Enel Finance International N.V.

Interim condensed financial statements

as at 30 June 2015

Contents

Enel Finance International N.V.

Interim Director's Report

The Interim condensed financial statements at 30 June 2015 are in compliance with the Transparency Directive and they are drawn up according to the requirements of IAS 34.
The above mentioned Transparency Directive Implementation Act (Transparency Directive) was enacted in the Netherlands in 2008 coming into force as from 1 January 2009. This law intends to achieve a certain level of transparency and disclosure of information that is conducive to investors' protection and to an efficient functioning of the market. The scope of this Act is limited to those issuers of securities that have been admitted to trading on a regulated market in a member state of either the European Union or European Economic Area and have the Netherlands as their "home member state".

Reference scenario

The world economy keeps going to continue gradually along its path to recovery. Macro-financial conditions have brightened somewhat in the euro area . While euro area growth prospects remain weak by international standards, the risks surrounding the economic outlook have become more balanced on account of recent monetary policy decisions, lower oil prices and the weaker euro exchange. Within the euro area, a broadening of improved financial market sentiment has contrasted with continued real fragmentation at the country level, despite some further progress made in terms of rebalancing. This suggests a fragile equilibrium with underlying risks, including several at the global level

Global financial markets have been characterized by intermittent resurgences in volatility in particular market segments (notably foreign exchange, commodity and, more recently, bond markets) and geographical regions (notably emerging markets). In the euro area, improving economic conditions accompanied by monetary policy measures contributed to dampening financial market volatility, with an associated increased appetite among investors for euro area assets, despite some flare-up of tensions at the country level mostly deriving by Greece's debt crisis.

Some advanced economies have consolidated their economical framework, supported by diminishing headwinds and accommodative policies. However, the divergence in economic prospects across and within regions has been widening, increasingly reflecting structural rather than cyclical factors, which have an influence on confidence, financial market developments and economic policies. The latest survey indicators point to some softening in growth momentum in the fourth quarter. Geopolitical risks in Ukraine/Russia and the Middle East remain elevated, although so far with limited repercussions on global activity and energy prices.

Global trade remained weak and global inflation has declined. Inflationary pressures are expected to remain low in an environment of overcapacity and declining commodity prices.

During first semester of the year the euro depreciated against the currencies of most of the euro area's main trading partners. Movements in exchange rates were largely related to developments on future monetary policy, as well as to adjustments in market expectations regarding the economic outlook for the euro area relative to other major economies.

However, the overall downward movement of the euro's effective exchange rate over the review period masks some diverging patterns in the bilateral exchange rate of the euro vis-à-vis currencies outside the EU. In bilateral terms, since early September the euro has weakened against the US dollar (by 6,1%) and, to a much lesser extent, against the pound sterling. By contrast, the euro appreciated considerably against the Japanese yen (by 7,5%) and, since early September, it strengthened by 33,5% vis-à-vis the Russian ruble.

Significant events in 1st Half of 2015

Funding operations

Revolving Facility Agreement

On 12 February 2015, the Company and Enel S.p.A., in order to amend the financial costs and tenor of the Revolving Facility Agreement and considering the improvement of financial market condition after a long period of instability, have signed with the Lenders a supplemental Agreement.
Therefore, considering the current rating of Enel, the applicable margin, that will be applied in case of utilization, has been reduced from 190 to 80 basis point and the commitment fees from 40% to 38% of the margin. The Final Maturity Date has been extended form April 2018 up to 12 February 2020.

Liability Management Program

The financial markets downward trend, experienced during the last quarter of 2014, encouraged the capital market issuers to evaluate the opportunity to engage in a restructuring plan of their debt in order to reduce the average cost and lengthen the maturity profile.
The above-mentioned restructuring of capital market debts issuances, generally defined as liability management strategy, mainly includes Tender and Exchange offer operations related to the long term debt portfolio issued in the form of bonds. Such operations have the following main features:

> Tender Offer: Bonds are repurchased by the issuer behind the payment of a consideration in money, usually based on the quoted market price of the security, plus a margin including a premium fee for the consent solicitation;

> Exchange Offer: Bonds are exchanged with new issuance of bonds with price and maturities terms different by the conditions of the original bonds.

On 27 January 2015, the Company within the Liability Management Programme, already resolved on 14 October 2014 and following the approval by the Irish Central Bank of a supplement to the Offering Circular issued 2 October 2014, has executed a transaction under the GMTN Programme in the form of an Exchange Offer for certain notes issued by the Company and guaranteed by Enel S.p.A..

According with such exchange, the Company, has partially repaid back notes for an aggregate amount of Euro 1.429 million under six bonds, with final maturity date between 2016 and 2021, and issued a new 10 years bond for a total amount of Euro 1.463 million at a fixed rate of 1,966% and maturity date on 27 January 2025.

In the frame of Liability Management Program resolved on 14 October 2014, during the month of February a hedging portfolio, for an aggregate amount of Euro 2,5 billion, has been dealt by means of Interest Rate Swap operations forward starting for execution date on second half of 2017 and first half of 2018.

Lending Operations

Intercompany financial operations

On 21 May 2015 the company has resolved to enter as lender into several new intercompany financial agreements to support mainly the growth of the investments in the renewable energy sector and in the gas upstream business line.

In this contest the Company has signed:

- with Enel Green Power S.p.A. a new 15 years Long Term Loan Agreement of Euro 500 million
- with Enel Green Power International B.V.
    - a new 3 years Long Term Facility for TRY (Turkish Lira) 35 million
    - The increase of the total commitment from ZAR 1.400 million to ZAR 3.400 million of the Revolving Facility Agreement with Enel Green Power International B.V.

The Company has also entered into negotiation for further Intercompany Revolving Facility Agreement with Enel Green Power International to provide financial resources for renewable projects to be developed in Chile and Costa Rica, carried out by two of their subsidiaries:

- USD 140 million with PH Chucas SA (Costa Rica), for Hydro Project (50MW)
- USD 500 million with PE Renaico SpA (Chile), Solar & Wind Projects

These intercompany financial agreements are aimed at providing Enel Green Power Group with a diversified portfolio of financial instruments, allowing more flexibility in the coverage of the financial needs and also financing the capital expenditure programs to be realized inter alia by means of capital increase of its operating subsidiary.

On 26 June 2015 the Company, following an assessment of the financial market condition has accepted the restructuring of the back-up credit line granted to Endesa on November 2011 and has agreed to adjust the main term and condition starting from June 30, 2015 as following:

- to increase the commitment from Euro 1 billion to Euro 2 billion;
- to amend the termination date from 30/11/2016 to 30/11/2018;
- to reduce the margin from 240 bps to 80 bps;
- to reduce the commitment fee from 80 bps to 25 bps.

Such credit line has been partially utilized on 30 June 2015 for an amount of EUR 1.000 million.

BEG litigation

Following an arbitration proceeding initiated by BEG in Italy, Enelpower obtained a ruling in its favour in 2002, which was upheld by the Court of Cassation in 2010, which entirely rejected the complaint with regard to alleged breach by Enelpower of an agreement concerning the construction of a hydroelectric power station in Albania. Subsequently, BEG, acting through its subsidiary Albania BEG Ambient, filed suit against Enelpower and Enel SpA in Albania concerning the matter, obtaining a ruling, upheld by the Albanian Supreme Court of Appeal, ordering Enelpower and Enel to pay tortious damages of about 25mn€ for 2004 as well as an unspecified amount of tortious damages for subsequent years. Following the ruling, Albania BEG Ambient demanded payment of more than 430mn€, a request that Enelpower and Enel rejected, vigorously contesting its legitimacy and filing a request in Albania for revocation of the ruling for conflict with the ruling of the Italian Court of Cassation.

The European Court of Human Rights - to which Enelpower SpA and Enel SpA filed appeal for violation of the right to a fair trial and the rule of law, asking the Court to order the Republic of Albania to pay damage - dismissed the action as inadmissible. The order has been taken without examination or assessment of the merits of the case.

In February 2012, Albania BEG Ambient filed suit against Enel and Enelpower with the Tribunal de Grande Instance in Paris in order to render the ruling of the Albanian court enforceable in France. Enel and Enelpower have challenged the suit. The proceeding is under way. Subsequently, again at the initiative of BEG Ambient:
- Enel France was served with two "Saise Conservatoire de Créances" (orders for the precautionary attachment of receivables) to block any receivables of Enel SpA in respect of Enel France;
- JP Morgan Luxembourg was served with analogous attachment of receivables regarding any potential credit of Enel SpA.

Albania BEG Ambient Shpk commenced in March 2014 an action against Enel SpA and Enelpower SpA before the Supreme Court of the State of New York seeking recognition and enforcement of the Albanian judgment in the State of New York in the alleged amount of $597,493,543. Enel SpA and Enelpower SpA believe plaintiff's claims to be improper and without merit, and have contested all aspects of the plaintiff's case and defend their interests vigorously in this matter.
On April 2015 Enel SpA ed Enelpower SpA has file a motion to remove the case before the Federal Court. Decision regarding the removal request is expected following the refusal of Albania BEG Ambient Shpk.
On April 22, 2014, upon the motion of Enel and Enelpower, the judge vacated a previously entered temporary restraining order that restricted Enel's and Enelpower's transfer of certain assets up to the amount of judgment sought.

In June 2014, Albania BEG Ambient Shpk obtained a conservatory attachment ex parte interim from the Hague Tribunal of sums up to 440mn€ and the seizure of the shares of the two Dutch subsidiaries Enel Investment Holding B.V. and Enel Finance International N.V.. Enel S.p.A. and Enelpower contested this initiative and on July 1, 2014, the Dutch court - upholding the reasons Enel and Enelpower – i) provisionally estimates ABA's claim (in regard to which the judge in summary proceedings of this district court granted leave for a prejudgment attachment to be levied to secure recovery on 2 June 2014), further at € 25,188,500; ii) lift all the attachments and garnishment as soon as Enel provides ABA with a bank guarantee for €25,188,500. Enel and Enelpower have appealed such decision and no bank guarantee has been released so far.

ABA filed a second ex parte attachment request on 3 July 2014. Following the hearing held on 28.8.2014, on 18 September 2014, the court of the Hague has granted leave for a prejudgment attachment to be levied for 425mn€. Enel and Enelpower have appealed this leave.
At the end of July 2014, Albania BEG Ambient Shpk started a proceeding to seek recognition of the Albanian ruling in the Netherlands.

Albania BEG Ambient Shpk has also initiated the procedure for the enforcement of the judgment of the Court of Tirana in Luxembourg and Ireland and both proceedings are in the early phases. In preparing their defence, Enel and Enelpower claim the requests of Albania BEG Ambient Shpk.

It has been terminated the proceedings regarding the suit lodged by Enelpower and Enel SpA with the Court of Rome asking the Court to ascertain the liability of BEG for having evaded the arbitration ruling issued in Italy in favor of Enelpower, through the legal action taken by Albania BEG Ambient in Albania. With this action, Enelpower and Enel have asked the Court to find BEG liable and order it to pay damages in the amount that one or the other could be required to pay to Albania BEG Ambient in the event of the enforcement of the judgment issued by the Albanian courts.
By judgment dated 16 June 2015, Court of Rome declared the lack of legitimacy of BEG SpA as well as inadmissibility of the claim for lack of legitimacy of Enel SpA and Enelpower, since the Albanian ruling has not yet been declared enforceable in any country, with compensation costs.

Main Risks and uncertainties

Credit risk

Credit Risk is the risk that the Company will suffer from losses when a counterparty defaults on meeting its obligations on a trade or financial transaction. In compliance with counterparty credit risk policy defined at Enel Group level, the Company operates almost entirely in its lending activity with other entities belonging to the Enel Group and therefore the level of credit risk is deemed negligible by the Company. There are few and not significant transactions entered into and by market counterparties with high credit standards as regards financial derivatives intended to hedge currency risks on commercial paper issued by the Company.

Liquidity risk

Liquidity Risk is the risk that the Company will become unable to settle obligations with immediacy, or will be able to meet them only at uneconomic conditions. Enel Finance International N.V. together with its shareholder Enel S.p.A. is responsible for the centralized Enel Group Treasury function, meeting liquidity requirements primarily through cash flows generated by ordinary operations and drawing on a range of sources of financing. In addition, it manages any excess liquidity as appropriate.

Exchange rate and interest rate risk

The Company is exposed to exchange rate risk associated with cash flows in respect of investments or other items in foreign currencies and debt denominated in currencies other than the functional currency of the Company. During the period, management of exchange rate risk was pursued through compliance with Enel Group’s risk management policies, which call for hedging of significant exposures, encountering no difficulties in accessing the derivatives market. Interest rate risk management is aimed at balancing the structure of the debt, reducing the amount of debt exposed to interest rate fluctuations and minimizing borrowing costs over time, limiting the volatility of results. The main source of the exposure to this category of risk for the Group is floating-rate debt. In order to obtain a balanced structure for the debt, Enel Finance International N.V. manages the risk by reducing the amount of debt exposed to interest rate fluctuations, curbing borrowing costs over time and limiting the volatility of results.

Related Parties

The main activity of Enel Finance International N.V. is to operate as financing company of the Enel Group, raising funds through bonds issuance, loans and other facilities and on turn lending the funds so raised to the companies belonging to Enel Group; all the transactions are part of the ordinary operations of the Company and are settled on the basis of Standard intra-Group contract market prices.

Outlook

The Company should evolve normally during the second half of 2015, with the aim to maintain the same funding and lending activities currently ongoing, keeping on supporting Enel Group in its developing and consolidation process.

Board of Directors composition

Taking into account the new legislation that entered into force in the Netherlands on 1 January 2013 and concerning the composition of the companies' Board of Directors, we highlight that the Board members of the Company are currently all men. Nonetheless, the Company believes that the composition of its Board of directors has a broad diversity of experience, expertise and backgrounds, and that the backgrounds and qualifications of the directors, considered as a group, provide a significant mix of experience, knowledge, abilities and independence that we believe will allow our board of directors to fulfill its responsibilities and properly execute its duties.

Subsequent events

There have been no significant subsequent events to be mentioned.

Personnel

As at 30 June 2015 the Company employs seven people.

Statement of the Board of Directors

Statement ex Article 5:25c Paragraph 2 sub c Financial Markets Supervision Act ("Wet op net Financieel Toezicht").

To our knowledge,

1. the interim condensed financial statements at 30 June 2015 in combination with the annual report as at 31 December 2014 give a true and fair view of the assets, liabilities, financial position and result of Enel Finance International N.V.;
2. the Director's Report gives a true and fair view of the Company's position as per 30 June 2015 and the developments during the half-year of 2015 of Enel Finance International N.V.;
3. the Director's Report describes the principal risks the Company is facing.

These interim condensed financial statements are in compliance with the Transparency Directive and they are drawn up according to the requirements of IAS 34 with no external audit activity performed on the Group half-year financial statements.
The above mentioned Transparency Directive Implementation Act (Transparency Directive) was enacted in the Netherlands in 2008 coming into force as from 1 January 2009. This law intends to achieve a certain level of transparency and disclosure of information that is conducive to investors' protection and to an efficient functioning of the market. The scope of this Act is limited to those issuers of securities that have been admitted to trading on a regulated market in a member state of either the European Union or European Economic Area and have the Netherlands as their "home member state".

As regards the Company main obligations can be summarized as follows:

- filing electronically with the AFM (Autoriteit Financiele Markten) in the Netherlands its adopted half-year financial statements within 5 days after their adoption;
- making generally available to the public its half-year financial report via posting it on the official Enel website within 2 months after the end of the first six month of the financial year (31 august 2015);
- making generally available to the public its half-year financial report by issuing an information notice on a financial newspaper or on a financial system at European level within 2 months after the end of the first six month of the financial year (31 august 2015).

Amsterdam, 24 July 2015

A. Canta
E. Di Giacomo
A.J.M. Nieuwenhuizen
H. Marseille
F. Mauritz

Enel Finance International N.V.

Unaudited interim condensed financial statements

as at 30 June 2015

Prepared in accordance with

requirements of IAS 34

Statement of Comprehensive Income

Millions of Euro	Note	1st Half	
		2015	**2014**
Other revenues and income		0	0
Services	*1*	(1)	(1)
Personnel	*1*	(1)	(1)
Result from operating activities		**(2)**	**(2)**
Financial income	*2*	1.904	934
Financial expense	*2*	(1.881)	(862)
	Total	**23**	**72**
Profit before income taxes		**21**	**70**
Income tax expense	*3*	5	14
Net income for the period		**16**	**56**
Other components of comprehensive income recyclable to profit or loss in future periods:			
- Effective portion of change in the fair value of cash flow hedges		*574*	*(262)*
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDER		**590**	**(206)**

Statement of Financial Position

Millions of Euro	Note		
ASSETS		**30 June 2015**	**31 Dec 2014**
Non-current assets			
Non-current financial assets	4	20.902	22.484
	Total	**20.902**	**22.484**
Current assets			
Current financial assets	5	6.878	6.865
Income tax receivable	6	7	7
Cash and cash equivalents	7	44	1.006
	Total	**6.929**	**7.878**
TOTAL ASSETS		**27.831**	**30.362**

Millions of Euro			
LIABILITIES AND SHAREHOLDERS' EQUITY		**30 June 2015**	**31 Dec 2014**
Share capital	8	1.479	1.479
Share premium reserve	8	43	43
Cash flow hedge reserve	8	(527)	(1.101)
Retained earnings		302	270
Net income for the period		16	32
Total shareholder's equity		**1.313**	**723**
Non-current liabilities			
Long-term loans and borrowings	9	19.457	18.883
Other non-current financial liabilities	10	69	503
	Total	**19.526**	**19.386**
Current liabilities			
Short-term loans and borrowings	11	6.290	8.470
Current portion of long-term loans	9	144	1.319
Other current financial liabilities	12	554	459
Other current liabilities		4	5
	Total	**6.992**	**10.253**
TOTAL EQUITY AND LIABILITIES		**27.831**	**30.362**

Statement of Changes in Equity

Millions of euro

	Share capital	Share premium reserve	Other legal reserve	Other reserves	Retained earnings	Cas flow hedge reserve	Net income for the period	**Equity attributable to the shareholders**
1 Jan 2014	**1.479**	**43**	**-**	**-**	**172**	**(968)**	**98**	**824**
Allocation of net income from the previous year	-	-	-	-	98	-	(98)	-
Comprehensive income for the year:	-	-	-	-	-	(262)	56	(206)
Loss recognized directly in equity	-	-	-	-	-	*(262)*	-	*(262)*
Net income for the period	-	-	-	-	-	-	*56*	*56*
30 June 2014	**1.479**	**43**	**-**	**-**	**270**	**(1.230)**	**56**	**618**
1 Jan 2015	**1.479**	**43**	**-**	**-**	**270**	**(1.101)**	**32**	**723**
Allocation of net income from the previous year	-	-	-	-	32	-	(32)	-
Comprehensive income for the year:	-	-	-	-	-	574	16	590
Income recognized directly in equity	-	-	-	-	-	*574*	-	*574*
Net income for the period	-	-	-	-	-	-	*16*	*16*
30 June 2015	**1.479**	**43**	**-**	**-**	**302**	**(527)**	**16**	**1313**

Statement of Cash Flows

Millions of euro	Note	Half year	
		2015	**2014**
Income for the period		**16**	**56**
Adjustments for:			
Financial (income)	2	(1.904)	(934)
Financial expense	2	1.881	862
Income taxes	3	5	14
Cash flow from operating activities before changes in net current assets		*(2)*	*(2)*
(Increase)/Decrease in financial and non-financial assets/liabilities	5	(25)	(89)
Interest income and other financial income collected		1.879	720
Interest expense and other financial expense paid		(1.784)	(502)
Income taxes paid		(7)	(7)
Cash flows from operating activities (a)		**61**	**120**
New loans granted to Enel S.p.A. and affiliates	*4-5*	*(1.705)*	*(104)*
Repayments and other movements from Enel S.p.A. and affiliates	*4-5*	*3.647*	*38*
Cash flows from investing/disinvesting activities (b)		**1.942**	**(66)**
Financial debt (new borrowings)	9-11	346	758
Financial debt (repayments and other changes)		(3.868)	(766)
Cash flows from financing activities (c)		**(3.522)**	**(8)**
Increase/(Decrease) in cash and cash equivalents (a+b+c)		**(1.518)**	**46**
Cash and cash equivalents at the beginning of the year		**3.207**	**232**
Cash and cash equivalents at the end of the year		**1.689**	**278**
current account with banks		*44*	*3*
current account with Enel S.p.A.		*1.645*	*275*

Notes to the financial statements

Enel Finance International N.V. ("the Company") is a public company with limited liability, where 100% of the shares are held by Enel S.p.A., the ultimate parent company, having its seat in Rome, Italy. The Company operates as a financing company for the Enel Group, raising funds through listed and unlisted bond issuances, loans and other facilities and on turn lending the funds so raised exclusively to the companies belonging to Enel Group.

Accounting policies and measurement criteria

Basis of preparation

The interim condensed financial statements consist of the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows, and the related notes.
The financial statements have been prepared on the historical costs basis except for the following material items:

- Derivative financial instruments, valued at fair value;
- Loans and receivable and financial liabilities recognized at amortized cost.

Compliance with IFRS

The interim condensed financial statements for the six months ended at 30 June 2015 have been prepared in compliance with the international financial reporting standards (IFRS) issued by the International Accounting Standards Board (IASB) recognized in the European Community pursuant to Regulation (EC) no. 1606/2002 and in effect as of the close of the period, as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC) in effect at the same date. All of these standards and interpretations are hereinafter referred to as "IFRS-EU".

More specifically, the interim condensed financial statements have been drawn-up in compliance with IAS 34 – Interim financial reporting and consist of the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes.

Please note that the Company adopts the half-year as the reference interim period for the purposes of applying IAS 34 and the definition of interim financial report specified therein.

The accounting standards adopted, the recognition and measurement criteria and methods used for the condensed interim financial statements at 30 June 2015 are the same as those adopted for the financial statements at 31 December 2014 (please see the related report for more information). These condensed interim financial statements may therefore not include all the information required to be reported in the annual financial statements and must be read together with the financial statements for the year ended 31 December 2014. No impairment evaluation has been performed in this half year financial statement.

In addition to the IFRS/IAS adopted for the preparation of Group Enel consolidated financial statements as of 31 December 2014, the following standards and amendments are applicable retrospectively:.

"Annual improvements to IFRSs 2011 – 2013 cycle", issued in December 2013; the document contains formal modifications and clarifications of existing standards. More specifically, the following standards were amended:

- "IFRS 3 – Business combinations"; the amendment clarifies that IFRS 3 does not apply in the financial statements of a joint arrangement to the recognition of the formation of the arrangement.
- "IFRS 13 –Fair value measurement"; the amendment clarifies that the exception for measuring the fair value of group of financial assets and liabilities on a net basis ("the portfolio exception") applies to all contracts within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in IAS 32.
- "IAS 40 – Investment property"; the amendment clarifies that management's judgement is needed to determine whether the acquisition of investment property is the acquisition of an asset or a group of assets or a business combination within the scope of IFRS 3. That judgment shall be based on the guidance in IFRS 3.

The application of the above mentioned new standards, amendments and interpretations didn't have an impact for the Company leading to an improved presentation of Items of Other Comprehensive Income.

Risk management

Market risk

As a part of its operations, Enel Finance International N.V. is exposed to a variety of market risks, notably the risk of changes in interest rates and exchange rates.
Enel Finance International N.V., acting as a financial intermediary, provides the necessary resources to Enel Group companies with the funding activity performed in the international capital markets.
In order to hedge these exposures, the Company employs financial derivative instruments such as interest rate swaps, currency forwards and cross currency interest rate swaps that are negotiated both with Enel S.p.A. and on the market.
The fair value of a financial derivative is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the reporting entity transacts.
The fair value of listed instruments is the market price as of 30 June 2015. The fair value of over the counter (OTC) instruments is calculated with standard pricing models for each instrument typology. The expected future cash flows are discounted with market interest rate curves, while foreign currency amounts are converted to Euro using the official European Central Bank exchange rates as of 30 June 2015.
Moreover, according to the International Accounting Standards, the Company measures the credit risk both of the counterparty (Credit Valuation Adjustment or CVA) and of its non-performance credit risk (Debit Valuation Adjustment or DVA), in order to make the adjustment of the fair value of derivative financial instruments for the corresponding value of counterparty risk.
In particular, the Company measures the CVA/DVA based on the net exposure taking into account any existing arrangements that mitigate credit risk exposure in the event of default and, subsequently, allocating the adjustment on each financial instrument that constitutes the portfolio.
In order to measure the CVA / DVA, the company uses a valuation technique based on the Potential Future Exposure, whose inputs are observable on the market. No changes occurs in evaluation criteria over the reporting period.
The notional amount of a financial derivative is the nominal on which payments are calculated.
The transactions compliant with IAS 39 requirements can be designated as cash flow hedge, otherwise are classified as trading.

Interest rate risk

Interest rate risk is the risk borne by an interest-bearing financial instrument due to variability of interest rates. The optimal debt structure results from the trade off between reducing the interest rate exposure and minimizing the average cost of debt.
The Company is exposed to interest rate fluctuation both on liabilities and on assets.
Interest rate swaps are set on to mitigate the exposure to interest rates fluctuation, thus reducing the volatility of economic results. Through an interest rate swap, the Company agrees with a counterparty to exchange, with a specified periodicity, floating rate interest flows versus fixed rate interest flows, both calculated on a reference notional amount. In order to ensure effectiveness, all the contracts have notional amount, periodicity and expiry date matching the underlying financial liability and its expected future cash flows.
At 30 June 2015, 2% of long term debt towards third parties was floating rate. Taking into account interest rate derivatives designated as cash flow hedge considered effective pursuant to the IFRS – EU, only 0,3% of such debt was still exposed to interest rate risk.

Having both assets and liabilities indexed to floating rate indices, the sensitivity of the Company income statement to the fluctuation of interest rates depends upon its net financial position.
An increase (decrease) of 25 basis point in market interest rates wouldn't have any relevant impact on the income statement in terms of higher (lower) interest net expenses (any relevant impact at 31 December 2014).
As regards the potential impact on equity of a change in interest rates, if interest rates would have been 25 basis point higher as of 30 June 2015, all other variables being equal, net equity would have increased by Euro 87 million (Euro 5 million at 31 December 2014) due to the increase of the fair value of cash flow hedge derivatives. Conversely, if interest rates rate would have been 25 basis point lower, all other market data remaining stable, net equity would have decreased by Euro 87 million (Euro 5 million at 31 December 2014) due to decrease of fair value of Cash Flow Hedge derivatives.

Exchange rate risk

Exchange rate risk is a type of risk that arises from the change in price of one currency against another. Enel Finance International NV exposure to such risk is mainly due to foreign currency denominated flows, originated by financial assets and liabilities.
In order to mitigate this risk, the Company enters into plain vanilla transactions such as currency forwards and cross currency interest rate swaps. In order to ensure effectiveness, all the contracts have notional amount and expiry date matching the underlying expected future cash flows of the hedged items.
Cross currency interest rate swaps are used to transform a long-term fixed- or floating-rate liability in foreign currency into an equivalent fixed- or floating-rate liability in euro, while currency forwards are used to hedge commercial papers and intercompany loans.
As regards the potential impact on equity of a change in foreign exchange rates as of 30 June 2015, assuming a 10% depreciation of Euro against other currencies, all other variables being equal, equity would have been about Euro 1.456 million higher (Euro 1.359 million at 31 December 2014) as a result of the increase of the fair value of Cash Flow Hedge derivatives. Conversely, assuming a 10% appreciation of Euro against other currencies, all other variables being equal, equity would have been about Euro 1.191 million lower (Euro 1.112 million at 31 December 2014) as a result of the decrease of the fair value of Cash Flow Hedge derivatives.

Credit risk

Credit Risk is the risk that the Company will suffer losses when a counterparty defaults in meeting its obligations on a trade or transaction of any kind when it is supposed to.
In compliance with counterparty credit risk policy defined at Group level, the Company is operating solely with market counterparties with high credit standing and with other Entities belonging to the Enel Group.

Liquidity risk

Liquidity Risk is the risk that the Company will become unable to settle obligations with immediacy, or will be able to meet them only at uneconomic conditions. In order to mitigate this risk Enel Finance International N.V. meets liquidity requirements primarily through cash flows generated by ordinary operations and drawing on a range of financing sources while managing any liquidity excess as appropriate.

Moreover, the Company has access to the following credit lines fully available as at 30 June 2015: (i) a long term revolving credit line for an amount up to Euro 4.720 million, for further details please refer to paragraph "9 Long-term loans and borrowings"; (ii) a facility agreement with UniCredit Bank Slovakia a.s., signed during the previous year and amounting to Euro 250 millions. The Company has also an outstanding commercial paper programs with a maximum ceiling of Euro 6.000 million, of which only Euro 736 million drawn as at 30 June 2015.
Furthermore Enel S.p.A. has confirmed through a letter dated 2 February 2015 its commitment to explicitly provide the Company with the financial support until the date of approval of full year 2015 financial statements of the Company.

Notes to the statement of comprehensive income

1 Result from operating activities – Euro (2) million

Result from operating activities is negative for Euro 2 million with no changes compared to previous year. The costs refer to services (mainly related to legal and consultancy charges) for Euro 1 million and to personnel costs for Euro 1 million.

2 Financial income/(expense) – Euro 23 million

Millions of Euro	Half year		
	2015	**2014**	**Change**
Financial income:			
- interest and other income from financial assets	553	687	(134)
- foreign exchange gains	59	12	47
- income from trading derivative instruments	444	45	399
- income from CFH derivative instruments estimated	778	172	606
- income from CFH derivative instruments realised	70	18	52
Total finance income	**1.904**	**934**	**970**
Financial expense:			
- interest and other charges on financial debt	(591)	(624)	33
- foreign exchange losses	(830)	(174)	(656)
- expense on trading derivative instruments	(455)	(55)	(400)
- expense on CFH derivative instruments estimated	-	-	0
- expense on CFH derivative instruments realised	(5)	(9)	4
Total financial expense	**(1.881)**	**(862)**	**(1.019)**
Net finance result recognised	**23**	**72**	**(49)**

Interest and other income from financial assets reduced to Euro 553 million, down Euro 134 million on 30 June 2014. The variation is mostly due (Euro 185 million) to the effect of the early repayment by Enel Iberoamerica S.A, in the last quarter of 2014 and in February 2015, of the Loan Agreement dated 01 December 2009 and originally amounting to Euro 18.000 million.
The above mentioned decrease has been partially compensated by the interest (Euro 58 million) deriving by the new long term loan of Euro 4.500 million granted to Endesa S.A. on October 2014

Interests and other charges on financial debt dropped to Euro 591 million with a variation of Euro 33 million on 30 June 2014.

The decrease is mainly due as follow

- ✓ Decrease of interest charges paid on Deposits for an amount of Euro 12 million, attributable to the general decrease in the short term interest rate

- ✓ Decrease of interest charges paid by the on Commercial Paper Programme , for an amount of Euro 2 million
- ✓ Less costs related the commitment fee paid on the Revolving Credit Facility, for an amount of Euro 21 million

The net foreign exchange losses amount to Euro 771 million and they are mainly due to the appreciation of the notes denominated in foreign currencies against euro. The amount of those estimated foreign exchange losses arisen from non-euro bonds are entirely covered by the correspondent reversal of the Cash Flow Hedge equity reserve resulting in financial income.

Net loss from trading derivative instruments amounting to Euro 11 million refers to the income statements effect of derivative instruments related to Commercial Paper and Intercompany Loan transactions denominated in currencies other than euro.

3 **Income tax expense** – Euro 5 million

Millions of Euro	Half year	
	2015	**2014**
Profit before income taxes	21	70
Tax at nominal tax rate (25%)	5	17
Tax effect on non-taxable income	0	3
Current Taxation	**5**	**14**

In line with IAS 34, until the previous interim period financial statements, income tax has been accrued based on the estimated average income tax rate by applying 25% on the profit before tax taking into account the bracket of 20% to be applied on the first Euro 0,2 million of profit before tax.

Notes to the statement of financial position

4 Non-current financial assets – Euro 20.902 million

Millions of Euro

	30 June 2015	31 Dec 2014	Change
Financial Instruments at fair value through other comprehensive income			
Cash flow hedges			
- Foreign exchange contracts	1.083	382	701
- Interest rate contracts	198	-	198
Total Instruments at fair value through other comprehensive income	**1.281**	**382**	**899**
Financial instruments at fair value through profit and loss			
Derivatives not designed as hedges			
- Interest rate contracts	2	3	(1)
Total Instruments at fair value through profit and loss	**2**	**3**	**(1)**
Total derivative instruments	**1.283**	**385**	**898**
Loans abd receivables			
- Loans to Enel Group Entities	19.574	22.062	(2.488)
- other items	45	37	8
Total loans and receivables	**19.619**	**22.099**	**(2.480)**
Total non-current financial assets	**20.902**	**22.484**	**(1.582)**

Non-current financial assets comprise:

Loans to Enel Group Entities

This item refers to medium long-term loans granted to Enel Group companies and are detailed as follows:

Millions of Euro

	30 June 2015	31 Dec 2014	Change
Loan receivable from Enel Iberoamerica S.A.	6.508	7.508	(1.000)
Loan receivable from Enel Green Power International B.V.	2.466	2.455	11
Loan receivable from ENEL Produzione S.p.A.	2.000	2.000	-
Loan receivable from ENEL Distribuzione S.p.A.	5.500	5.500	-
Loan receivable from Endesa	3.000	4.500	(1.500)
Loan receivable from Enel Sole	100	100	-
Total non-current financial receivables	**19.574**	**22.062**	**(2.488)**

The variation is due to the effect of the

- early repayment (Euro 1.000 million) by Enel IberoaAmerica S.A, of the Loan Agreement granted on 01 December 2009 and with an original amount of Euro 18.000 million;
- early repayment (Euro 1.500 million) by Endesa S.A, of the Loan Agreement originally dated 29 October 2009 and amounting to Euro 4.500 million;

The above mentioned decrease has been partially compensated by the new loan granted to Enel Green Power International B.V. interest for and amount of Turkish Lira 35 Million (Euro 11 million) .

Cash flow hedge derivatives

Cash flow hedge derivatives are used by the Company to hedge the exchange rate and interest rate fluctuations of bonds and long-term loans or receivables (for further details see par. *"Risk Management"*).

The following table shows the amount of derivative contracts detailed on the basis of the hierarchy of inputs used to determine fair value, as specified by IFRS 7:

Millions of Euro

	Fair value as 30 June 2015	Level 1	Level 2	Level 3
Cashflow hedge derivatives on exchange rate	1.083		1.083	
Cashflow hedge derivatives on interest rate	198		198	
Trading derivatives on interest rate	2		2	
Total	**1.283**		**1.283**	

Other items

Other items refer to the prepayments related to the new forward start revolving facility agreement signed in February 2013. The increase (Euro 8 million) principally refers to the postponement of the final maturity date to 2020 agreed in February 2015.

As at 30 June 2015 non-current financial assets do not include neither past due nor impaired items.

5 Current financial assets – Euro 6.878 million

Millions of Euro

	30 June 2015	31 Dec 2014	Change
Financial receivables	6.613	6.622	(9)
Trading derivatives	5	30	(25)
Cash flow hedge derivatives	21	0	21
Other current financial assets	239	214	25
Total	**6.878**	**6.865**	**13**

Current financial assets essentially consist of financial receivables like short-term loans or credit revolving facilities granted to Enel Group companies as well as derivative instruments.

Financial receivables

The following table shows the breakdown of the short-term loans granted to Enel Group affiliated companies:

Million of Euro

	30 June 2015	31 Dec 2014	Change
Short-term deposit agreement with Enel S.p.A.	-	500	(500)
Revolving short-term facility agreement with Enel Green Power S.p.A.	100	500	(400)
Short-term deposit agreement with Endesa Latinoamerica S.A.	-	47	(47)
Revolving short-term facility agreement with Enel Produzione	1.000	1.000	-
Multicurrency revolving facility agreement with Enel Green Power International BV	860	172	688
Revolving short-term facility agreement with Marcinelle Energie S.A.	-	199	(199)
Loan facility agreement with Endesa S.A.	1.000	-	1.000
Enel S.p.A. - Financial Service Agreement	1.645	2.201	(557)
Others sundry receivables	8	3	5
Total short term loans granted to Enel Group affiliates	**4.613**	***4.622***	***(9)***
Short-term portion of long terms and receivables			
Loan receivables from Enel Produzione S.p.A.	1000	1000	-
Loan receivables from Enel Trade S.p.A.	700	700	-
Loan receivables from Enel Energia S.p.A.	300	300	-
Total short term loans granted to Enel Group affiliates	**2.000**	***2.000***	**-**
Total	**6.613**	**6.622**	**(9)**

The net decrease of Euro 9 million is due to the ordinary management of the working capital of the Group affiliates.

The table below reports the short-term financial instruments granted by the Company to the Enel Group companies:

Millions of Euro

	Financial relationship	Commitment amount until 30 June 2015	Rate of Interest	Spread/Rate	Commitment fee
Enel Produzione S.p.A.	Revolving credit facility	1.000	Euribor	1,40%	N/A
Enel Produzione S.p.A.	Loan	1.000	Euribor	1,70%	N/A
Enel Energia S.p.A.	Loan	300	Euribor	1,70%	N/A
Enel Trade S.p.A.	Loan	700	Euribor	1,70%	N/A
Enel Ibero America S.A.	Revolving credit facility	400	Euribor	1,60%	0,10%
Enel Green Power International B.V.	Multicurrency short-term	1.220	3M Euribor	1,40%	0,20%
Enel Green Power International B.V.	Multicurrency short-term	N/A	Libor 3M	1,40%	N/A
Enel Green Power International B.V.	Multicurrency short-term	N/A	3M Robor	1,40%	N/A
Enel Green Power International B.V.	Multicurrency short-term	3.400 (1)	SA Jibar 3M	1,40%	N/A
Enel Trade Romania S.r.l.	Revolving credit facility	10 (2)	3M Robor	2,75%	0,10%
Enel Trade Doo	Revolving credit facility	2	3M Euribor	1,50%	0,10%
Endesa Latinoamérica S.A.	Revolving credit facility	250	Euribor	1,00%	0,35%
Enel Green Power S.p.A.	Revolving credit facility	500	Euribor	1,15%	0,38%

(1) Million ZAR

(2) Million RON

Derivative instruments

Derivative instruments refer to currency swaps used by the Company to hedge the exchange rate fluctuations on intercompany current accounts and current loans granted to Enel Group affiliates.

The following table shows the amount of derivative contracts detailed on the basis of the hierarchy of inputs used to determine fair value, as specified by IFRS 7:

Millions of Euro

	Fair value as 30 June 2015	Level 1	Level 2	Level 3
Cashflow hedge derivatives on exchange rate	21		21	
Trading derivatives on exchange rate	5		5	
Total	**26**		**26**	

Other current financial assets

The variation of the other current financial assets aggregate is mainly due to accrued income related to long-term and short-term credit lines granted to Enel Group affiliates (euro 24million).
As at 30 June 2015 current financial assets do not have neither past due nor impaired items.

6 Income tax receivable – Euro 7 million

Income tax receivable is in line with the previous year. It includes the income tax accrued and the amounts reimbursed and paid during the period.

7 Cash and cash equivalents – Euro 44 million

Millions of Euro

	30 June 2015	31 Dec 2014	Change
Cash and cash equivalents	44	1.006	(962)
Total	**44**	**1.006**	**(962)**

The decrease (Euro 962 million) of Cash and cash equivalents results from the cash optimization strategy performed by the Company on liquidity generated in the period.

For the purpose of Cash Flows Statement, cash and cash equivalents also include the positive amount of the Financial Service Agreement held with the Parent Company. With reference to 30 June 2015, the amount of the Financial Service Agreement is positive for Euro 1.645 million and it has been classified as current financial assets in the statement of financial position.

8 Shareholder's equity – Euro 1.313 million

<u>Share capital</u> – Euro 1.479 million

The authorized share capital of the company amounts to Euro 2.500 million, divided into 2.500 million of shares, each share with a nominal value of Euro 1,0 each.
The issued and paid-up share capital amounts to Euro 1.478,8 million represented by 1.478.810.370 shares with nominal value of Euro 1,0 each.

<u>Share premium reserve</u> – Euro 43 million

The reserve arises from the cross-border merger finalized during 2010 between Enel Finance International S.A. and Enel Trading RUS B.V.

<u>Cash flow hedge Reserve</u> – Euro (527) million

The reserve includes the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions. The variation over the period is detailed as follows:

Millions of Euro

	31 Dec 2014	Gain/(Losses) recognized in equity for the period	Released to income statement	Taxes	**30 June 2015**
Gains/Losses on change in fair value of the effective portion of CFH Derivatives on interest and exchange rates (IAS 39)	(1.101)	1.352	(778)	-	(527)
Total gains/(losses) recognized in equity	**(1.101)**	**1.352**	**(778)**	**-**	**(527)**

The positive variation of Euro 574 million is due to:

> the gain (Euro 1.352 million) on change in fair value of derivatives. The variation refers to: (i) an increase of fair value measurement of cross currency interest rate swap derivatives on

bonds (Euro 1.142 million); (ii) an increase of fair value measurement of interest rate swap derivatives on long-term loans (Euro 210 million);

> the release (Euro 778 million) to income statement aimed to hedge the result of the underlying hedged financial liabilities when they impact the Company Income Statement.

Capital Management

It is policy of the Company to maintain a strong capital base to preserve creditors and market confidence and so sustain future development of the business. The Board of Directors monitors the return on capital that the Company defines as total shareholder's equity, and the level of dividends to ordinary shareholders.
The return of capital is calculated as a percentage of financial result on total equity net of cash flow hedge reserve:

Millions of Euro	30 June 2015	30 June 2014
Total Equity	1.313	618
Cash Flow Hedge reserve	(527)	(1.230)
Adjusted Equity	1.840	1.848
Net Finance result	23	72
Return of capital (*)	**1%**	**4%**

* Key Performance Indicator determined on half year basis.

The Board's objective is to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.
There were no changes in the Company's approach to capital management during the first six months of 2015. The Company is not subject to externally imposed capital requirements.

9 Long-term loans and borrowings (including the portion falling due within twelve months for Euro 144) – Euro 19.601 million

This note provides information about the contractual terms of the Company's interest bearing loans and borrowings, which are measured at amortized cost. For more information about the Company's exposure to interest rate, foreign currency and liquidity risk see paragraph: "*Risk management*".
The aggregate includes long-term payables in respect of bonds in Euro and other currencies.

Enel Finance International N.V.

The following table shows long-term debt and repayment schedules at 30 June 2015, grouped by loan and interest rate type:

Millions of Euro

	Maturing	Balance	Nominal value	Balance	Current portion	Portion falling due after more than 12 months	Maturing in				
		30 Jun 2015	30 Jun 2015	31 Dec 2014			II Half 2016	2017	2018	2019	Beyond
Bond											
Listed Bond (Fixed rate)	2015-2040	13.595	13.930	14.699	144	13.451	1.080	695	1.581	125	9.971
Listed Bond (Floating rate)	2024	444	450	344	-	444	-	-	-	-	444
Unlisted Bond (Fixed rate)	2017-2039	5.266	5.312	4.863		5.266	-	1.338		1.556	2.372
Total Bond	**2014 - 2040**	**19.304**	**19.692**	**19.906**	**144**	**19.160**	**1.080**	**2.032**	**1.581**	**1.681**	**12.786**
GMTN Internal Assumption - towards EIH BV											
EUR (Fixed-rate)	2023	297	300	296	-	297	-	-	-	-	297
Total GMTN Internal	**2023**	**297**	**300**	**296**	**-**	**297**	**-**	**-**	**-**	**-**	**297**
TOTAL	**2014-2040**	**19.601**	**19.992**	**20.202**	**144**	**19.457**	**1.080**	**2.032**	**1.581**	**1.681**	**13.083**

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

Millions of Euro

	30 June 2015	30 June 2015	31 Dec 2014	30 June 2015	
	Balance	Nominal value	Balance	Current interest rate	Effective interest rate
Total Euro	*10.446*	*10.760*	*11.824*	*4,30%*	*4,73%*
US dollar	5.101	5.139	4.701	5,94%	6,13%
British pound	3.126	3.163	2.854	5,70%	5,82%
Swiss Franc	700	701	606	2,91%	2,91%
Japanese yen	230	230	217	0,00%	2,46%
Total non-Euro currencies	*9.156*	*9.233*	*8.378*		
TOTAL	**19.601**	**19.992**	**20.202**		

The table below reports changes in the nominal value of long-term debt during the year.

Millions of Euro

	Nominal value	New financing	Exchange Offer	Capitalised interests on ZCB	Repayments	Exchange rate differences	Nominal value
	31 Dec 2014						**30 Jun 2015**
Bonds in non-Euro currencies and Euro currency	20.367	-	33	3	(1.195)	784	19.992
Total long-term financial debt	**20.367**	**-**	**33**	**3**	**(1.195)**	**784**	**19.992**

Enel Finance International N.V.

Global Medium Term Note Programme

On 28 July 2014 the Board of Directors and the Shareholder of the Company resolved about the update of the GMTN Programme up to Euro 35.000 million, pursuant to which the Company and Enel S.p.A. (the Guarantor) may from time to time issue notes in bearer form while getting any possible market opportunities for new bonds issuance.
The relevant deeds have been signed on 2 October 2014 and the Irish Central Bank of hereby approved the Base Prospectus on the same date.

The financial markets downward trend, experienced during the last quarter of 2014, encouraged the capital market issuers to evaluate the opportunity to engage in a restructuring plan of their debt in order to reduce the average cost and lengthen the maturity profile.
The above-mentioned restructuring of capital market debts issuances, generally defined as liability management strategy, mainly includes Tender and Exchange offer operations related to the long term debt portfolio issued in the form of bonds. Such operations have the following main features:

> Tender Offer: Bonds are repurchased by the issuer behind the payment of a consideration in money, usually based on the quoted market price of the security, plus a margin including a premium fee for the consent solicitation;

> Exchange Offer: Bonds are exchanged with new issuance of bonds with price and maturities terms different by the conditions of the original bonds.

On 14 October 2014, in order to achieve necessary flexibility useful to quickly grasp any opportunities that may arise in international markets, the Company resolved about a Liability Management Program that provides for the debt restructuring relating the bonds issued by the Company for a total maximum amount equal to the equivalent of Euro 4 billion, to be executed no later than 31 December 2015, under the condition that each transaction:
1) ensures the optimization and management of excess cash in terms of the reduction of the gross debt of the Company, and
2) lowers the average cost or improves the maturity profile of the Company's gross debt. These operations may be performed, in whole or in part of the maximum amount, directly by the Company guaranteed by Enel S.p.A..

On October 2014 the Company has subsequently launched and completed its first transaction under such Liability Management Program which took the form of a Tender Offer for an aggregate nominal amount of Euro 762 million.

On 27 January 2015, the Company, following the approval by the Irish Central Bank of a supplement to the Offering Circular issued 2 October 2014, has executed a further transactions under the GMTN Programme in the form of an Exchange Offer for certain notes issued by the Company and guaranteed by Enel S.p.A..

According with such exchange, the Company, has partially repaid back notes for an aggregate amount of Euro 1.429 million under six bonds, with final maturity date between 2016 and 2021, and issued a new 10 years bond for a total amount of Euro 1.463 million at a fixed rate of 1,966% and maturity date on 27 January 2025

Enel Finance International N.V.

Revolving Facility Agreement

On 19 April 2010 Enel and the Company, entered into an Euro 10.000 million revolving credit facility agreement, with 5 years duration and final expiry on 19 April 2015, with the aim to get both a liquidity reserve and a back up for the Euro Commercial Paper Programme.
The cost of the credit line vary depending upon Enel S.p.A.'s pro tempore rating, offering at the signing rating levels a margin of 85 basis points above Euribor with commitment fees of 40% of the applicable margin.
On 7 February 2013 the Board of Directors of the Company, following the resolution of Enel's board of directors dated 17 January 2013 and in order to maintain for the next years a liquidity position compliant with the market assessments, resolved to refinance the Euro 10.000 million Revolving Credit Facility and to extend up to April 2018 the original expiry date.
Following those resolutions, on 8 February 2013 the Company as Original Borrower and Enel S.p.A. as Original Borrower and Guarantor have signed a "forward starting" Revolving Facility Agreement with Mediobanca – Banca di Credito Finanziario S.p.A. and a pool of banks leaded by Mediobanca for the amount of Euro 9.440 million that will replace the existing Euro 10.000 million Revolving Credit Facility (currently not drawn) set to expire in April 2015, starting from the latter expiry date and up to April 2018.
Such revolving credit line is "forward starting", meaning that it may be used starting either from the expiry date of the abovementioned Euro 10.000 million Revolving Credit Facility or from a previous date thanks to the possible early cancellation of the existing one.

On March 2014, following an assessment of the financial position at level of Enel Group and taking into consideration that, starting from April 2014 the original 2010 Revolving Facility Agreement was no longer considered relevant by the rating agencies for the purposes of calculation of the liquidity position of Enel Group, the Company and Enel have considered the opportunity to early cancel the existing facility under 2010 Revolving Facility agreement and, consequently, to anticipate the availability period of 2013 Revolving Facility agreement.

On 18 March 2014, the 2010 Revolving Facility agreement has been closed and the 2013 Revolving Facility agreement has become effective.

On 19 December 2014, considering the improvement of financial market condition, after a long period of instability, the Company and Enel S.p.A. - in line with the policy adopted by the Group to ensure over time the appropriate cash reserves - have resolved to enter into the renegotiation of the financial costs and tenor of the RFA at more favourable terms for the Group.
As at 30 June 2015 the revolving facility was not utilized

On 12 February 2015, the Company and Enel S.p.A. have signed with the Lenders a supplemental Agreement to amend the financial costs and tenor of the Revolving Facility Agreement.
Therefore, considering the current rating of Enel, the margin that will be applied in case of utilization has been reduced from 190 to 80 basis point and the commitment fees from 40% to 38% of the margin. The Final Maturity Date has been extended form April 2018 up to 12 February 2020

Debt covenants

The main long-term financial debts under the Company are governed by covenants containing undertakings by the borrower (the Company), by the borrowers (Enel S.p.A and the Company) and in some cases Enel S.p.A. as guarantor that are commonly adopted in international business practice. The main covenants for the Company are related to the bond issues carried out within the

Global Medium-Term Notes Programme and the Forward Start Facility. The Forward Start Facility was signed on 8 February 2013 by Enel and by the Company with a pool of banks for a total amount of Euro 9.440 million and it was amended on 12 February 2015. Moreother, on 6 November 2013 the Company has entered as a borrower into a facility Agreement with UniCredit Bank Czech Republic and Slovakia a.s. (formerly "UniCredit Bank Slovakia a.s.") as a lender with the commitment of Euro 140 million which later (on 27 October 2014) has been increased up to Euro 250 million.
To date none of the covenants have been triggered.
The commitments in respect of the bond issues in the Global Medium-Term Notes program can be summarized as follows:

> negative pledge clauses under which the issuer may not establish or maintain (except under statutory requirement) mortgages, liens or other encumbrances on all or part of its assets to secure any listed bond or bond for which listing is planned unless the same guarantee is extended equally or pro rata to the bonds in question;

> pari passu clauses, under which the securities constitute a direct, unconditional and unsecured obligation of the issuer and are issued without preferential rights among them and have at least the same seniority as other present and future bonds of the issuer;

> specification of default events, whose occurrence (e.g. insolvency, failure to pay principle or interest, initiation of liquidation proceedings, etc.) constitutes a default;

> under cross-default clauses, the occurrence of a default event in respect of any financial liability (above a threshold level) issued by the issuer constitutes a default in respect of the liability in question, which becomes immediately repayable;

> early redemption clauses in the event of new tax requirements, which permit early redemption at par of all outstanding bonds.

The main covenants for the Forward Start Facility involving the Company and Enel S.p.A. can be summarized as follows:

> negative pledge clause under which the borrower (and Enel S.p.A.'s significant subsidiaries) may not establish or maintain (with the exception of permitted guarantees) mortgages, liens or other encumbrances on all or part of its assets to secure a specified financial liability;

> pari passu clause, under which the payment undertakings constitute a direct, unconditional and unsecured obligation of the borrower and bear no preferential rights among them and have at least the same seniority as other present and future loans;

> change of control clause which is triggered in the event (i) control of Enel is acquired by one or more parties other than the Italian state or (ii) Enel or any of its subsidiaries transfer a substantial portion of the Group's assets to parties outside the Group such that the financial reliability of the Group is significantly compromised. The occurrence of one of the two circumstances may give rise to (a) the renegotiation of the terms and conditions of the financing or (b) compulsory early repayment of the financing by the borrower;

> specification of default events, whose occurrence (e.g. failure to make payment, breach of contract, false statements, insolvency or declaration of insolvency by the borrower or Enel S.p.A.'s significant subsidiaries, business closure, government intervention or nationalization, administrative proceeding with potential negative impact, illegal conduct,

nationalization and government expropriation or compulsory acquisition of the borrower or one of Enel S.p.A.'s significant subsidiaries) constitutes a default. Unless remedied within a specified period of time, such default will trigger an obligation to make immediate repayment of the loan under an acceleration clause;

> under cross-default clause, the occurrence of a default event in respect of a specified financial liability (above a threshold level) of the borrower or Enel S.p.A.'s "significant" subsidiaries (i.e. consolidated companies whose gross revenues or total assets are at least equal to a specified percentage (10% of gross consolidated revenues or total consolidated assets)) constitutes a default in respect of the liability in question, which becomes immediately repayable;

> disposals clause, under which the borrower (and Enel S.p.A.'s controlled subsidiaries) may not dispose of all or any material part of its assets or undertaking with the exception of permitted disposals;

> periodic reporting requirements.

10 Other non-current financial liabilities – Euro 69 million

Millions of Euro

	30 June 2015	31 Dec 2014	Change
Cashflow hedge derivatives	62	495	(433)
Trading derivatives	7	8	(1)
Total	**69**	**503**	**(434)**

Cash flow hedge derivatives refer to the hedging performed by the Company in order to mitigate both the interest rate and foreign exchange rate risks.
The variation of non-current financial liabilities reflects the fair value measurement of both cash flow hedge and trading derivatives.

The following table shows the amount of derivative contracts detailed on the basis of the hierarchy of inputs used to determine fair value, as specified by IFRS 7:

Millions of Euro

	Fair value as 30 June 2015	Level 1	Level 2	Level 3
Cashflow hedge derivatives on exchange rate	22		22	
Cashflow hedge derivatives on interest rate	40		40	
Trading derivatives on interest rate	7		7	
Total	**69**		**69**	

11 Short-term loans and borrowings – Euro 6.290 million

Millions of Euro

	30 June 2015	31 Dec 2014	Change
Short-term loans Enel Group companies	5.552	6.070	(518)
Commercial papers	736	2.400	(1.664)
Others Third parties	2	-	2
Short-term financial debt	**6.290**	**8.470**	**(2.180)**

Short-term loans

At June 2015 short-term loans decreased by Euro 518 million from 31 December 2014

Millions of Euro

	Original currency	Euro countervalue at 30 Jun 2015	Euro countervalue at 31 Dec 2014	Change
Intercompany Current Accounts denominated in Euro				
Enel France S.A.	Euro	75	88	(13)
Enel Green Power International B.V.	Euro	-	126	(126)
Enel Servizio Elettrico Srl	Euro	2.679	3.081	(402)
Enel Investment Holding BV	Euro	1.130	1.119	11
Enel Iberoamerica S.A.	Euro	157	404	(248)
Enel S.p.A.	Euro	1.335	1.176	159
Compostilla S.A.		112	-	112
Marcinelle Energie S.A.		65	-	65
Total		**5.552**	**5.994**	**(442)**
Intercompany Current Accounts denominated in other currencies				
Enel Green Power International B.V.	USD	-	76	(76)
Enel Green Power International B.V.	CAD	-	-	-
Total		**-**	**76**	**(76)**
Total		**5.552**	**6.070**	**(518)**

Short-term items are mainly composed by the following relationships:

> The Long Term Deposit Agreement with Enel Servizio Elettrico S.p.A. signed on 27 December 2011 and with the following terms and conditions:

- Financial instrument: mainly short term deposits at 1 week, 1, 3, 6 and 12 months;
- Interest rate: floating Eonia or Euribor plus a Margin;
- Initial margin: up to a maximum of 85 bps, to be agreed time by time in order to respect the duration of the specific term deposit and the market condition;
- Duration: 5 years

The time deposits outstanding under the Agreement have a global balance of Euro 2.679 million;

> The debt exposure (Euro 1.335 million) of the Company within the intercompany current account held with Enel S.p.A.;

> The deposit account agreement signed with Enel Investment Holding B.V. in November 2013 to provide a financial instrument to deposit its excess of liquidity resulting from the disposal of some assets and from the day by day activities; as at 30 June 2015 the balance under this agreement is equal to Euro 1.130 million.

Commercial Papers

Financial payables represented by commercial papers relate to outstanding issuances at 30 June 2015 in the context of the Euro Commercial Paper Programme (hereinafter, also "ECP Programme") launched in 2005 by the Company and guaranteed by Enel S.p.A.
Under the ECP Programme the Company can issue short-term promissory notes issued in the interest-bearer form up to an amount of Euro 6.000 million. Each note can be denominated in any currency, with a minimum denomination of Euro 500.000 (or GBP 100.000, or USD 500.000, or JPY 100 million or its equivalent in the relevant currency) and a maturity between one day and one year. The notes may be issued on a discounted basis or may bear fixed or floating interest rate or a coupon calculated by reference to an index or formula, and they are not listed in any stock exchange.
The total nominal value of outstanding commercial paper as of 30 June 2015 is below shown:

Millions of Euro

Currencies	ECP origin amounts	Euro counter-value (*)
Euro	711	711
USD	30	27
Total Commercial Paper		**738**

(*)The Euro Commercial Paper (ECP) expressed in foreign currency is converted at 30 June 2015 exchange rates.

The nominal value of the commercial paper is Euro 738 million and is denominated in the following currencies: Euro (Euro 711 million); US dollars (the equivalent of Euro 27 million). 96% of the outstanding notes are issued in Euro. The Company hedged the ECP amounts denominated in foreign currencies using currency swaps to limit the risk of exchange rate fluctuations.

12 Other current financial liabilities – Euro 554 million

Millions of Euro

	30 Jun 2015	31 Dec 2014	Change
Trading derivatives	9	10	(1)
Deferred financial liabilities	545	448	97
Total	**554**	**458**	**96**

Other current financial liabilities mainly relate to interest expenses accrued on debt outstanding at 30 June 2015 which is mainly due to interests arising from GMTN Programme for Euro 508 million as well as trading derivative instruments.

The following table reports the amount of derivative contracts detailed on the basis of the hierarchy of inputs used to determine fair value, as specified by IFRS 7:

Millions of Euro	Fair value as 30 June 2015	Level 1	Level 2	Level 3
Trading derivatives on exchange rate	9		9	
Total	**9**		**9**	

Related parties

Transactions between Enel Finance International NV and other companies of Enel Group involve Financing and Treasury management.

The main activity of Enel Finance International NV is to operate as financing company of the Enel Group, raising funds through bonds issuance, loans and other facilities and on turn lending the funds so raised to the companies belonging to Enel Group.

Enel Finance International NV is also part of the centralising financial flow process and acts as the primary reference for the management of Financial needs or liquidity generated by the entities that operate outside of Italy and are part of Enel Group.

The company enters into plain vanilla transaction with Enel S.p.A., such as currency forwards and cross currency interest rate swaps in order to mitigate the interest and exchange rates risks.

These transactions are part of the ordinary operations of the Company and are settled on the basis of Standard intra-Group contract market prices.

Enel Finance International NV has no business relations with Key management during the financial year.

The following table summarizes the financial relationships between the Company and related parties:

Millions of euro

		Receivables	Payables	Income	Cost
		30 June 2015		2015	2015
Shareholder					
Enel S.p.A		2.991	1.418	71	20
	[Total]	***2.991***	***1.418***	***71***	***20***
Other affiliated companies					
Endesa		4.027	-	71	-
Enel Produzione		4.024	-	68	-
Enel Distribuzione		5.565	-	168	-
Enel Energia		301	-	3	-
Enel Iberoamerica SL		6.532	157	151	-
Enel Trade		703	-	6	-
Enel France S.A.S.		-	75	-	-
Enel Green Power S.p.A.		100	-	2	-
Enel Green Power International B.V.		3.373	-	139	41
Enel Investment Holding BV		-	1.441	-	10
Enel Green Power North America Inc.		-	4	-	-
Enel latinoamerica		-	-	1	-
Enel Servizio Elettrico		-	2.680	-	12
Enel Sole		101	-	1	-
Compostilla RE S.A.		-	112	-	-
Marcinelle Energie S.A.		-	65	-	-
	[Total]	***24.726***	***4.534***	***610***	***63***
Total		**27.717**	**5.952**	**681**	**83**

For further details of the each relation with related parties please refer to paragraphs “4 Non-current financial assets”, 5 Current financial assets”, “9 Long-term loans and borrowings”, “10 Other non-current financial liabilities", "11 Short-term loans and borrowings" and "12 Other current finacial liabilities".

Contractual commitments and guarantees

The Company is entirely guaranteed by the Parent Company for all own financial activities and has not given guarantees to third parties up to the reporting date.
Moreover at 30 June 2015 the Company has not pledged any financial assets as collateral against its borrowings.

Compensation of Directors

The emoluments of the Company Directors as intended in Section 2:383 (1) of the Dutch Civil Code, which were charged in the first six months of 2015, amounted to Euro 36 thousand and they are summarized in the following table:

Thousands of Euro	**30 June 2015**	30 June 2014
A.J.M. Nieuwenhuizen	9	9
F. Mauritz	9	9
H. Marseille	9	9
E. Di Giacomo	9	9
A. Canta	-	-
Total	**36**	**36**

Subsequent events

There have been no significant subsequent events to be mentioned.