator has appealed this decision to the Court of Appeals, thereby rendering the decision inapplicable until the judicial process has been completed.

Romania

Modification of the green certificate mechanism

Following the announcement by the Romanian government of its intention to amend the renewables support mechanism in an attempt to contain the costs for final consumers, in April 2013, the proposed temporary modification of the green certificates mechanism was submitted for consultation. Among various measures, the proposal provides for the suspension for a specified period (from July 1, 2013 to December 31, 2016) of the issue of part of the green certificates due to renewables generators (1 green certificate/MWh for wind and mini-hydro and 2 green certificates/MWh for photovoltaics). The green certificates withheld would be gradually reassigned as from January 1, 2017 (for photovoltaics and mini-hydro) and January 1, 2018 (for wind). The government plans to introduce the proposed modifications at the start of the 2nd Half of 2013.

United States

American Taxpayer Relief Act

On January 2, 2013, President Obama signed the American Taxpayer Relief Act into law, which extends the production tax credit (PTC) for wind power by a year. In addition, the law amends the conditions for all technologies to qualify for the incentive: plants no longer have to be in operation but rather "the construction of which begins" by January 1, 2014. Further details on the precise definition of "the construction of which begins" will be published by the Treasury Department shortly.

Chile

Rules on geothermal power

On March 8, 2013, *Decreto Supremo* no. 114 of the Energy Ministry was published in Chile's official journal. The decree governs a number of aspects of Law 19.657 concerning geothermal power. The decree establishes a number of departures from the provisions of the previous Decree no. 32, with improvements in a number of aspects, including the granting of "exclusive rights" in obtaining a production concession once exploration activities have been completed, creating greater legal certainty and protection for investors.

Central America

Regional Electricity Market

On March 27, 2013, the decision was made to postpone the launch of the mechanism governing the Regional Electricity Market. Under the new timeline, the mechanism will be implemented as from June 2013. Guatemala will hold the presidency of the Interconnection Regional Commission as from that date.

Mexico

National Energy Strategy

On April 9, 2013, the Mexican Congress approved the National Energy Strategy for 2013-2027, confirming the drive to boost renewables through the involvement of private-sector investors and the intention to reduce emissions of green-house gases (35% of generation from non-fossil sources by 2024). The document has been submitted to the government for formalization.

Outlook

In the 1st Quarter of 2013, the contraction in electricity demand in Italy (down 4.0%) and Spain (down 4.3%) underscored the macroeconomic weakness of the mature European markets. More specifically, macroeconomic forecasts for the mature euro-area countries point to a contraction of 0.3% in GDP in 2013 and persistent uncertainty in subsequent years. By contrast, the growth trend in certain Latin America countries and Russia is expected to continue.

In this environment, the Enel Group's strategy is focused on preserving margins in mature markets and growth in emerging markets and in its worldwide renewables business, balancing its portfolio between regulated and unregulated activities.

Consistent with this positioning, in order to ensure growth and financial stability, the Group is closely monitoring implementation of its reorganization programs and carefully assessing the appropriate scale and efficiency levels of its operations, with a focus on technological innovation and optimizing investments, in line with the Group's strategic priorities.

Condensed quarterly consolidated financial statements at March 31, 2013

Condensed Consolidated Income Statement

Millions of euro	1st Quarter	
	2013	2012 restated
Total revenues	20,885	21,193
Total costs	18,175	18,484
Net income/(charges) from commodity risk management	(156)	150
OPERATING INCOME	**2,554**	**2,859**
Financial income	958	961
Financial expense	1,632	1,596
Total financial income/(expense)	**(674)**	**(635)**
Share of income/(expense) from equity investments accounted for using the equity method	**29**	**26**
INCOME BEFORE TAXES	**1,909**	**2,250**
Income taxes	736	775
Net income from continuing operations	**1,173**	**1,475**
Net income from discontinued operations	**-**	**-**
NET INCOME FOR THE PERIOD (shareholders of the Parent Company and non-controlling interests)	**1,173**	**1,475**
Attributable to shareholders of the Parent Company	852	1,154
Attributable to non-controlling interests	321	321
Earning attributable to shareholders of the Parent Company per share (euro) (1)	*0.09*	*0.12*

(1) The Group's diluted earnings per share are equal to earnings per share.

Statement of Consolidated Comprehensive Income

Millions of euro	1st Quarter	
	2013	2012 restated
Net income/(loss) for the period	**1,173**	**1,475**
Other comprehensive income recyclable to profit or loss:		
- Effective portion of change in the fair value of cash flow hedges	71	(404)
- Income recognized in equity by companies accounted for using equity method	(13)	1
- Change in the fair value of financial investments available for sale	(11)	(196)
- Exchange rate differences	755	399
Income/(Loss) recognized directly in equity	**802**	**(200)**
Comprehensive income for the period	**1,975**	**1,275**
Attributable to:		
- shareholders of the Parent Company	1,286	725
- non-controlling interests	689	550

Condensed Consolidated Balance Sheet

Millions of euro	1st Quarter	
	at Mar. 31, 2013	at Dec. 31, 2012 restated
ASSETS		
Non-current assets		
- Property, plant and equipment and intangible assets	103,775	103,319
- Goodwill	16,003	15,963
- Equity investments accounted for using the equity method	1,107	1,115
- Other non-current assets (1)	13,625	13,134
Total	**134,510**	**133,531**
Current assets		
- Inventories	3,119	3,338
- Trade receivables	14,457	11,719
- Cash and cash equivalents	9,122	9,891
- Other current assets (2)	13,916	13,274
Total	**40,614**	**38,222**
Assets held for sale	**413**	**317**
TOTAL ASSETS	**175,537**	**172,070**
LIABILITIES AND SHAREHOLDERS' EQUITY		
- Equity attributable to the shareholders of the Parent Company	37,059	35,775
- Non-controlling interests	18,370	16,303
Total shareholders' equity	**55,429**	**52,078**
Non-current liabilities		
- Long-term loans	55,530	55,959
- Provisions and deferred tax liabilities	24,729	24,958
- Other non-current liabilities	3,731	3,704
Total	**83,990**	**84,621**
Current liabilities		
- Short-term loans and current portion of long-term loans	8,359	8,027
- Trade payables	12,151	13,903
- Other current liabilities	15,600	13,433
Total	**36,110**	**35,363**
Liabilities held for sale	**8**	**8**
TOTAL LIABILITIES	**120,108**	**119,992**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**175,537**	**172,070**

(1) Of which long-term financial receivables and other securities at March 31, 2013 equal to €3,544 million (€3,430 million at December 31, 2012) and €160 million (€146 million at December 31, 2012), respectively.

(2) Of which short-term portion of long-term financial receivables, short-term financial receivables and other securities at March 31, 2013 equal to €4,287 million (€5,318 million at December 31, 2012), €2,911 million (€2,211 million at December 31, 2012) and €574 million (€42 million at December 31, 2012), respectively

Statement of Changes in Consolidated Shareholders' Equity

	Share capital and reserves attributable to the shareholders of the Parent Company						
Millions of euro	Share capital	Share premium reserve	Legal reserve	Other reserves	Reserve from translation of financial statements in currencies other than euro	Reserve from measure-ment of financial instru-ments	Reserve from disposal of equity interests without loss of control
at January 1, 2012	**9,403**	**5,292**	**1,881**	**2,262**	**120**	**(49)**	**749**
Effect of application of IAS 19 Revised	-	-	-	-	-	-	-
Effect of change in accounting policy for white certificates	-	-	-	-	-	-	-
at January 1, 2012 restated	**9,403**	**5,292**	**1,881**	**2,262**	**120**	**(49)**	**749**
Dividends and interim dividends	-	-	-	-	-	-	-
Change in scope of consolidation	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	204	(634)	-
of which:							
- income/(loss) recognized directly in equity	-	-	-	-	*204*	*(634)*	-
- net income/(loss) for the period	-	-	-	-	-	-	-
at March 31, 2012	**9,403**	**5,292**	**1,881**	**2,262**	**324**	**(683)**	**749**
at January 1, 2013	**9,403**	**5,292**	**1,881**	**2,262**	**92**	**(1,253)**	**749**
Effect of application of IAS 19 Revised	-	-	-	-	-	-	-
at January 1, 2013 restated	**9,403**	**5,292**	**1,881**	**2,262**	**92**	**(1,253)**	**749**
Dividends and interim dividends	-	-	-	-	-	-	-
Disposal of equity interests without loss of control	-	-	-	-	-	-	*(16)*
Comprehensive income	-	-	-	-	406	41	-
of which:							
- income/(Loss) recognized directly in equity	-	-	-	-	*406*	*41*	-
- net income/(loss) for the period	-	-	-	-	-	-	-
at March 31, 2013	**9,403**	**5,292**	**1,881**	**2,262**	**498**	**(1,212)**	**733**

Reserve from transactions in non-controlling interests	Reserve from equity investments accounted for using the equity method	Reserves for employee benefits	Other retained earnings	**Equity attributable to the shareholders of the Parent Company**	**Non-controlling interests**	**Total share-holders' equity**
78	**15**	**-**	**19,039**	**38,790**	**15,650**	**54,440**
-	-	(208)	70	**(138)**	**(61)**	**(199)**
-	-	-	(140)	**(140)**	**-**	**(140)**
78	**15**	**(208)**	**18,969**	**38,512**	**15,589**	**54,101**
-	-	-	-	**-**	**(199)**	**(199)**
-	-	-	-	**-**	**35**	**35**
-	1	-	1,154	**725**	**550**	**1,275**
-	*1*	-	-	***(429)***	***229***	***(200)***
-	-	-	*1,154*	***1,154***	***321***	***1,475***
78	**16**	**(208)**	**20,123**	**39,237**	**15,975**	**55,212**
78	**8**	**-**	**18,259**	**36,771**	**16,387**	**53,158**
-	-	(1,091)	95	**(996)**	**(84)**	**(1,080)**
78	**8**	**(1,091)**	**18,354**	**35,775**	**16,303**	**52,078**
-	-		-	**-**	**(362)**	**(362)**
6	-	8	-	**(2)**	**1,740**	**1,738**
-	(13)	-	852	**1,286**	**689**	**1,975**
-	*(13)*	-	-	***434***	***368***	***802***
-	-	-	*852*	***852***	***321***	***1,173***
84	**(5)**	**(1,083)**	**19,206**	**37,059**	**18,370**	**55,429**

Condensed Consolidated Statement of Cash Flows

Millions of euro	1st Quarter	
	2013	2012 restated
Income before taxes	**1,909**	**2,250**
Adjustments for:		
Depreciation, amortization and impairment losses of property, plant and equipment and intangible assets	1,331	1,336
Exchange rate adjustments of foreign currency assets and liabilities (including cash and cash equivalents)	11	(235)
Financial (income)/expense	528	607
Change in inventories and trade receivables and payables	(4,272)	(3,374)
Interest and other financial income and expense paid and collected	(697)	(413)
Other changes	265	(104)
Cash flows from operating activities (A)	**(925)**	**67**
Investments in property, plant and equipment and intangible assets	(1,045)	(1,336)
Investments in entities (or business units) less cash and cash equivalents acquired	(85)	(102)
Disposals of entities (or business units) less cash and cash equivalents sold	-	-
(Increase)/Decrease in other investing activities	25	256
Cash flows from investing/disinvesting activities (B)	**(1,105)**	**(1,182)**
Financial debt (new long-term borrowing)	205	3,733
Financial debt (repayments and other net changes)	(191)	(602)
Collection (net of incidental expenses) of proceeds from disposal of equity interests without loss of control	1,795	-
Dividends paid	(110)	(78)
Cash flows from financing activities (C)	**1,699**	**3,053**
Impact of exchange rate fluctuations on cash and cash equivalents (D)	**95**	**35**
Increase/(Decrease) in cash and cash equivalents (A+B+C+D)	**(236)**	**1,973**
Cash and cash equivalents at the beginning of the period (1)	9,933	7,072
Cash and cash equivalents at the end of the period (2)	9,697	9,045

(1) Of which cash and cash equivalents equal to €9,891 million at January 1, 2013 (€7,015 million at January 1, 2012), short-term securities equal to €42 million at January 1, 2013 (€52 million at January 1, 2012) and cash and cash equivalents pertaining to "Assets held for sale" in the amount of €0 million at January 1, 2013 (€5 million at January 1, 2012).

(2) Of which cash and cash equivalents equal to €9,122 million at March 31, 2013 (€8,994 million at March 31, 2012), short-term securities equal to €574 million at March 31, 2013 (€46 million at March 31, 2012) and cash and cash equivalents pertaining to "Assets held for sale" in the amount of €1 million at March 31, 2013 (€5 million at March 31, 2012).

Explanatory notes

1 Accounting policies and measurement criteria

The condensed quarterly consolidated financial statements at March 31, 2013, have been prepared in condensed form in conformity with the international accounting standard applicable to the preparation of interim financial statements (IAS 34). The condensed quarterly consolidated financial statements at March 31, 2013, do not contain all of the information required for the annual consolidated financial statements and should therefore be read together with the consolidated financial statements at December 31, 2012.

Although the Group has designated the half-year as its interim reporting period for the purposes of applying IAS 34 and the definition of interim financial statements used therein, this Interim Financial Report at March 31, 2013, has, on an exceptional basis, been prepared in compliance with that standard with the expectation that it may be included in the official documentation to be used in support of a possible issue of debt securities in the coming months.

The accounting policies and measurement criteria used for the condensed quarterly consolidated financial statements at March 31, 2013, are consistent with those used to prepare the consolidated financial statements at December 31, 2012, to which the reader is referred for more information. In addition, the following international accounting standards, amendments to the international accounting standards and interpretations became applicable for the first time as of January 1, 2013:

> "Amendment to IAS 1 – Presentation of items of other comprehensive income". The amendment calls for the separate presentation of items of other comprehensive income (OCI) that may be reclassified to profit or loss in the future ("recycling") and those that will not be recycled. The retrospective application of the measure did not have a significant impact on these condensed quarterly consolidated financial statements;

> "IAS 19 – Employee benefits". The standard supersedes the IAS 19 applied in the preparation of the 2012 annual financial statements. The most significant change regards the requirement to recognize all actuarial gains/losses in OCI, with the elimination of the corridor approach. The amended standard also introduces more stringent rules for disclosures, with the disaggregation of the cost into three components (service cost, net interest on the net defined benefit plan asset/liability and re-measurement of the net defined benefit asset/liability); replaces the expected return of plan assets with the calculation of net interest; no longer permits the deferral of the recognition of past service cost; provides for enhanced disclosures; and introduces more detailed rules for the recognition of termination benefits. The effects of the retrospective application of the standard in this Report are discussed in the section "Restatement of the balance sheet and the income statement";

> "IFRS 13 – Fair value measurement". The standard represents a single IFRS framework to be used whenever another accounting standard requires or permits the use of fair value measurement. The standard sets out guidelines for measuring fair value and introduces specific disclosure requirements. The prospective application of the measure did not have a significant impact on these condensed quarterly consolidated financial statements;

> "Amendments to IFRS 7 – Offsetting financial assets and financial liabilities". The amendments establish more extensive disclosures for the offsetting of financial assets and liabilities, with a view to enabling users of financial statements to assess the actual and potential effects on the entity's financial position of netting arrangements, including the set-off rights associated with recognized assets or liabilities. The retrospective application of the measure did not

have an impact on these condensed quarterly consolidated financial statements;

> "Amendments to IAS 12 – Deferred taxes: recovery of underlying assets". The amendment introduces an exception in the recognition of deferred taxes on the basis of the manner in which the carrying amount of the underlying assets will be recovered. The exception regards systems that establish different tax rates depending on whether the entity plans to recover the assets through sale or through use in the productive cycle. The retrospective application of the measure did not have an impact on these condensed quarterly consolidated financial statements;

> "Annual improvements to IFRS – 2009-2011 cycle". The document regards formal amendments and clarifications of existing standards whose retrospective application did not have an impact on these condensed quarterly consolidated financial statements. More specifically, the following standards were amended:
  - "IAS 1 – Presentation of financial statements". The amendment clarifies how comparative information must be presented in the financial statements and specifies that an entity may voluntarily elect to provide additional comparative information. More specifically, it specifies that an entity shall present a third balance sheet as at the start of the previous period in addition to the minimum required comparative schedules if:
    - it retrospectively applies an accounting standard, retrospectively restates or reclassifies items of its financial statements; and
    - the retrospective application or retrospective restatement or reclassification has a material impact on the balance sheet as at the start of the previous period.

    When an entity reclassifies comparative amounts, it must indicate (including at the start of the previous period) the nature of the reclassification, the amount of each reclassified item and the reasons for the reclassification;
  - "IAS 16 – Property, plant and equipment". The amendment clarifies that if spare parts and servicing equipment meet the requirements for classification as "property, plant and equipment" they shall be recognized and measured in accordance with IAS 16; otherwise they shall be classified as inventory;
  - "IAS 32 – Financial Instruments: Presentation". The amendment establishes that income taxes relating to distributions to equity holders and to transaction costs of equity transactions shall be accounted for in accordance with IAS 12;
  - "IAS 34 – Interim Financial Reporting". The amendment clarifies that interim financial reports shall specify the total assets and liabilities for a particular reportable segment only if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements presented;
  - "IFRIC 20 – Stripping costs in the production phase of a surface mine". The interpretation sets out the accounting treatment to be applied to costs incurred for the removal of mine waste materials during the production phase, clarifying when they can be recognized as an asset. The prospective application of the interpretation did not have an impact on these condensed quarterly consolidated financial statements.

Seasonality

The turnover and performance of the Group could be impacted, albeit slightly, by developments in weather conditions. More specifically, in warmer periods of the year, gas sales decline, while during periods in which factories are closed for holidays, electricity sales decline. In view of the small impact these variations have on performance, no additional disclosure (required under IAS 34.21) for developments in the twelve months ended March 31, 2013 is provided.

Use of estimates

Preparing the condensed quarterly consolidated financial statements requires management to make estimates and assumptions that impact the value of revenues, costs, assets and liabilities and the disclosures concerning contingent assets and liabilities at the balance sheet date. Changes in the conditions underlying the assumptions and judgments could have a substantial impact on future results. For the purposes of the preparation of these condensed quarterly consolidated financial statements, in line with the consolidated financial statements at December 31, 2012, the use of estimates involved the same situations in which estimates were employed during the preparation of the annual consolidated financial statements. In addition, in accordance with the disclosure requirements under IFRS 13, there were no changes in the fair value hierarchy used in measuring the fair value of financial instruments compared with the most recent annual consolidated financial statements, and the methods used in measuring Level 2 and Level 3 fair value are consistent with those used in the most recent annual consolidated financial statements. For a more extensive discussion of the most significant assessment processes of the Group, please see the section "Use of estimates" in the consolidated financial statements at December 31, 2012.

2

Restatement of the balance sheet and the income statement

Following the application of the new version of "IAS 19 – Employee benefits" from January 1, 2013 with retrospective effect, the main effects on the income statement and balance sheet reported solely for comparative purposes in this Interim Financial Report are discussed below:

> as the corridor approach may no longer be used, all actuarial gains and losses are recognized directly in equity. Accordingly, the amortization of the excess gains and losses outside the corridor as quantified at December 31, 2011 pertaining to the 1st Quarter of 2012 was eliminated from the income statement (€15 million). In addition, the actuarial gains and losses not recognized in application of the previous method were recognized in equity, with a consequent adjustment of the respective defined-benefit obligation (€630 million at December 31, 2012) and the net plan assets recognized in the balance sheet (€97 million at December 31, 2012), net of the theoretical tax effects and amounts pertaining to non-controlling interests;

> as the recognition of past service cost in the income statement may no longer be deferred, the portion not recognized in the periods under review (€947 million at December 31, 2012) was recognized as an increase in the defined-benefit obligation. Once again, the theoretical tax effects and amounts pertaining to non-controlling interests were also calculated;

> in application of the new standard, net interest on plan assets is recognized in substitution of the expected return on those assets. The impact of that change is not material (about €2 million) and therefore the balances in the income statement for the 1st Quarter of 2012 were not restated.

In addition, at the end of 2012, the Group adopted a new criterion for accounting for white certificates (energy efficiency certificates or EECs) that involves recognizing the overall cost of compliance with energy efficiency requirements through profit or loss in the accounting period to which the compliance requirement pertains, ascertaining any charge in respect of certificates that are not available at the end of that period (the so-called deficit). Under the accounting policy previously adopted, the related costs were recognized through profit or loss at the time of their actual use for the purpose of compliance with regulatory requirements. In addition, white certificates deriving from multi-year projects were classified under intangible assets and amortized at the time of their use.

The following tables show the changes in the consolidated balance sheet and income statement as a result of the modification, including the associated tax effects. The impact on the statement of consolidated comprehensive income and the condensed consolidated statement of cash flows is limited to a number of reclassifications among the various components, in line with the figures reported in the balance sheet and income statement.

Millions of euro	1st Quarter			
	2012	IAS 19R effect	New EEC policy	**2012 restated**
Total revenues	21,193	-	-	21,193
Total costs	17,041	(15)	60	17,086
Net income/(charges) from commodity risk management	150	-	-	150
GROSS OPERATING MARGIN	**4,302**	**15**	**(60)**	**4,257**
Depreciation, amortization and impairment losses	1,400	-	(2)	1,398
OPERATING INCOME	**2,902**	**15**	**(58)**	**2,859**
Financial income	961	-	-	961
Financial expense	1,596	-	-	1,596
Total financial income/(expense)	**(635)**	**-**	**-**	**(635)**
Share of income/(expense) from equity investments accounted for using the equity method	**26**	**-**	**-**	**26**
INCOME BEFORE TAXES	**2,293**	**15**	**(58)**	**2,250**
Income taxes	792	5	(22)	775
Net income from continuing operations	**1,501**	**10**	**(36)**	**1,475**
Net income from discontinued operations	**-**	**-**	**-**	**-**
NET INCOME FOR THE PERIOD (shareholders of the Parent Company and non-controlling interests)	**1,501**	**10**	**(36)**	**1,475**
Attributable to shareholders of the Parent Company	1,184	6	(36)	1,154
Attributable to non-controlling interests	317	4	-	321

Millions of euro

	at Dec. 31, 2012	IAS 19R effect	**at Dec. 31, 2012 restated**
ASSETS			
Non-current assets			
- Property, plant and equipment and intangible assets	103,319	-	103,319
- Goodwill	15,963	-	15,963
- Equity investments accounted for using the equity method	1,115	-	1,115
- Other non-current assets	12,720	414	13,134
Total	**133,117**	**414**	**133,531**
Current assets			
- Inventories	3,338	-	3,338
- Trade receivables	11,719	-	11,719
- Cash and cash equivalents	9,891	-	9,891
- Other current assets	13,274	-	13,274
Total	**38,222**	**-**	**38,222**
Assets held for sale	**317**	**-**	**317**
TOTAL ASSETS	**171,656**	**414**	**172,070**
LIABILITIES AND SHAREHOLDERS' EQUITY			
- Equity attributable to the shareholders of the Parent Company	36,771	(996)	35,775
- Non-controlling interests	16,387	(84)	16,303
Total shareholders' equity	**53,158**	**(1,080)**	**52,078**
Non-current liabilities			
- Long-term loans	55,959	-	55,959
- Provisions and deferred tax liabilities	23,464	1,494	24,958
- Other non-current liabilities	3,704	-	3,704
Total	**83,127**	**1,494**	**84,621**
Current liabilities			
- Short-term loans and current portion of long-term loans	8,027	-	8,027
- Trade payables	13,903	-	13,903
- Other current liabilities	13,433	-	13,433
Total	**35,363**	**-**	**35,363**
Liabilities held for sale	**8**	**-**	**8**
TOTAL LIABILITIES	**118,498**	**1,494**	**119,992**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**171,656**	**414**	**172,070**

3

Main changes in the scope of consolidation

2012

> acquisition, on January 13, 2012, of an additional 49% of Rocky Ridge Wind Project, which was already a subsidiary (consolidated line-by-line) controlled through a 51% stake;

> acquisition, on February 14, 2012, of the remaining 50% of Enel Stoccaggi, a company in which the Group already held a 50% interest. As from that date the company has been consolidated on a line-by-line basis (previously consolidated proportionately in view of the joint control exercised);

> acquisition, on June 27, 2012, of the remaining 50% of a number of companies in the Kafireas wind power pipeline in Greece, which had previously been included under "Elica 2" and accounted for using the equity method in view of its 30% stake; as from that date the companies have therefore been consolidated on a line-by-line basis;

> acquisition, on June 28, 2012, of 100% of Stipa Nayaa, a Mexican company operating in the wind generation sector;

> disposal, on August 2, 2012, of the entire capital of Water & Industrial Services Company (Wisco), which operates in the waste water treatment sector in Italy.

> disposal, on October 9, 2012, of the entire share capital of Endesa Ireland, a company operating in the generation of electricity;

> acquisition, on October 12, 2012, of the additional 58% of Trade Wind Energy, a company in which the Group had held a stake of 42%; as a result of the purchase, the company is no longer consolidated using the equity method but is consolidated on a line-by-line basis;

> acquisition, on December 21, 2012, of 99.9% of Eólica Zopiloapan, a Mexican company operating in the wind generation sector.

2013

> acquisition, on March 22, 2013, of 100% of Parque Eólico Talinay Oriente, a company operating in the wind generation sector in Chile;

> acquisition, on March 26, 2013, of 50% of PowerCrop, a company operating in the biomass generation sector; in view of the joint contol exercised over the company together with another operator, the company is consolidated on a proportionate basis.

Business combinations in the 1st Quarter of 2013

The following table reports the effects of the main business combinations carried out in the 1st Quarter of 2013. In both cases, the Group will determine the fair value of the assets acquired and the liabilities and contingent liabilities assumed within twelve months of the purchase date.

Business combinations in the 1st Quarter of 2013

Millions of euro	Parque Eólico Talinay Oriente	PowerCrop
Non-current assets	127	12
Current assets	19	5
Current liabilities	(20)	(2)
Net assets acquired	**126**	**15**
Goodwill	-	9
Value of the transaction (1)	**126**	**24**
Cash flow impact	81 (2)	4 (3)

(1) Including incidental expenses.
(2) Net of advances paid in 2012 (€27 million) and the amount still to be paid (€18 million).
(3) Net of advances paid in 2012 (€8 million) and the amount still to be paid (€12 million).

Effects of Enersis capital increase

On March 29, 2013, the capital increase of the Chilean company Enersis was completed in the overall amount of €4,559 million. The capital increase was subscribed by Endesa (60.6%) with the transfer of the equity investments included in Cono Sur Participaciones and by other shareholders (39.4%) in cash.

More specifically, the equity investments held directly by Cono Sur Participaciones at the transaction date were:

> Ampla Energia e Serviços, with an interest of 7.70%;

> Ampla Investimentos e Serviços, with an interest of 7.71%;

> Codensa, with an interest of 26.66%;

> Compañía Eléctrica San Isidro, with an interest of 4.39%;

> Eléctrica Cabo Blanco, with an interest of 80.00%;

> Emgesa, with an interest of 21.60%;

> Empresa Distribuidora Sur, with an interest of 6.22%;

> Endesa Brasil, with an interest of 28.48%;

> Endesa Cemsa, with an interest of 55.00%;

> Generalima, with an interest of 100.00%;

> Inversiones Distrilima, with an interest of 34.83%;

> Inversora Dock Sud, with an interest of 57.14%;

> Yacylec, with an interest of 22.22%.

Since the capital increase was fully subscribed by existing shareholders, after the operation the shareholder base was unchanged. For the Enel Group, the transaction qualifies as a disposal of a minority interest without loss of control over the assets involved.

The following table summarizes the impact of the disposal on the accounts:

Effects of the disposal of minority interests pertaining to the Endesa-Latin America CGU

Millions of euro	
Determination of the value of the interest divested in the Enersis capital increase	
Net assets of Cono Sur Participaciones	2,261
Non-controlling interests in those assets	(180)
Goodwill pertaining to those assets	357
Value of 92.06% of Cono Sur Participaciones	**2,438**
Interest transferred in Enersis capital increase (39.4%)	**961**
Determination of price for assets transferred	
Capital increase subscribed in cash	1,795
Share pertaining to Enel Group (55.8%)	**1,001**
Cost of transaction pertaining to Enel Group (1)	**42**
Price received for disposal	**959**
Net result on transaction (recognized in reserve from disposal of equity interests without loss of control)	**(2)**

(1) Calculated on basis of total costs incurred of €77 million, net of tax effects and non-controlling interests.

4

Segment information

The representation of divisional performance presented here is based on the approach used by management in monitoring Group performance for the two periods under review.

For more information on developments in performance and financial position during the period, please see the appropriate section of this Report.

Performance by segment in the 1st Quarter of 2013 and 2012

1st Quarter of 2013 (1)

Millions of euro	Sales	GEM	Infra. & Networks	Iberia and Latin America	Int'l	Renewable Energy	Other, eliminations and adjustments	**Total**
Revenues from third parties	4,889	4,786	725	8,009	1,870	589	17	**20,885**
Revenues from other segments	44	1,714	1,128	16	168	129	(3,199)	**-**
Total revenues	**4,933**	**6,500**	**1,853**	**8,025**	**2,038**	**718**	**(3,182)**	**20,885**
Total costs	4,667	6,176	895	6,235	1.639	246	(3,206)	**16,652**
Net income/(charges) from commodity risk management	(26)	(20)	-	(106)	(10)	6	-	**(156)**
Depreciation and amortization	21	102	240	686	124	128	29	**1.330**
Impairment losses/Reversals	138	1	-	42	10	2	-	**193**
Operating income	**81**	**201**	**718**	**956**	**255**	**348**	**(5)**	**2,554**
Capital expenditure	**3**	**47**	**223**	**323**	**179**	**261**	**9**	**1,045**

(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.

1st Quarter of 2012 restated (1) (2)

Millions of euro	Sales	GEM	Infra. & Networks	Iberia and Latin America	Int'l	Renewable Energy	Other, eliminations and adjustments	**Total**
Revenues from third parties	5,288	4,127	651	8,457	2,127	519	24	**21,193**
Revenues from other segments	37	1,908	1,155	34	173	86	(3,393)	**-**
Total revenues	**5,325**	**6,035**	**1,806**	**8,491**	**2,300**	**605**	**(3,369)**	**21,193**
Total costs	5,181	5,665	912	6,594	1,924	220	(3,410)	**17,086**
Net income/(charges) from commodity risk management	32	78	-	(1)	47	(6)	-	**150**
Depreciation and amortization	20	152	228	712	114	111	24	**1,361**
Impairment losses/Reversals	62	-	-	(3)	(26)	2	2	**37**
Operating income	**94**	**296**	**666**	**1,187**	**335**	**266**	**15**	**2,859**
Capital expenditure	**3**	**34**	**309**	**356** (3)	**262**	**275**	**75** (4)	**1,314**

(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) The figures have been restated as a result of the change, with retrospective effect, in the accounting treatment of employee benefits under the new version of IAS 19, and in the accounting policy used for white certificates. For further information please see note 2.

(3) Does not include €21 million regarding units classified as "Held for sale".

(4) Does not include €1 million regarding units classified as "Held for sale".

Financial position by segment

At March 31, 2013

Millions of euro	Sales	GEM	Infra. & Networks	Iberia and Latin America	Int'l	Renewable Energy	Other, elimi-nations and adjustments	**Total**
Property, plant and equipment	32	9,789	15,209	38,336	10,210	9,422	578	**83,576**
Intangible assets	763	676	116	29,383	2,854	2,238	283	**36,313**
Trade receivables	5,818	3,394	2,435	4,170	558	680	(2,598)	**14,457**
Other	153	2,068	793	2,143	748	268	(90)	**6,083**
Operating assets	**6,766**	**15,927**	**18,553**	**74,032**	**14,370** (1)	**12,608** (2)	**(1,827)**	**140,429**
Trade payables	3,812	3,356	2,451	4,007	718	661	(2,853)	**12,152**
Sundry provisions	293	1,421	2,640	4,483	2,986	194	746	**12,763**
Other	2,245	604	2,891	3,715	1,156	481	(198)	**10,894**
Operating liabilities	**6,350**	**5,381**	**7,982**	**12,205**	**4,860** (3)	**1,336**	**(2,305)**	**35,809**

(1) Of which €218 million regarding units classified as "Held for sale".
(2) Of which €100 million regarding units classified as "Held for sale".
(3) Of which €2 million regarding units classified as "Held for sale".

At December 31, 2012 restated (1)

Millions of euro	Sales	GEM	Infra. & Networks	Iberia and Latin America	Int'l	Renewable Energy	Other, elimi-nations and adjustments	**Total**
Property, plant and equipment	34	9,833	15,212	38,481	10,085	9,124	559	**83,328**
Intangible assets	780	687	125	29,037	2,840	2,202	299	**35,970**
Trade receivables	4,198	3,564	2,149	3,746	773	571	(3,282)	**11,719**
Other	261	2,164	722	2,524	463	231	(165)	**6,200**
Operating assets	**5,273**	**16,248**	**18,208**	**73,788**	**14,161** (2)	**12,128**	**(2,589)**	**137,217**
Trade payables	3,874	3,765	2,669	5,154	1,058	1.072	(3,688)	**13,904**
Sundry provisions	306	1,363	2,585	5,023	2,972	192	749	**13,190**
Other	1,886	533	2,943	3,154	1,230	479	(88)	**10,137**
Operating liabilities	**6,066**	**5,661**	**8,197**	**13,331**	**5,260** (3)	**1,743**	**(3,027)**	**37,231**

(1) The figures have been restated as a result of the change, with retrospective effect, in the accounting treatment of employee benefits under the new version of IAS 19. For further information please see note 2.
(2) Of which €218 million regarding units classified as "Held for sale".
(3) Of which €2 million regarding units classified as "Held for sale".

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

Millions of euro	at Mar. 31, 2013	at Dec. 31, 2012 restated
Total assets	**175,537**	**172,070**
Equity investments accounted for using the equity method	1,107	1,115
Non-current financial assets	5,851	5,518
Long-term tax receivables included in "Other non-current assets"	453	401
Current financial assets	9,977	9,381
Cash and cash equivalents	9,122	9,891
Deferred tax assets	6,925	6,816
Tax receivables	1,578	1,631
Financial and tax assets of "Assets held for sale"	95	100
Segment assets	**140,429**	**137,217**
Total liabilities	**120,108**	**119,992**
Long-term loans	55,530	55,959
Non-current financial liabilities	2,392	2,553
Short-term loans	5,445	3,970
Current portion of long-term loans	2,914	4,057
Current financial liabilities	3,629	3,138
Deferred tax liabilities	11,966	11,768
Income tax payables and other tax payables	2,417	1,309
Financial and tax liabilities of "Liabilities held for sale"	6	7
Segment liabilities	**35,809**	**37,231**

5

Information on the Condensed Consolidated Income Statement

5.a Revenues - *€20,885 million*

Millions of euro	1st Quarter		
	2013	2012 restated	Change
Revenues from the sale and transport of electricity and contributions from the Electricity Equalization Fund and similar bodies	17,465	18,067	(602)
Revenues from the sale and transport of natural gas to end users	1,765	1,650	115
Other services, sales and revenues	1,655	1,476	179
Total	**20,885**	**21,193**	**(308)**

In the 1st Quarter of 2013 revenues from *the sale and transport of electricity and contributions from the Electricity Equalization Fund and similar bodies* amounted to 17,465 million, a decrease of €602 million or 3.3% compared with the same period of the previous year. The decline can be attributed to the following factors:

> an increase of €344 million in revenues from the wholesale business, mainly due to higher revenues from sales on power exchanges, which more than offset lower sales under bilateral contracts entered into by generation companies;
> a decrease of €976 million in revenues from the sale of electricity to end users, primarily due to a decrease in revenues both on regulated markets (€589 million) and on free markets (€387 million), in part associated with the fall in amounts sold in the first few months of 2013;
> an increase of €269 million in revenues from the transport of electricity, attributable to greater revenues from the transport of electricity to end users (€113 million), mainly as a result of higher system charges in Italy, and revenues from the transport of electricity for other operators (€156 million);
> a decrease of €50 million in revenues from contributions from the Electricity Equalization Fund and similar bodies, essentially attributable to lower revenues from extra-peninsular generation in Spain;
> a decrease of €189 million in revenues from electricity trading, reflecting a decline in volumes handled.

Revenues from *the sale and transport of natural gas to end users* in the 1st Quarter of 2013 amounted to €1,765 million, recording an increase of €115 million or 7.0% compared with the same period of the previous year. The rise was essentially attributable to an increase in volumes sold and higher average sales prices as a result of developments in the international energy situation and the revision of a number of rate components.

Revenues from *other services, sales and revenues* amounted to €1,655 million in the 1st Quarter of 2013, an increase of €179 million or 12.1% (€1,476 million in the 1st Quarter of 2012). The rise is essentially attributable to the following developments:

> an increase of €282 million in revenues from the sale of fuels for trading, essentially due to the rise in the average sales price of natural gas;
> a decrease of €84 million in revenues from connection fees, largely attributable to the decline in the number of connections carried out.

5.b Costs - *€18,175 million*

Millions of euro	1st Quarter		
	2013	2012 restated	Change
Electricity purchases	7,339	7,571	(232)
Consumption of fuel for electricity generation	1,839	2,338	(499)
Fuel for trading and natural gas for sale to end users	1,863	1,556	307
Materials	207	322	(115)
Personnel	1,176	1,146	30
Services, leases and rentals	3,862	3,853	9
Depreciation, amortization and impairment losses	1,523	1,398	125
Other operating expenses	667	660	7
Capitalized costs	(301)	(360)	59
Total	**18,175**	**18,484**	**(309)**

Costs for *electricity purchases* in the 1st Quarter of 2013 declined by €232 million or 3.1%, essentially due to a decline in business through bilateral contracts (€652 million), the effects of which were partially offset by an increase in purchases on the Power Exchange (€94 million) and a rise in other costs for electricity purchases on domestic and foreign markets (€326 million) due to an increase in prices compared with the same quarter of 2012.

Costs for the *consumption of fuel for electricity generation* in the 1st Quarter of 2013 amounted to €1,839 million, a decrease of €499 million or 21.3% on the year-earlier period. The decline reflects both the decrease in volumes of electricity from thermal generation and an improvement in the fuel mix, associated with a decrease in the unit prices of raw materials.

Costs for the purchase of *fuel for trading and natural gas for sale to end users* came to €1,863 million in the 1st Quarter of 2013, up €307 million or 19.7% compared with the 1st Quarter of 2012. The rise was largely a consequence of the policy for the optimization of the gas portfolio to sell amounts not used for generation to the market.

Costs for *materials* amounted to €207 million in the 1st Quarter of 2013, a decrease of €115 million compared with the same period of the previous year, mainly as a result a decline in provisioning of EUAs and CERs.

Personnel costs in the 1st Quarter of 2013 totaled €1,176 million, up €30 million or 2.6%. The Enel Group workforce at March 31, 2013, numbered 73,804, of whom 37,640 employed in Group companies headquartered abroad. In the 1st Quarter of 2013, the workforce expanded by 102, mainly reflecting the positive balance between new hires and terminations.

In the 1st Quarter of 2013, the scope of consolidation changed following the acquisition of PowerCrop (54 employees, consolidated at 50%) and its inclusion among the Italian companies of the Renewable Energy Division. The overall change compared with December 31, 2012, breaks down as follows:

Balance at December 31, 2012	**73,702**
Hirings	689
Terminations	(614)
Change in scope of consolidation	27
Balance at March 31, 2013 (1)	**73,804**

(1) Includes 37 in units classified as "Held for sale".

Costs for *services, leases and rentals* in the 1st Quarter of 2013 amounted to €3,862 million, up €9 million on the 1st Quarter of 2012. The rise essentially reflects the increase in electricity transport costs caused by the rise in system charges, partly offset by lower costs for services connected with the electrical systems of the countries in which the Group operates.

Depreciation, amortization and impairment losses amounted to €1,523 million in the 1st Quarter of 2013, up €125 million from the €1,398 million posted in the 1st Quarter of 2012. The rise is mainly associated with an increase in net writedowns of trade receivables.

Other operating expenses in the 1st Quarter of 2013 amounted to €667 million, essentially unchanged with respect to the year-earlier period.

In the 1st Quarter of 2013 *capitalized costs* came to €301 million, reflecting developments in capital expenditures.

5.c Net income/(charges) from commodity risk management - *€(156) million*

Net income/(charges) from commodity risk management showed net charges of €156 million in the 1st Quarter of 2013, compared with net income of €150 million in the first three months of 2012. More specifically, the result for the first three months of 2013 is essentially attributable to net realized charges for the period in the amount of €132 million (€168 million of net income in the 1st Quarter of 2012) and net unrealized charges from the fair value measurement of derivatives positions open at the end of the period in the amount of €24 million (€18 million in the 1st Quarter of 2012).

5.d Net financial expense - *€674 million*

Net financial expense in the 1st Quarter of 2013 amounted to €674 million, compared with €635 million in the same period of 2012. The increase of €39 million essentially reflects the adverse developments in exchange rates and income from equity investments, which in the corresponding period of 2012 included the gain on the sale of the equity investment in Terna. These effects were partially offset by the increase in net income from derivatives.

5.e Share of income/(expense) from equity investments accounted for using the equity method - *€29 million*

The *share of income/(expense) from equity investments accounted for using the equity method* in the 1st Quarter of 2013 showed net income of €29 million, essentially unchanged compared with the first three months of 2012.

5.f Income taxes - *€736 million*

for the 1st Quarter of 2013 amounted to €736 million (€775 million in the 1st Quarter of 2012), equal to 38.6% of taxable income, compared with 34.5% in the 1st Quarter of 2012. The increase in the effective tax rate reflects the increase in tax rates in Chile and Slovakia as well as the fact that in the year-earlier period the gain on the disposal of the interest in Terna was virtually tax exempt.

6

Information on the Condensed Consolidated Balance Sheet

6.a Non-current assets - *€134,510 million*

Property, plant and equipment and intangible assets (including investment property) came to €103,775 million at March 31, 2013, an increase of €456 million, essentially attributable to exchange rate gains (€811 million), investments for the period (€1,045 million), net of depreciation, amortization and impairment losses on those assets (€1,331 million), and other smaller changes. More specifically, investments for the period regarded generation plants in the amount of €567 million and distribution networks in the amount of €391 million.

Goodwill, amounting to €16,003 million, increased by €40 million compared with December 31, 2012, mainly due to the adjustment of goodwill denominated in foreign currencies to current exchange rates.

Equity investments accounted for using the equity method amounted to €1,107 million, down €8 million compared with the end of the previous year.

Other non-current assets totaled €13,625 million and include:

Millions of euro

	at Mar. 31, 2013	at Dec. 31, 2012 restated	Change
Deferred tax assets	6,925	6,816	109
Non-current financial assets	5,851	5,518	333
Receivables due from the Electricity Equalization Fund and similar bodies	51	51	-
Other long-term receivables	798	749	49
Total	**13,625**	**13,134**	**491**

The increase of €491 million for the period is essentially due to the rise in non-current financial assets associated with the fair value measurement of derivatives (€98 million), the rise in prepaid expenses (€96 million) and the increase in the receivables in respect of the State Decommissioning Fund in Slovakia (€90 million).

6.b Current assets - *€40,614 million*

Inventories came to €3,119 million, with a decrease of €219 million, mainly attributable to the decline in inventories of gas and fuel in transit, only partly offset by the rise in inventories of green certificates and CO_2 emissions allowances.

Trade receivables amounted to €14,457 million, up €2,738 million. The rise is mainly associated with invoicing schedules in a number of countries and developments in sales.

Other current assets, which totaled €13,916 million, break down as follows:

Millions of euro

	at Mar. 31, 2013	at Dec. 31, 2012 restated	Change
Current financial assets	9,977	9,381	596
Tax receivables	1,578	1,631	(53)
Receivables due from the Electricity Equalization Fund and similar bodies	644	936	(292)
Other short-term receivables	1,717	1,326	391
Total	**13,916**	**13,274**	**642**

The increase of €642 million in the period is largely due to:

> an increase of €596 million in current financial assets, mainly due to an increase in financial assets in respect of derivatives (€357 million) and cash collateral and other securities (€1,224 million). The changes were offset by the collection of financial receivables in respect of the rate deficit in Spain, both through the securitization plan launched by the Spanish government (€1,267 million) and direct repayment (€930 million), partially offset by the increase in the same receivable in respect of the amount financed in the period (a total of €1,142 million);

> a decrease of €292 million in receivables due from the Electricity Equalization Fund and similar bodies, due in part to a more accurate estimate of the deficit for 2012 in the Spanish rate system;

> an increase of €391 million in other short-term receivables, mainly due to the increase in prepaid expenses.

6.c Assets held for sale - *€413 million*

The item essentially includes the assets, valued at their estimated realizable value as determined on the basis of the current state of negotiations, of Marcinelle Energie and the Buffalo Dunes wind project, which in view of the strategic decisions taken by management meet the requirements of IFRS 5 for classification as assets held for sale.

6.d Equity attributable to the shareholders of the Parent Company - *€37,059 million*

The change in the first three months of 2013 in equity attributable to the shareholders of the Parent Company reflects the recognition of net income for the period (€852 million) and the result for the 1st Quarter of 2013 recognized directly in equity through other comprehensive income (€434 million).

6.e Non-current liabilities - *€83,990 million*

Long-term loans totaled €55,530 million (€55,959 million at December 31, 2012), consisting of bonds in the amount of €41,281 million (€41,509 million at December 31, 2012) and bank and other loans in the amount of €14,249 million (€14,450 million at December 31, 2012).

Provisions and deferred tax liabilities came to €24,729 million at March 31, 2013 (€24,958 million at December 31,

2012) and include post-employment and other employee benefits totaling €4,568 million (€4,542 million at December 31, 2012), provisions for risks and charges totaling €8,195 million (€8,648 million at December 31, 2012) and deferred tax liabilities totaling €11,966 million (€11,768 million at December 31, 2012).

Other non-current liabilities amounted to €3,731 million and did not change significantly compared with the previous year (€3,704 million at December 31, 2012).

6.f Current liabilities - *€36,110 million*

Short-term loans and current portion of long-term loans increased by €332 million, from €8,027 million at the end of 2012 to €8,359 million at March 31, 2013. The net change reflects the effects of a decrease in short-term bank debt in the amount of €53 million, in cash collateral and other financing in respect of derivatives in the amount of €246 million, and the current portion of bonds and preference shares in the amount of €1,259 million. These changes were more than offset by the increase of €1,809 million in commercial paper.

Trade payables came to €12,151 million, a decrease of €1,752 million (€13,903 million at December 31, 2012).

Other current liabilities, which came to €15,600 million, break down as follows:

Millions of euro

	at Mar. 31, 2013	at Dec. 31, 2012 restated	Change
Payables due to customers	1,659	1,637	22
Payables due to the Electricity Equalization Fund and similar bodies	3,367	3,371	(4)
Current financial liabilities	3,629	3,138	491
Social security contributions payable and payables to employees	632	745	(113)
Tax payables	2,417	1,309	1,108
Other	3,896	3,233	663
Total	**15,600**	**13,433**	**2,167**

The increase in the period, €2,167 million, was mainly due to the following:

> an increase of €491 million in current financial liabilities, due essentially to the increase in financial liabilities in respect of financial derivatives;

> an increase of €1,108 million in tax payables, attributable essentially to the estimate for income taxes for the period and the increase in other tax payables, mainly due to the entry into force of new taxes on generation and the disposal of nuclear waste in the Iberian peninsula;

> an increase of €663 million in other liabilities, essentially attributable to the recognition of the liability in respect of dividends to be disbursed to non-controlling interests (€253 million) and the increase in deferred income (€110 million).

6.g Liabilities held for sale - *€8 million*

This includes liabilities associated with "Assets held for sale", as discussed in the section for that item.

7 Net financial position

Pursuant to the CONSOB instructions of July 28, 2006, the following table reports the net financial position at March 31, 2013, and December 31, 2012, reconciled with net financial debt as provided for in the presentation methods of the Enel Group.

Millions of euro

	at Mar. 31, 2013	at Dec. 31, 2012 restated	Change
Cash and cash equivalents on hand	450	1,027	(577)
Bank and post office deposits	8,672	8,864	(192)
Securities	574	42	532
Liquidity	**9,696**	**9,933**	**(237)**
Short-term financial receivables	2,695	1,923	772
Factoring receivables	216	288	(72)
Short-term portion of long-term financial receivables	4,287	5,318	(1,031)
Current financial receivables	**7,198**	**7,529**	**(331)**
Bank debt	(142)	(283)	141
Commercial paper	(4,723)	(2,914)	(1,809)
Short-term portion of long-term bank debt	(802)	(714)	(88)
Bonds and preference shares issued (short-term portion)	(1,856)	(3,115)	1,259
Other loans (short-term portion)	(256)	(228)	(28)
Other short-term financial payables	(580)	(773)	193
Total short-term financial debt	**(8,359)**	**(8,027)**	**(332)**
Net short-term financial position	**8,535**	**9,435**	**(900)**
Debt to banks and financing entities	(13,084)	(13,282)	198
Bonds and preference shares	(41,281)	(41,509)	228
Other loans	(1,165)	(1,168)	3
Long-term financial position	**(55,530)**	**(55,959)**	**429**
NET FINANCIAL POSITION as per CONSOB instructions	**(46,995)**	**(46,524)**	**(471)**
Long-term financial receivables and securities	**3,704**	**3,576**	**128**
NET FINANCIAL DEBT	**(43,291)**	**(42,948)**	**(343)**

None of these items regard transactions with related parties.

8
Related parties

As an operator in the field of generation, distribution, transport and sale of electricity and the sale of natural gas, Enel carries out transactions with a number of companies directly or indirectly controlled by the Italian State, the Group's controlling shareholder.

The table below summarizes the main types of transactions carried out with such counterparties.

Related party	Relationship	Nature of main transactions
Acquirente Unico	Fully controlled (indirectly) by the Ministry for the Economy and Finance	Purchase of electricity for the enhanced protection market
EMO – Energy Markets Operator	Fully controlled (indirectly) by the Ministry for the Economy and Finance	Sale of electricity on the Power Exchange Purchase of electricity on the Power Exchange for pumping and plant planning
ESO – Energy Services Operator	Fully controlled (directly) by the Ministry for the Economy and Finance	Sale of subsidized electricity Payment of A3 component for renewable resource incentives
Terna	Indirectly controlled by the Ministry for the Economy and Finance	Sale of electricity on the Ancillary Services Market Purchase of transport, dispatching and metering services
Eni Group	Directly controlled by the Ministry for the Economy and Finance	Sale of electricity transport services Purchase of fuels for generation plants, storage and natural gas distribution services
Finmeccanica Group	Directly controlled by the Ministry for the Economy and Finance	Purchase of IT services and supply of goods
Italian Post Office	Fully controlled (directly) by the Ministry for the Economy and Finance	Purchase of postal services

Finally, Enel also maintains relationships with the pension funds Fopen and Fondenel, Fondazione Enel and Enel Cuore, an Enel non-profit company devoted to providing social and healthcare assistance.
All transactions with related parties were carried out on normal market terms and conditions, which in some cases are determined by the Authority for Electricity and Gas.

The following table summarizes transactions with related parties and with associated companies outstanding at March 31, 2013 and carried out during the period, respectively.

	Related parties							
Millions of euro	*Acquirente Unico*	EMO	Terna	Eni	ESO	Italian Post Office	Other	**Total**
Balance sheet								
Other non-current assets	-	-	-	-	-	-	-	**-**
Trade receivables	3	864	272	59	199	-	58	**1,455**
Other current assets	1	-	33	11	-	-	-	**45**
Other non-current liabilities	-	-	-	8	-	-	1	**9**
Trade payables	887	878	414	88	949	87	34	**3,337**
Other current liabilities	-	-	17	-	-	-	-	**17**
Income statement								
Revenues from sales	-	1,888	281	187	108	-	8	**2,472**
Other revenues and income	-	8	1		-	-	-	**9**
Raw materials and consumables	1,357	1,328	42	64	1	-	1	**2,793**
Services	-	2	445	24	-	37	8	**516**
Other operating expenses	1	11	1	-	-	-	-	**13**
Net charges from commodity risk management	4	-	16	-	-	-	-	**20**
Financial income	-	-	-	-	-	-	-	**-**
Financial expense	-	-	-	-	-	-	-	**-**

Associated companies								
GNL Chile	Enel Rete Gas	Elica 2	CESI	Other	**Total**	**Overall total**	**Total balance-sheet item**	**% of total**
-	-	-	-	127	**127**	**127**	**13,625**	**0.9%**
-	23	-	-	-	**23**	**1,478**	**14,457**	**10.2%**
2	-	2	-	33	**37**	**82**	**13,916**	**0.6%**
-	-	-	-	-	**-**	**9**	**3,731**	**0.2%**
12	102	-	13	24	**151**	**3,488**	**12,151**	**28.7%**
-	-	-	-	-	**-**	**17**	**15,600**	**-**
44	4	-	-	-	**48**	**2,520**	**19,230**	**13.1%**
-	-	-	-	-	**-**	**9**	**1,655**	**0.5%**
51	-	-	-	18	**69**	**2,862**	**11,248**	**25.4%**
-	110	-	2	7	**119**	**635**	**3,862**	**16.4%**
-	-	-	-	-	**-**	**13**	**667**	**1.9%**
-	-	-	-	-	**-**	**20**	**156**	**12.8%**
-	-	-	-	8	**8**	**8**	**958**	**0.8%**
-	-	-	-	5	**5**	**5**	**1,632**	**0.3%**

In November 2010, the Board of Directors of Enel SpA approved a procedure governing the approval and execution of transactions with related parties carried out by Enel SpA directly or through subsidiaries. The procedure (available at http://www.enel.com/it-IT/group/governance/rules/related_parties/) sets out rules designed to ensure the transparency and procedural and substantive propriety of transactions with related parties. It was adopted in implementation of the provisions of Article 2391-*bis* of the Italian Civil Code and the implementing regulations issued by CONSOB. In the 1st Quarter of 2013, no transactions were carried out for which it was necessary to make the disclosures required in the rules on transactions with related parties adopted with CONSOB Resolution no. 17221 of March 12, 2010, as amended with Resolution no. 17389 of June 23, 2010.

9

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 Mar. 31, 2013	at Dec. 31, 2012	Change
Guarantees given:			
- sureties and other guarantees granted to third parties	6,129	5,586	543
Commitments to suppliers for:			
- electricity purchases	50,254	50,634	(380)
- fuel purchases	60,202	62,576	(2,374)
- various supplies	2,164	2,120	44
- tenders	2,337	1,922	415
- other	2,293	2,315	(22)
Total	**117,250**	**119,567**	**(2,317)**
TOTAL	**123,379**	**125,153**	**(1,774)**

Guarantees granted to third parties amounted to €6,129 million and include €469 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 €50,254 million at March 31, 2013, of which €23,684 million refer to the period April 1, 2013-2017, €10,581 million to the period 2018-2022, €5,450 million to the period 2023-2027 and the remaining €10,539 million beyond 2027.

Commitments for the purchase of fuels are determined with reference to the contractual 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 March 31, 2013, was €60,202 million, of which €32,495 million refer to the period April 1, 2013-2017, €21,621 million to the period 2018-2022, €4,453 million to the period 2023-2027 and the remaining €1,633 million beyond 2027.

10
Contingent liabilities and assets

Compared with the consolidated financial statements at December 31, 2012 which the reader is invited to consult, the following main changes have occurred in contingent assets and liabilities.

Porto Tolle thermal plant - Air pollution - Criminal proceedings against Enel directors and employees - Damages for environmental harm

As regards the case before the Court of Rovigo, the Ministry of the Environment, the Ministry of Health and numerous other actors, mainly local authorities (including the regional governments) of Emilia Romagna and Veneto, as well as park agencies in the area have joined the case as injured parties asking for unspecified damages. The next hearing is scheduled for June 6, 2013.

11
Subsequent events

Equity partnership agreement with GE Capital

On April 8, 2013, Enel Green Power North America (EGP-NA) signed an equity partnership agreement with EFS Buffalo Dunes, a subsidiary of GE Capital, to finance the development of the Buffalo Dunes wind farm, in Kansas (United States).

The project, which will involve a total investment of about $370 million, of which EGP-NA will contribute about $180 million, is scheduled to be completed by the end of 2013. The plant will have a total installed capacity of 250 MW and the project is supported by long-term power purchase agreement.

Once operational, Buffalo Dunes will be able to generate more than 1 billion kWh a year, thereby avoiding the emission of more than 800 thousand metric tons of CO_2 annually.

Under the provisions of the accord, EFS Buffalo Dunes will invest about $40 million to acquire 51% of the project from EGP-NA and finance construction, while EGP-NA will retain the remaining 49% stake. EGP-NA, which will also be the project manager for Buffalo Dunes, has an option to increase its holding by 26%, which can be exercised on specific dates in 2013 and 2014.

The exercise of that option would not necessarily involve the acquisition of control, which is also linked to possible changes in the absolute value of share capital and dilutive effects.

Agreement with UNCEM for the development of energy efficiency

On April 18, 2013, Enel Sole and the *Unione Nazionale Comuni Comunità Enti Montani* (UNCEM) signed a protocol of understanding in Rome for the development of energy efficiency practices. The agreement provides for direct cooperation between Enel Sole and UNCEM to identify and implement activities connected with energy savings and efficiency in the participating mountain communities, including projects for the refurbishment and enhancement of public lighting with a view to reducing energy consumption and CO^2 emissions, such as the installation of smart lighting systems using innovative technologies and energy audits. The cooperation initiative will also involve artistic lighting and design projects to enhance the historical and artistic heritage of mountain communities using sustainable systems.

Protocol of understanding with the Region of Tuscany for the development of geothermal energy

On May 2, 2013, the Region of Tuscany and Enel signed a new protocol of understanding to further develop geothermal energy in Tuscany with a view to addressing issues concerning the green economy and reducing energy costs. The agreement, which follows up on the framework agreement on geothermal energy of December 20, 2007, and the implementing agreement of April 20, 2009, is a major step forward in fostering the social and economic growth of the areas with geothermal resources, including both the traditional area of Larderello and the Amiata area, where the new Bagnore 4 plant will complete the plans for the addition of 112 MW of new capacity provided for in the 2007 agreement.

The protocol devotes particular attention to the use of geothermal heat, to support the creation of value in the heating sector, with opportunities for the establishment of new business zones in geothermal areas. The agreement also provides for the creation of a geothermal energy hub that, drawing on the experience of local authorities in geothermal areas and existing resources such as the Geothermal Area Development Consortium (Co.Svi.G.), the Enel Research Center, universities, the Tuscan Regional Economic Planning Institute (IRPET) and the regional renewable energy technology district, can transfer know how and pursue research projects and advanced specialized initiatives aimed at creating competence centers in both the geothermal areas and the Enel experimental area in Livorno.

Declaration of the officer responsible for the preparation of the company financial reports pursuant to the provisions of Article 154-*bis*, paragraph 2, of Legislative Decree 58/1998

The officer responsible for the preparation of the company's financial reports, Luigi Ferraris, declares, pursuant to Article 154-*bis*, paragraph 2, of the Consolidated Law on Financial Intermediation, that the accounting information contained in the Interim Financial Report at March 31, 2013 corresponds with that contained in the accounting documentation, books and records.

Enel S.p.A.

Condensed quarterly consolidated financial statements as of March 31, 2013

Auditors' review report on the condensed quarterly consolidated financial statements

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Auditors' review report on the condensed quarterly consolidated financial statements
(Translation from the original Italian text)

To the Board of Directors of
Enel S.p.A.

1. We have reviewed the condensed quarterly consolidated financial statements, comprising the condensed balance sheet, the condensed income statement, the statement of comprehensive income, the statement of changes in shareholders' equity, the condensed statement of cash flows and the related explanatory notes of Enel S.p.A. and its subsidiaries ("Enel Group") as of March 31, 2013. Enel S.p.A.'s directors are responsible for the preparation of the condensed quarterly consolidated financial statements in conformity with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to issue this review report based on our review.

2. We conducted our review in accordance with International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. Our review consisted mainly of obtaining information on the accounts included in the condensed quarterly consolidated financial statements and the consistency of the accounting principles applied, through discussions with management, and of applying analytical procedures to the financial data presented in these consolidated financial statements. Our review did not include the application of audit procedures such as tests of compliance and substantive procedures on assets and liabilities and was substantially less in scope than an audit conducted in accordance with generally accepted auditing standards. Accordingly, we do not express an audit opinion on the condensed quarterly consolidated financial statements as we expressed on the annual consolidated financial statements.

   The consolidated financial statements of the prior year and the condensed quarterly consolidated financial statements of the corresponding period of the prior year are presented for comparative purposes.
   As described in the explanatory notes, directors have restated certain comparative data related to the consolidated financial statements of the prior year with respect to the data previously presented, on which we issued our auditors' report dated April 4, 2013.
   We have examined the method used to restate the comparative financial data of the consolidated financial statements of the prior year and the information presented in the explanatory notes in this respect for the purpose of issuing this report.

We have not examined the restated comparative data related to the corresponding period of the prior year and, therefore, our conclusions as expressed in this report do not extend to such data.

3. Based on our review, nothing has come to our attention that causes us to believe that the condensed quarterly consolidated financial statements of Enel Group as of March 31, 2013 are not prepared, in all material respects, in conformity with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Rome, May 30, 2013

Reconta Ernst & Young S.p.A.
Signed by: Massimo delli Paoli, Partner

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