

Base Prospectus dated 5 October 2016



ENEL – Società per Azioni

(incorporated with limited liability in Italy)

as an Issuer and Guarantor and

ENEL FINANCE INTERNATIONAL N.V.

(a limited liability company incorporated in The Netherlands,

having its registered office at Herengracht 471,1017 BS Amsterdam, The Netherlands) as an Issuer

€35,000,000,000

Euro Medium Term Note Programme

On 7 December 2000 ENEL — Società per Azioni (“**ENEL**” or the “**Company**”) entered into a Global Medium Term Note Programme (the “**Programme**”) and issued an offering circular on that date describing the Programme. The Programme was subsequently updated, most recently on 20 October 2015. This base prospectus (the “**Base Prospectus**”), which provides for the Programme to be a Euro Medium Term Note Programme, supersedes all previous offering circulars. Any Notes (as defined below) issued under the Programme on or after the date of this Base Prospectus are issued subject to the provisions herein. This does not affect any Notes already issued.

Under the Programme, each of ENEL and ENEL Finance International N.V. (“**ENEL N.V.**”) may from time to time issue notes (the “**Notes**”) denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined below). References in this Base Prospectus to the “**relevant Issuer**” shall, in relation to any Tranche of Notes, be construed as references to the Issuer which is, or is intended to be, the Issuer of such Notes as indicated in the applicable Final Terms. The payment of all amounts owing in respect of Notes issued by ENEL N.V. will be unconditionally and irrevocably guaranteed by ENEL in its capacity as guarantor (the “**Guarantor**”).

ENEL N.V. has a right of substitution as set out in Condition 16(a) and Condition 16(c). ENEL N.V. may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes and the Coupons either ENEL as Issuer or any of ENEL’s Subsidiaries (as defined below). ENEL or the relevant Subsidiary (failing which, ENEL) shall indemnify each Noteholder and Couponholder against any adverse tax consequences of such a substitution, except that neither ENEL nor the relevant Subsidiary shall be liable under such indemnity to pay any additional amounts either on account of “*imposta sostitutiva*” or on account of any other withholding or deduction in the event of payment of interest or other amounts paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information. When ENEL N.V. is to be substituted by another of ENEL’s Subsidiaries, such substitution may only take place if ENEL continues to guarantee the obligations of such Subsidiary. For further details regarding ENEL N.V.’s right of substitution see Condition 16(a) and Condition 16(c).

ENEL has a right of substitution as set out in Condition 16(b). ENEL may, at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes and Coupons any of its Subsidiaries provided that ENEL shall guarantee the obligations of such Subsidiary. The relevant Subsidiary (failing which, ENEL) shall indemnify each Noteholder and Couponholder against any adverse tax consequences of such a substitution, except that neither the relevant Subsidiary nor ENEL shall be liable under such indemnity to pay any additional amounts either on account of “*imposta sostitutiva*” or on account of any other withholding or deduction in the event of payment of interest or other amounts paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information. For further details regarding ENEL’s right of substitution, see Condition 16(b).

Notes may be issued in bearer or registered form (respectively “**Bearer Notes**” and “**Registered Notes**”). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €35,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under “Overview of the Programme” and any additional Dealer appointed under the Programme from time to time by the relevant Issuer (each a “**Dealer**” and together the “**Dealers**”), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the “**relevant Dealer**” shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to purchase such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these see “Risk Factors”.

This Base Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under the Prospectus Directive 2003/71/EC, as amended, to the extent that such amendments have been implemented in the relevant Member State of the European Economic Area (the “**Prospectus Directive**”). The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and European Union (“**EU**”) law pursuant to the Prospectus Directive. Such approval relates only to Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area. Application has been made to the Irish Stock Exchange for Notes issued under the Programme to be admitted to the Official List and trading on its regulated market. Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under “Terms and Conditions of the Notes”) of Notes will be set out in the final terms (the “**Final Terms**”) which, with respect to Notes to be listed on the Irish Stock Exchange, will be filed with the Central Bank.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the relevant Issuer and the Guarantor (where ENEL is not the relevant Issuer) and the relevant Dealer. Where Notes issued under the Programme are listed or admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, such Notes will not have a denomination of less than €100,000 (or, in the case of Notes that are not denominated in euro, the equivalent thereof in such other currency). The relevant Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market. The Notes issued by ENEL will constitute “*obbligazioni*” pursuant to Article 2410, and the Articles that follow such Article 2410, of the Italian Civil Code, which relate to the issuance of “*obbligazioni*” by corporations in Italy.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may include bearer notes that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold or, in the case of bearer notes, delivered within the United States or for the account or benefit of U.S. Persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)). The Notes will be offered and sold in offshore transactions to non-U.S. persons outside the United States in reliance on Regulation S under the Securities, in transactions exempt from the registration requirements of the Securities Act. For a description of these and certain further restrictions on offers, sales and transfers of Notes and distribution of this Base Prospectus see “Subscription and Sale and Selling and Transfer Restrictions”.

The relevant Issuer and the Guarantor (where ENEL is not the relevant Issuer) may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a Drawdown Prospectus (as defined below), if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

ENEL’s long-term debt is currently rated “BBB” (stable outlook) by Standard & Poor’s Credit Market Services Italy s.r.l. (“**S&P**”), “BBB+” (stable outlook) by Fitch Ratings Ltd (“**Fitch**”) and “Baa2” (stable outlook) by Moody’s Investors Service Ltd (“**Moody’s**”). Each of Moody’s, S&P and Fitch is established in the EU and registered under Regulation (EC) No.1060/2009 (as amended) (the “**CRA Regulation**”) and as such is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Tranches of Notes to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the EU and registered under the CRA Regulation will be disclosed in the relevant Final Terms. A security rating is not a **recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.**

Deutsche Bank

Banca IMI
BofA Merrill Lynch
BNP PARIBAS
Crédit Agricole CIB
Deutsche Bank
HSBC
J.P. Morgan
MUFG
Morgan Stanley
Nomura
Société Générale Corporate & Investment Banking
UBS Investment Bank

Arrangers

Dealers

J.P. Morgan

Banco Bilbao Vizcaya Argentaria, S.A.
Barclays
Citigroup
Credit Suisse
Goldman Sachs International
ING
Mediobanca
Mizuho Securities
NATIXIS
Santander Global Banking & Markets
The Royal Bank of Scotland
UniCredit Bank

This Base Prospectus comprises a base prospectus in relation to each Issuer for the purposes of Article 5.4 of the Prospectus Directive. For the purposes of this Base Prospectus, the expression “Prospectus Directive” means Directive 2003/71/EC, as amended, to the extent that such amendments have been implemented in the Relevant Member State of the European Economic Area.

Each of the Issuers and the Guarantor accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of each of the Issuers and the Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. Certain third party information has been extracted from external sources as described in this Base Prospectus. Each of the Issuers and the Guarantor confirms that such information has been accurately reproduced and, as far as it is aware and is able to ascertain from published information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Copies of Final Terms will be available from the registered office of the relevant Issuer and the specified office of the Paying Agent (being The Bank of New York Mellon (acting through its London Branch), One Canada Square, London E14 5AL, United Kingdom).

This Base Prospectus is to be read in conjunction with any supplement hereto and with all documents which are incorporated herein by reference (see “Documents Incorporated by Reference” below) and/or to any supplement hereto. This Base Prospectus shall be read and construed on the basis that such documents are incorporated in, and form part of, this Base Prospectus and/or any supplement hereto and in relation to any Tranche of Notes shall be read and construed together with the relevant Final Terms.

No representation, warranty or undertaking, express or implied, is made by any of the Dealers or any of their respective affiliates and no responsibility or liability is accepted by any of the Dealers or any of their respective affiliates as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by either Issuer or the Guarantor in connection with the Programme.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Base Prospectus in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer, the Managers or the person named in or identifiable in the applicable Final Terms as the financial intermediaries, as the case may be.

No person is or has been authorised by either Issuer or the Guarantor to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by either Issuer or the Guarantor or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by either Issuer or the Guarantor or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition, results of operations and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer and ENEL (where the relevant Issuer is not ENEL). Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and in the Final Terms of the relevant Tranche of Notes and reach their own views, based upon their own judgement and upon advice from such financial, legal and tax advisers as they

have deemed necessary, prior to making any investment decision. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of either Issuer or the Guarantor or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning either Issuer or the Guarantor is correct at any time subsequent to the date hereof or that there has been no adverse change in the financial position of either the Issuer or the Guarantor since the date hereof or the date upon which this document has been most recently supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of either Issuer or the Guarantor during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuers, the Guarantor and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuers, the Guarantor or the Dealers which is intended to permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom, France, The Netherlands and Italy) and Japan, see “Subscription and Sale and Selling and Transfer Restrictions”.

This Base Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by the applicable Final Terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;**
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;**
- (iii) consider all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;**
- (iv) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;**
- (v) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and**
- (vi) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.**

Some Notes are complex financial instruments. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial, tax or legal adviser) to evaluate how the Notes will perform under the changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

In making an investment decision, investors must rely on their own examination of the relevant Issuer and ENEL (where the relevant Issuer is not ENEL) and the terms of the Notes being offered, including the merits and risks involved. The Notes described herein have not been approved or disapproved by the United States Securities and Exchange Commission or any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Base Prospectus. Any representation to the contrary is unlawful.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

None of the Dealers, the Issuers or the Guarantor makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

U.S. INFORMATION

Notwithstanding any limitation on disclosure provided for in this Base Prospectus, its contents, or any associated Final Terms, and effective from the date of commencement of discussions concerning any of the transactions contemplated hereby (the “Transactions”), each recipient of this Base Prospectus or any associated Final Terms (a “Recipient”) (and each employee, representative, or other agent of any such Recipient) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Transactions and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure, except to the extent that any such disclosure could reasonably be expected to cause this Programme, or any issue of Notes thereunder not to be in compliance with securities laws. For purposes of this paragraph, the tax treatment of the Transactions is the purported or claimed U.S. federal income tax treatment of the Transactions, and the tax structure of the Transactions is any fact that may be relevant to understanding the purported or claimed U.S. federal income tax treatment of the Transaction.

Bearer Notes are not being offered to U.S. persons. A U.S. person who owns a Bearer Note may be subject to limitations under United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the United States Internal Revenue Code

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

ENEL maintains its financial books and records and prepares its financial statements in Euro in accordance with IFRS endorsed by the EU and the Italian regulation implementing Article 9 of Legislative Decree No. 38/05 and ENEL N.V. maintains its financial books and records and prepares its financial statements in Euro in accordance with IFRS endorsed by the EU, and Title 9, Book 2 of The Dutch Civil Code (*Burgerlijk Wetboek*), both of which differ in certain important respects from generally accepted accounting principles in the United States.

All references in this document to “Euro” and “€” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended. In addition, references to “U.S.\$” refer to United States dollars and to “Sterling” and “£” refer to pounds sterling.

Unless otherwise specified, references to the “Group” or the “ENEL Group” are to ENEL S.p.A. together with its subsidiary companies under Article 2359 of the Italian Civil Code and under Article 93 of the Italian Unified Financial Act, unless the context requires otherwise.

Alternative Performance Measures

This Base Prospectus contains certain alternative performance measures (APM) which are different from the IFRS financial indicators obtained directly from the audited consolidated financial statements for the years ended 31 December 2015 and 2014 and from the unaudited consolidated interim financial report of ENEL for the six month period ended 30 June 2016 and 2015 and which are useful to present the results and the financial performance of the ENEL Group.

On 3 December 2015, CONSOB issued Communication No. 92543/15, which gives effect to the Guidelines issued on 3 October 2015 by the European Securities and Markets Authority (ESMA) concerning the presentation of APMs disclosed in regulated information and prospectuses published as from 3 July 2016. These Guidelines, which update the previous CESR Recommendation (CESR/05-178b), are aimed at promoting the usefulness and transparency of APMs in order to improve their comparability, reliability and comprehensibility.

In line with the Guidelines mentioned above, the criteria used to construct the APMs are as follows:

- **Gross operating margin (otherwise referred to as EBITDA):** 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 measured at fair value through profit or loss” and “Other financial receivables” included in “Other non-current financial assets”;
 - “Long-term borrowings”;
 - “Employee benefits”;
 - “Provisions for risks and charges (non-current portion)”;
 - “Deferred tax liabilities”;
- **Net current assets:** calculated as the difference between “Current assets” and “Current liabilities” with the exception of:
 - “Current portion of Long-term financial receivables”, “Receivables for Factoring”, “Securities held to maturity”, “Financial Receivables and Cash collateral” and “Other current financial assets included in net financial position” included in “Other current financial assets”;
 - “Cash and cash equivalents”;
 - “Short-term borrowings” and the “Current portion of long-term borrowings”;
 - “Provisions for risks and charges” (current portion); and
 - Certain financial payables included in the line “Other Items” within the “Other current financial liabilities”;
- **Net assets held for sale:** calculated as the algebraic sum of “Assets classified as held for sale” and “Liabilities classified as held for sale”;
- **Net capital employed:** calculated as the algebraic sum of “Net non-current assets” and “Net current assets”, “Provisions for risks and charges” (current and non-Current portion), “Deferred tax liabilities” and “Deferred tax assets”, as well as “Net assets held for sale”; and
- **Net financial debt:** a financial structure indicator, determined by:
 - “Long-term borrowings” and “Short-term borrowings and the current portion of long-term borrowings”, taking account of certain financial payables included in the line “Other Items” within “Other current financial liabilities”; and
 - net of “Cash and cash equivalents” and “Securities held to maturity”, “Financial investments in funds or portfolio management products measured at fair value through profit or loss” and “Other financial receivables” included in “Other non-current financial assets”; net of the “Current portion of long-term financial receivables”, “Receivables for

Factoring”, “Financial Receivables and Cash collateral” and “Other current financial assets included in net financial position” included in “Other current financial assets”.

- **Capital expenditure:** capital expenditure represents the increases in the line items Property, Plant and Equipment and Intangible Assets resulting from new investments of the period. The amount is calculated as the sum of the line Capital Expenditure of the tables of breakdown of Property, Plant and Equipment and Intangible Assets included in the financial statements.

More generally, references to “Net Financial Debt” are to the ENEL Group’s net financial debt, as ascertained pursuant to paragraph 127 of the CESR/05-054b Recommendations, implementing EC Regulation 809/2004, and in accordance with the CONSOB instruction of 26 July 2007, netted for financial receivables and long-term securities.

Investors should not place undue reliance on these APMs and should not consider any APMs as: (i) an alternative to operating income or net income as determined in accordance with IFRS; (ii) an alternative to cash flow from operating, investing or financing activities (as determined in accordance with IFRS) as a measure of the ENEL Group’s ability to meet cash needs; or (iii) an alternative to any other measure of performance under IFRS.

Such APMs have been derived from historical financial information of the Group and are not intended to provide an indication on the future financial performance, financial position or cash flows of the Group itself. Furthermore, such APMs have been calculated consistently all over the periods for which financial information is presented in this Base Prospectus. APMs presented in this Base Prospectus should be also read in conjunction with the financial information presented or incorporated by reference in this Base Prospectus and derived from the audited consolidated financial statements for the years ended 31 December 2015 and 2014 and from the unaudited consolidated interim financial report of ENEL for the six month periods ended 30 June 2016 and 2015.

These measures are used by ENEL’s management to monitor the performance of the ENEL Group.

More specifically, ENEL’s management believes that:

- Net Financial Debt provides prospective investors with adequate information to evaluate the overall level of the Group’s indebtedness;
- Net capital employed provides prospective investors with adequate information to evaluate the Group’s balancing between sources and uses of funds in the short and long term as well as the ability to fulfill the Group’s obligations resulting from its operations with its current assets;
- EBITDA provides prospective investors with adequate information to evaluate the Group’s operating performance and its ability to repay its borrowings through its operating cash flows.

Market Information

This Base Prospectus contains statements related to, among other things, the following: (i) the size of the sectors and markets in which the ENEL Group operates; (ii) growth trends in the sectors and markets in which ENEL operates; and (iii) ENEL’s relative competitive position in the sectors and markets in which it operates and the position of its competitors in those same sectors and markets.

Whether or not this is stated, where such information is presented, such information is based on third-party studies and surveys as well as ENEL’s experience, market knowledge, accumulated data and investigation of market conditions. While ENEL believes such information to be reliable and believes any estimates contained in such information to be reasonable, there can be no assurance that such information or any of the assumptions underlying such estimates are accurate or correct, and none of

the internal surveys or information on which ENEL has relied have been verified by any independent sources. Accordingly, undue reliance should not be placed on such information. In addition, information regarding the sectors and markets in which ENEL operates is normally not available for certain periods and, accordingly, such information may not be current as of the date of this Base Prospectus.

STABILISATION

In connection with the issue and distribution of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilising manager(s) (the “Stabilising Manager(s)”) (or any person acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation action may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

DRAWDOWN PROSPECTUS

The relevant Issuer and the Guarantor (where ENEL is not the relevant Issuer) may agree with any Dealer and the Trustee to issue Notes in a form not contemplated in the section of this Base Prospectus entitled “*Form of Final Terms*”. To the extent that the information relating to that Tranche of Notes constitutes a significant new factor in relation to the information contained in this Base Prospectus, a separate prospectus specific to such Tranche (a “Drawdown Prospectus”) will be made available and will contain such information. Each Drawdown Prospectus will be constituted by a single document containing the necessary information relating to the relevant Issuer and the ENEL Group and the relevant Notes. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, references in this Base Prospectus to information specified or identified in the Final Terms shall (unless the context requires otherwise) be read and construed as information specified or identified in the relevant Drawdown Prospectus.

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RISK FACTORS

Each Issuer and the Guarantor believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and neither of the Issuers nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Each Issuer and the Guarantor believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuers or the Guarantor to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuers and the Guarantor based on information currently available to them and which they may not currently be able to anticipate. In addition, if any of the following risks, or any other risk not currently known, actually occur, the trading price of the Notes could decline and Noteholders may lose all or part of their investment. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus including any document incorporated by reference hereto and reach their own views, based upon their own judgement and upon advice from such financial, legal and tax advisers as they have deemed necessary, prior to making any investment decision. Words and expressions defined in the “Terms and Conditions of the Notes” below or elsewhere in this Base Prospectus have the same meanings in this section.

Factors that may affect the Issuers’ and the Guarantor’s ability to fulfil their obligations under Notes issued under the Programme

Risks Related to the ENEL Group

Due to the nature of its business, the Group is exposed to a variety of risks, including, *inter alia*, market risks, credit risk, liquidity risk, industrial and environmental risks and regulatory risk, which are discussed herein below.

The ENEL Group is burdened by significant indebtedness, which it must generate sufficient cash flow to service

As of 30 June 2016, the ENEL Group’s net financial debt was equal to € 38.138 million, compared to € 37.545 million as of 31 December 2015 and € 37.383 million as of 31 December 2014. The ENEL Group’s net financial debt calculation differs from the net financial debt standard used by ESMA in that ENEL calculates net financial debt net of long-term financial receivables and securities, which were equal to € 2.585 million as of 30 June 2016, compared to € 2.335 million as of 31 December 2015 and € 2.701 million as of 31 December 2014.

As of 31 December 2015, the repayment schedules of the ENEL Group’s long-term debt provide for the repayment of € 5.733 million in 2016. The ENEL Group’s short-term financial debt (including current maturities of long-term debt) showed a net creditor position and amounted to € 4.992 million as of 31 December 2015. The ENEL Group’s short-term financial debt (including current maturities of long-term debt) showed a net creditor position and amounted to € 2.240 million as of 30 June 2016. Any failure by the Group to make any of its scheduled debt repayments, or to reschedule such debt on favourable terms, would have a material adverse effect on the Group, its business prospects, its financial condition and its results of operations. For further information on the performance indicators, see sub-paragraph headed “*Definition of performance indicators*” on pages 11 and 12 of the Half Year Report as of 30 June 2016 that is incorporated by reference hereto.

The credit agreements and bond agreements that the ENEL Group has entered into contain restrictive covenants that limit its operations

The contracts related to the long-term financial indebtedness of the Group contain covenants that must be complied with by the borrowers (ENEL and the other companies of the Group) and, in certain instances, by ENEL, as guarantor. The failure to comply with any of them could constitute a default, which could have a material adverse effect upon the Group, its business prospects, its financial condition or its results of operations. In addition, covenants such as “negative pledge” clauses, “material change” clauses and covenants requiring the maintenance of particular financial ratios or credit ratings, constrain the Group’s ability to acquire or dispose of assets or incur new debt.

A significant portion of the ENEL Group’s indebtedness is subject to floating interest rates, thus subjecting the Group to the risk of adverse interest rate fluctuations

Market interest rate affects ENEL results mainly through possible increase in interest expenses due to floating rate indexed debt. As at 30 June 2016, 28 per cent. of gross financial debt was floating rate, as compared to 27 per cent. as of 31 December 2015. Taking into account the hedge accounting of interest rates considered effective pursuant to the IFRS-EU, as of 30 June 2016 21 per cent. of the debt was exposed to interest rate risk (21 per cent. as at 31 December 2015).

The Group adopted risk management policies that provide for the hedging of interest rate risk exposure in line with limits and targets assigned by Top Management. Hedging activities typically entail the use of derivative instruments aiming at transforming floating rate liabilities into fixed rate liabilities. Nevertheless, the Group has not eliminated its exposures to interest rate risk and the Issuer cannot offer assurance that they will function as intended. Any significant increase in interest rates could therefore lead to a material increase in the Group’s debt service expenses, which would have a material adverse effect on the Group, its business prospects, its financial condition and its results of operations.

ENEL’s ability to access credit and bond markets on acceptable terms is in part dependent on its credit ratings, which have come under scrutiny due to its level of debt

ENEL’s long-term debt is currently rated “BBB” (stable outlook) by Standard & Poor’s Credit Market Services Italy S.r.l. (“S&P”), “BBB+” (stable outlook) by Fitch and “Baa2” (stable outlook) by Moody’s Investors Service (“Moody’s”). The credit ratings included or referred to in this Base Prospectus will be treated for the purposes of Regulation (EC) No. 1060/2009 (as amended) on credit rating agencies (the “CRA Regulation”) as having been issued by S&P, Moody’s and Fitch upon registration pursuant to the CRA Regulation. S&P, Moody’s and Fitch are established in the EU and registered under the CRA Regulation. Each of Moody’s, S&P and Fitch is included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Each of these ratings is near the low-end of the respective rating agency’s scale of investment-grade ratings. ENEL’s ability to access the capital markets and other forms of financing (or refinancing), and the costs connected with such activities, depend on the credit ratings assigned to the Company. Any worsening of credit ratings could limit ENEL’s ability to access capital markets and other forms of financing (or refinancing), or increase the costs related thereto, with related adverse effects on the Company’s and the Group’s business prospects, financial condition and results of operations.

Certain credit agreements entered into by companies belonging to the ENEL Group, state that the overall pricing applicable to the loans there under may vary according to ENEL’s credit rating by S&P or Moody’s. Any downgrade could thus affect the amount of interest payable by ENEL. In addition, the possibility of access to the capital markets, to other forms of financing and the associated costs is also dependent, amongst other things, on the rating assigned to the Group. Therefore any reduction of such ratings could limit ENEL’s

access to the capital markets, and could increase the cost of borrowing and/or the refinancing of the existing debt. Any downgrade could therefore have adverse effects on the Company's and the Group's business prospects, financial condition and results of operations.

ENEL's ability to successfully execute its 2016-2019 Strategic Plan is not assured.

On 18 November 2015, ENEL's Board of Directors presented the ENEL Group's Strategic Plan, which contains the strategic guidelines and growth objectives of the Group for the relevant period, as well as some forecasts with regards to the Group's expected results of operations. For further information see "*Description of ENEL – Strategy*" below. The Strategic Plan and the projections contained therein are based on a series of critical assumptions, including among others the evolution of demand and prices for electricity, gas, fuels and average investment costs for the plants in the markets in which the ENEL Group operates, trends in relevant macroeconomic variables, and the evolution of the regulatory frameworks applicable to the ENEL Group. In particular, the asset portfolio management strategy is a fundamental part of the ENEL Group's overall strategy to maintain financial stability and to continuously maximise the value of the asset. Execution of the Strategic Plan targets depend on both the timing of any such activity, as well as values achieved from any disposal/acquisition. The strategic priorities set forth in the Strategic Plan also include an improvement of the operational efficiency and a boosting of the industrial growth. In the event that one or more of the Strategic Plan's underlying assumptions proves incorrect or events evolve differently than as contemplated in the Strategic Plan (including because of events affecting the ENEL Group that may not be foreseeable or quantifiable, in whole or in part, as of the date hereof) the anticipated events and results of operations indicated in the Strategic Plan (and in this Base Prospectus) could differ from actual events and results of operations. The Strategic Plan and the forecasts set out therein should not be relied upon in any way by any investor in making an investment decision with respect to any Securities offered hereunder. Furthermore, this Base Prospectus contains certain statements and estimates regarding the ENEL Group's competitive position in certain markets, including with respect to its pre-eminence in particular markets. Such statements are based on the best information available to the ENEL Group's management as of the date hereof. However, the ENEL Group faces competitive risks and its market positions may diverge from those expressed herein as a result of a variety of factors. Any failure by the ENEL Group to execute its Strategic Plan or maintain its market positions could have a material adverse effect upon the ENEL Group, its business prospects, its financial condition and its results of operations.

The ENEL Group faces risks relating to political, social or economic instability in some of the countries where the Group operates.

The Group's EBITDA from markets outside of Italy represented approximately 55.5 per cent. of the total for the year ended 31 December 2015, as compared to approximately 53 per cent. for the year ended 31 December 2014. The ENEL Group's activities outside of Italy (in particular Russia and certain Latin American countries) are subject to a range of country-specific business risks, including changes to government policies or regulations in the countries in which it operates, changes in the commercial climate, the imposition of monetary and other restrictions on the movement of capital for foreign corporations, economic crises, state expropriation of assets, the absence, loss or non-renewal of favourable treaties or similar agreements with foreign tax authorities and general political, social and economic instability. Such countries may also be characterised by inadequate creditors' protection due to a lack of efficient bankruptcy procedures, investment restrictions and significant exchange rate volatility.

In order to effectively monitor the systemic (i.e. not diversifiable) risks, referred to as country risk, that could have a material adverse effect on ENEL's business returns, ENEL carries out a qualitative assessment process of the risks associated with each country where the ENEL Group operates. In addition, ENEL has developed a quantitative model using shadow rating approach in order to support processes for rating strategic investments in the context of industrial planning and business development.

There can be no assurance that these policies cover all of the potential liabilities which may arise; therefore the occurrence of an event not covered, either fully or partially, could have a material adverse effect upon the ENEL Group, its business prospects, its financial condition and its results of operations.

ENEL conducts its business in several different currencies and is exposed to exchange rate risks, particularly in relation to the rate of exchange between the Euro and the U.S. dollar

The Group is exposed to exchange rate risks in relation to cash flows connected to the purchase and/or sale of fuels and electricity on the international markets, cash flows related to investments or other financial income or expenses denominated in foreign currencies, such as dividends deriving from non-consolidated foreign subsidiaries, cash flows related to the purchase or sale of equity participations, and indebtedness in currencies different from those used in the countries where the Group has its principal operations. The ENEL Group has significant exposure to fluctuations of the Euro against the U.S. dollar, which has recently been subject to market volatility, and the currencies of the Latin American countries in which the ENEL Group is present.

With reference to the transaction risk, i.e. the risk arising from the revaluation of assets and liabilities, the main source of risk is represented by debt denominated in foreign currencies. The largest exposure in terms of long term gross debt is represented by U.S. dollar: as of 30 June 2016 the U.S. dollar denominated long term debt amounts to €9.814 million (21 per cent. of the total), while as of 31 December 2015 the same exposure represented the 19 per cent. of the total. ENEL can give no assurance that future significant variations in exchange rates would not materially and adversely affect ENEL's and the ENEL Group's financial conditions and results of operations.

Revenues and costs denominated in foreign currencies may be significantly affected by exchange rate fluctuations, which may have an impact on commercial margins (i.e., economic risk), and commercial and financing payables and receivables denominated in foreign currencies may be significantly affected by conversion rates used for profit and loss computation.

Furthermore, since the ENEL Group's consolidated financial statements are expressed in Euro, negative fluctuations, in exchange rates could negatively affect the value of consolidated foreign subsidiaries' assets, income and equity, with a concomitant adverse effect on the Group's consolidated financial statements (i.e., translation risk).

Exchange rate risk is managed in accordance with the ENEL Group financial risk management policies, which provide for the stabilisation of the effects of fluctuations in exchange rates to avoid such risk. To this end, the ENEL Group has developed operational processes that ensure the systematic coverage of exposures through appropriate hedging strategies, which typically involve the use of financial derivatives.

Risks related to the adverse financial and macroeconomic conditions within the Eurozone

Since the fourth quarter of 2007 until the beginning of 2014, disruption in the global credit markets has created increasingly difficult conditions in the financial markets. During this period, global credit and capital markets experienced unprecedented volatility and disruption and business credit and liquidity have tightened in much of the world. In particular, in 2010, a financial crisis emerged in Europe, triggered by high budget deficits and rising direct and contingent sovereign debt in Greece, Ireland, Italy, Portugal and Spain, which created concerns about the ability of these EU states to continue to service their sovereign debt obligations.

In response to the crisis, assistance packages were granted to certain Eurozone countries; measures were also implemented to recapitalise certain European banks, encourage greater long-term fiscal responsibility on the part of the individual Member States of the EU, bolster market confidence in the Euro as well as the ability of Member States to service their sovereign debt. and to increase liquidity and to reduce cost of funding. Recovering disposable improved consumer confidence, supported by the abovementioned measures has led to moderate growth in consumption. In particular, since 2014, global economic activity has started to recover,

albeit with only moderate and varied intensity across the different Eurozone Countries. However, the recovery remains uncertain and burdened by continuing geopolitical tension in the short and medium term, owing to persistent weakness in the Eurozone and to economic and political uncertainties in some emerging markets.

Taking into account the UK's recent decision to leave the EU (as described in more detail below), ongoing concern about the crisis in Europe, as well as the possible exit from the Eurozone of more Member States and/or the replacement of the Euro by one or more successor currencies to which the foregoing could lead, could have a detrimental impact on the global economic recovery and the repayment of sovereign and non-sovereign debt in certain countries, as well as on the financial condition of European institutions (both financial and corporate), further increasing the volatility in global financial markets.

There can be no assurance that the economy in Europe will not worsen, nor can there be any assurance that current or future assistance packages or measures will be available or, even if provided, will be sufficient to stabilise the affected countries and markets and secure the position of the Euro. Continuation of further worsening of these difficult financial and macroeconomic conditions could have a material adverse effect upon the Group, its business prospects, its financial condition and its results of operations.

Uncertainty surrounding the UK's membership of the EU

On 23 June 2016 the UK held a referendum to decide on the UK's membership of the EU. The UK vote was to leave the EU. There are a number of uncertainties in connection with the future of the UK's relationship with the EU. The negotiation of the UK's exit terms is likely to take a number of years. Until the terms and timing of the UK's exit from the EU are clearer, it is not possible to determine the impact that the referendum, the UK's departure from the EU and/or any related matters may have on the business of the ENEL Group. As such, no assurance can be given that such matters would not adversely affect the ENEL Group, its business prospects, its financial condition and its results of operations.

ENEL is exposed to credit risk

The ENEL Group is exposed to credit risk deriving by commercial, commodity and financial operations. Credit risk is intended as the possibility that the ENEL Group's counterparties might not be able to discharge all or part of their obligations due to an unexpected change in the creditworthiness that impacts the creditor position, in terms of insolvency or changes in its market value.

Beginning in the last few years, with the instability and uncertainty of the financial markets and the global economic crisis, average payment times for trade receivables by counterparties have increased.

In this frame, the ENEL Group's general policy calls for the application of criteria in all the main regions/countries/business lines for measuring credit exposures in order to promptly identify any deterioration in credit quality – determining any mitigation actions to implement – and to enable the monitoring and reporting of credit risk exposures at the ENEL Group level. Moreover in the most regions/ countries/business lines the Group assesses in advance the creditworthiness of each counterparty with which it may establish its largest exposures on the basis of information supplied by independent providers and/or internal models.

In addition, for certain segments of its customer portfolio, the Group also enters into insurance contracts with leading credit insurance companies.

Notwithstanding such risk management policies and insurance, default by one or more significant counterparties of the ENEL Group may adversely affect the ENEL Group's results of operations and financial condition.

The Group is subject to liquidity risk

Liquidity risk is the risk that the ENEL Group, while solvent, may not be able to meet its payment commitments or otherwise it may be able to do so only on unfavourable conditions. This may materially and

adversely affect the ENEL Group's results of operations and financial condition should the ENEL Group be obliged to incur extra costs to meet its financial commitments or, in extreme cases threaten the ENEL Group's future as a going concern and lead to insolvency. The ENEL Group's approach to liquidity risk management is to maintain an adequate level of liquidity for the ENEL Group to meet its payment commitments over a specific period without resorting to additional sources of financing and to have a prudential liquidity buffer sufficient to meet unexpected commitments. In addition, in order to ensure the ability to meet its medium-long-term payment commitments, the ENEL Group pursues a strategy aimed at diversifying the funding sources and balancing the due dates of its debt. However, these measures may not be sufficient to cover such risk. To the extent they do not, this may adversely affect the ENEL Group's results of operations and financial condition.

ENEL is subject to a large variety of litigation and regulatory proceedings and cannot offer assurances regarding the outcomes of any particular proceedings

In the ordinary course of its business, the ENEL Group is subject to numerous civil and administrative proceedings, as well as some criminal and arbitral proceedings. ENEL has made provision in its consolidated financial statements for likely outcome related to particular proceedings in accordance with the advice of internal and external legal counsel. Such provisions amounted to € 800 million as of 30 June 2016, € 809 million as of 31 December 2015 and € 850 million as of 31 December 2014. Notwithstanding the foregoing, the ENEL Group has not recorded provisions in respect of all of the proceedings to which it is subject. In particular, it has not recorded provisions in cases in which it is not possible to quantify any negative outcome and in cases in which it currently believes that negative outcomes are not likely. There can be no assurance, therefore, that the ENEL Group will not be ordered to pay an amount of damages with respect to a given matter for which it has not recorded an equivalent provision, or any provision at all. For further information, see “Description of ENEL – Litigation”.

Risk associated to the so-called “Nimby” claims

Sustainability is an integral part of ENEL Group's corporate strategy. The ENEL Group formalized a coordinated set of policies, procedures and organisational structures aligned with major international benchmark standards in order to conduct operations across a broad range of jurisdictions and environments and respect the expectations of institutions, clients, local communities, employees, technical and operating counterparties with different histories and cultures. Indeed, ENEL has been ranked in leading sustainability indices such as the STOXX Global ESG Leaders Index, the Dow Jones Sustainability Index World, the FTSE4Good, Euronext-Vigeo, and the Carbon Disclosure Project (CDP). For further information in this respect see also “Description of the Issuer – Open innovation”. Nonetheless, there can be no assurances that local residents and/or associations will not oppose and dispute the realisation of power plants including, without limitation, hydroelectric, thermoelectric, geothermal, wind, solar PV and other renewable sources power plants operated and/or under constructions by companies belonging to ENEL Group (the so called “not in my backyard” or “NIMBY” protests). The claimed reasons against the development of these projects are varied and may include environmental and noise pollution, the loss of residential property value or the related expropriation risk, additional costs to be borne by the local residents, the impact on people living on site or the disfigurement of the surrounding landscape. The occurrence of “NIMBY” events, either during the planning activity or during the construction phase, may result in delays or cause works paralysis which may also last for a long time. These circumstances may affect the agreed timeline for the works completion and involve significant cost overruns. Moreover, “NIMBY” events may also cause adverse publicity and reputational harm to ENEL and the ENEL Group.

Risks Related to the Energy Industry and Markets

The ENEL Group is subject to different regulatory regimes in all the countries in which it operates. These regulatory regimes are complex and their changes could potentially affect the financial results of the Group

The Group is subject to the laws of various countries and jurisdictions, including Italy, Spain and the EU, as well as the regulations of particular regulatory agencies, including, in Italy, the Authority for Electricity and Gas (*Autorità per l'Energia Elettrica, il Gas e il sistema idrico*) (the “**Authority**”) and, in Spain, the *Comisión Nacional de los Mercados y la Competencia* (“**CNMC**”).

Sectorial regulation affects many aspects of the Group’s business and, in many respects, determines the manner in which the Group conducts its business and sets the fees it charges or obtains for its products and services. For further details on the legislative and regulatory context in which the ENEL Group operates, see also the section entitled “*Regulation*” herein. Changes in applicable legislation and regulation, whether at a national or European level, and the manner in which they are interpreted, could negatively impact the ENEL Group’s current and future operations, its cost and revenue-earning capabilities and in general the development of its business.

Pursuant to Law No. 24/2013 published in the Spanish official journal on 27 December 2013, which supersedes Law No. 54/1997 and has the objective, among others, of promoting the financial stability of the Spanish electricity sector, commencing with calendar year 2014, the annual tariff deficit for each year will be limited to a maximum of 2% (or 5% on a cumulative basis) of the total revenues generated by the electricity system and will be funded by each electricity operator participating in the clearing and settlement mechanism of the Spanish electricity system in proportion to the revenues that such an operator generates from its respective activities in the electricity system. In the event that the tariff deficit exceeds the annual 2% or the cumulative 5% cap, as applicable, the applicable tariffs or charges will be revised. Otherwise, each participant will then be entitled to recover its respective portion of the funding of the tariff deficit during a period of five years at a market interest rate to be set by a ministerial order.

The final settlement for 2014, approved by the CNMC resulted in surplus income of € 550 million and based on the estimates by the Ministry of Industry, Energy and Tourism, the final settlement for 2015 will not result in any imbalance. In view of the foregoing, there is no guarantee that the measures and proposals introduced by the Spanish government to avoid or limit future deficits are going to function or continue to function as expected, or that they will not be changed or repealed.

Future changes in the directives, laws and regulations issued by the EU, the Italian Republic, Spain, the Authority, or governments or authorities in the other countries and/or markets in which the Group operates could materially and adversely affect ENEL’s and the Group’s business prospects, financial condition and results of operations.

The Group is vulnerable to any decrease in demand for electricity, including as a result of the continuation or deepening of the current global recession

The environment in which the ENEL Group currently operates is marked by the recent crisis that affected the world’s banking system and financial markets, and the consequent deterioration of macroeconomic conditions worldwide, including decreases in consumption and industrial production. These conditions have imposed barriers between banks providing credit and business customers, affecting mostly the small and medium sized ones.

Electricity and gas consumption are strongly affected by the level of economic activity in a country. According to Terna, the Italian transmission system operator, electricity demand in Italy is far from recovery, since it decreased by 2 per cent. in the six months ended 30 June 2016 in comparison to the same period in

2015 and decreased by 1,5 per cent. during 2015 in comparison to 2014. In Spain, the demand for electricity during the six months ended 30 June 2016 is substantially in line with the same period in 2015. The recent crises in the banking system and financial markets, together with other factors, have resulted in economic recessions in many of the countries where the Group operates, such as Italy, Spain, Russia, other countries in the EU and the United States. In the event that these economic recessions continue for a significant period of time, or worsen, energy consumption may decrease or continue to decrease in such markets, and this could result in a material adverse effect on the business prospects, results of operations and financial condition of ENEL and the ENEL Group.

The Group faces risks relating to the process of energy market liberalisation, which continues to unfold in many of the markets in which the Group operates. The Group may face new competition in the markets in which it operates, also due to the evolution of the energy sector

The energy markets in which the ENEL Group operates are undergoing a process of gradual liberalisation, which is being implemented through different approaches and on different timetables in the various countries in which the ENEL Group operates. As a result of the process of liberalisation, new competitors may enter many of the ENEL Group's markets in the future. It cannot be excluded that the process of liberalisation in the markets in which the ENEL Group operates might continue in the future and, therefore, the ENEL Group's ability to develop its businesses and improve its financial results may be constrained by such new competition. In particular, competition in Italy is increasing particularly in the electricity business, in which ENEL competes with other producers and traders within Italy and from outside of Italy who sell electricity in the Italian market to industrial, commercial and residential clients. This could have an impact on the prices paid or received in ENEL's electricity production and trading activities. The ENEL Group may moreover be unable to offset the financial effects of decreases in production and sales of electricity through efficiency improvements, or expansion into new business areas or markets. Moreover, since the energy market is in continuous evolution, the ENEL Group may also face risks related to the technological progress in the sector, such as: (i) the entry in the market of new production processes and innovative products, aimed at replacing the traditional technologies; (ii) the relationship between the costs of technologies and their components; and (iii) a more stringent regulatory framework demanding that market operators adopt technologies necessary to comply with the applicable laws.

Though the ENEL Group has sought to face the challenge of liberalisation and market evolution by increasing its presence and client base in free (non-regulated) areas of the energy markets in which it competes and by focusing on technological progress and research of technology innovation of strategic importance, it may not be successful in doing so.

The Group faces significant costs associated with environmental laws and regulation and may be exposed to significant environmental liabilities

The ENEL Group's businesses are subject to extensive environmental regulation on a national, European, and international scale. Applicable environmental regulations address, among other things, carbon dioxide ("CO₂") emissions, water pollution, the disposal of substances deriving from energy production (including as a result of the decommissioning of nuclear plants), and atmospheric contaminants such as sulphur dioxide ("SO₂"), nitrogen oxides ("NO_x") and particulate matter, among other things.

The ENEL Group incurs significant costs to keep its plants and businesses in compliance with the requirements imposed by various environmental and related laws and regulations. Such regulations require the ENEL Group to adopt preventative or remedial measures and influence the ENEL Group's business decisions and strategy. Failure to comply with environmental requirements in the countries where the ENEL Group operates may lead to fines, litigation, loss of licences, and temporary or permanent curtailment of operations. New pieces of related legislation have been recently enacted in Italy. Law No. 68/2015 has

introduced a number of new criminal offences related to environmental liabilities (so called “*ecoreati*”) have been introduced in the Italian legislation – in particular the environmental pollution, environmental damage, trade and dereliction of radioactive material, criminal conspiracy aiming to carry out an “*ecoreato*” (art. 452-*octies* of Italian criminal code) – implying new liabilities and, therefore, additional potential expenses, for companies subject to the environmental regulation such as entities belonging to the ENEL Group.

Considering the current public focus on environmental matters, it is not possible to exclude the possibility that more rigorous environmental rules may be introduced at European level, in Italy (in addition to those mentioned above), Spain or that more rigorous measures may be introduced in other countries where the ENEL Group operates, which could increase costs or cause the ENEL Group to face environmental liabilities. Such environmental liabilities could in themselves increase costs, including clean-up costs, for the ENEL Group. ENEL is not able to foresee the nature or the potential effects of future regulations on its results of operations. Due to tariff regulations in Italy and other countries in which the Group operates, the ENEL Group is largely unable to offset increases in costs incurred for environmental protection with price increases of its own. As a result, new environmental regulation could have a material adverse effect on the ENEL Group’s business prospects, results of operations and financial condition.

Legislation and other regulation concerning CO₂ emissions is one of the key factors affecting the ENEL Group’s operations, and is also one of the greatest challenges facing the ENEL Group in safeguarding the environment. With respect to the control of CO₂ emissions, EU legislation governing the CO₂ emissions trading scheme imposes costs for the electricity industry, which could rise substantially in the future. In this context, the instability of the emission allowance market accentuates the difficulties of managing and monitoring the situation. The ENEL Group monitors the development and implementation on EU and Italian legislation, diversifies its generation mix towards the use of low-carbon technologies and resources with a focus on renewables and nuclear power, develops strategies to acquire allowances at competitive prices and enhances the environmental performances of its generation plants, increasing their energy efficiency. However, these measures and strategies undertaken by the ENEL Group to mitigate risks associated with CO₂ regulation and to reduce its CO₂ emissions may be ineffective or insufficient, which could have a material adverse effect on the business prospects, results of operations and the financial condition of ENEL and the ENEL Group. See “Regulation” for more information about CO₂-related regulations.

The Group relies on time-limited government concessions in order to conduct many of its business activities

ENEL Group companies are concession-holders in Italy for the management of the ENEL Group’s electricity distribution networks and hydroelectric power stations. The ENEL Group’s hydroelectric power stations in Italy are managed under administrative concessions that are set to expire in 2029.

Endesa’s hydroelectric power stations in Spain also operate under administrative concessions, which are set to expire from 2019 up to 2067.

Any of the ENEL Group’s concessions, including concessions not specifically described above, may not be renewed after they expire or may be renewed only on economic terms that are more burdensome for the ENEL Group. In either case, the ENEL Group could experience material and adverse effects upon its business prospects, results of operations and financial condition.

The Group faces risks relating to interruptions in service at its facilities

The ENEL Group is continuously exposed to the risk of malfunctions and/or interruptions in service resulting from events outside of the ENEL Group’s control, including accidents, defects or failures in machinery or control systems. It is also subject to the risk of casualties or other similar extraordinary events. Any such events could result in economic losses, cost increases, or the necessity to revise the ENEL Group’s investment

plans. Additionally, service interruptions, malfunctions or casualties or other significant events could result in the ENEL Group being exposed to litigation, which in itself could generate obligations to pay damages. Although the ENEL Group has insurance coverage, such coverage may prove insufficient to fully offset the cost of paying such damages. Therefore, the occurrence of one or more of the events described above, or other similar events, could have a material adverse effect on the business prospects, results of operations and financial condition of ENEL and the ENEL Group.

The Group faces risks related to the potential liabilities resulting from energy production through nuclear power plants

The ENEL Group is in the business of nuclear power generation as a result of the ENEL Group's interests in Endesa and Slovenské elektrárne ("SE") (for further information on the process of disposal of the equity interest held, through ENEL Produzione S.p.A. in SE, see "*Description of ENEL – Recent significant transactions and events in 2015 and in the beginning of 2016 – Agreement to dispose of Slovenské elektrárne*" and "*Description of ENEL – Recent Developments – ENEL closes disposal to EPH OF 50 per cent. of stake in SE*" below).

Although ENEL believes that Endesa's and SE's nuclear power plants use technologies that are internationally recognised and that they are managed according to Western European standards, ownership and operation of nuclear power plants nonetheless exposes the ENEL Group to a series of inherent risks, including those relating to the manipulation, treatment, disposal and storage of radioactive substances and the potential adverse effects thereof on the environment and human health.

Slovakia and Spain have ratified international treaties (*i.e.* Slovakia has ratified the 1963 Vienna Convention on Civil Liability for Nuclear Damage and Joint Protocol Relating to the Application of the Vienna Convention and the Paris Convention and Spain has ratified the 1960 Paris Convention on Third Party Liability in the Field of Nuclear Energy and the 1963 Brussels Supplementary Convention, as amended) providing for limitations on liabilities resulting from nuclear accidents, such that the ENEL Group could be exposed to liabilities within such limitations, towards entities from other countries that have ratified the same international treaties. The Slovakian liability limit is €300 million per event. The Spanish liability limit is €700 million (with an increase up to €1,200 million pending entry into force of the Protocol of 12 February 2004 amending the Nuclear Civil Liability Convention (Paris Convention) and the Protocol of 12 February 2004 amending the complementary Convention (Brussels Convention)). Any nuclear accident or other harmful incident could have a material adverse effect on the business prospects, results of operations and financial condition of ENEL and the ENEL Group.

Potential risks also arise in relation to the decommissioning of nuclear power plants. The Slovakian government has established a fund to finance the present and future costs associated with the decommissioning of nuclear reactors. The deficit of this fund has not been officially quantified, and the ENEL Group could potentially face future costs relating to decommissioning work at Bohunice or Mochovce, in addition to the amounts that it is already required to contribute to the aforementioned fund (equal to €13,428.26 per installed MW, per year, plus 5.95% of the revenues derived from SE's nuclear generation plants).

On 8 July 2015, the Slovakian government approved a new strategy for dealing with the "back-end" of spent nuclear fuel. Under the new policy, the start of operation of the permanent storage facility for such waste has been postponed from 2037 to 2065.

Last year, the ENEL Group – supported by independent experts – had already begun a study to review all the variables that impact the estimate of charges for Slovakian nuclear decommissioning. The ENEL Group concluded the above mentioned study and estimated a provision that as at June 2016 was approximately €1,8 million.

It should also be noted that SE's accounts are no longer consolidated on a line by line basis from 1 August 2016 since such equity investment is presented by applying the equity method (for further information on the process of disposal of the equity interest held through ENEL Produzione S.p.A. in SE see "*Description of ENEL – Recent significant transactions and events in 2015 and in the beginning of 2016 – Agreement to dispose of Slovenské elektrárne*" and "*Description of ENEL – Recent Developments – ENEL closes disposal to EPH OF 50 per cent. of stake in SE*" below).

The Group is exposed to the risk related to the fluctuations of fuel, other commodities and electricity prices, or disruptions in their supply

In the ordinary course of business, the ENEL Group is exposed to the risk of increases in the costs of fuel or other commodities, or disruptions in their supply. It is also exposed to the risk of decreases in the prices obtained for its electricity in the countries where it operates.

The ENEL Group adopted risk management policies that provide for the hedging of price risk exposure in line with limits and targets assigned by Top Management. Hedging activities typically entail the use of derivative instruments aiming at reducing the exposures. Nevertheless, the ENEL Group has not eliminated its exposures to these risks and the hedging strategies pursued by the ENEL Group may create new risks and exposures and ENEL cannot offer assurance that they will function as intended. In addition, because hedging contracts for the price of electricity and/or fuels are available in the market only for limited durations, any hedging effect will not protect against prolonged price movements.

Consequently, significant variations in fuels, commodities or electricity prices, or any relevant interruption in supplies could have a material adverse effect on the business prospects, results of operations and financial condition of the ENEL Group.

The ENEL Group is exposed to a number of different tax uncertainties, which would have an impact on its tax results

The ENEL Group is required to pay taxes in multiple jurisdictions. The ENEL Group determines the taxation it is required to pay, based on its interpretation of the applicable tax laws and regulations in the jurisdictions in which it operates. The ENEL Group may be subject to unfavourable changes in the respective tax laws and regulations to which it is subject. The financial position of the ENEL Group and its ability to service the obligations under its indebtedness may be adversely affected by new laws or changes in the interpretation of existing laws.

The ENEL Group faces risks relating to the variability of weather and seasonability

Electricity and natural gas consumption levels change significantly as a result of climatic changes. Changes in the weather can produce significant differences in energy demand and the ENEL Group's sales mix. The turnover and performance of the ENEL 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 addition, weather changes (for example, low wind or rain levels) affect the ENEL Group's production from certain renewable resources. In particular, ENEL's electric power generation involves hydroelectric generation and, accordingly, ENEL is dependent upon hydrological conditions prevailing from time to time in the geographic regions where the relevant hydroelectric generation facilities are located. In particular, hydroelectric generation performance is particularly high during the winter and early spring given the more favourable seasonable weather conditions. If hydrological conditions result in droughts or other conditions that negatively affect ENEL's hydroelectric generation business, ENEL's results of operations could be materially adversely affected.

Furthermore, adverse weather conditions can affect the regular delivery of energy due to network damage and the consequent service disruption. Significant changes of such nature could adversely affect the business prospects, results of operations and financial condition of ENEL and the ENEL Group.

Risks Relating to ENEL's Ordinary Shares

ENEL is controlled by the Italian Ministry of the Economy and Finance (the "MEF"), which has significant influence over ENEL's actions

As of the date of this Base Prospectus, ENEL is controlled by the MEF – pursuant to Article 2359, first paragraph, no. 2) of the Italian Civil Code, as recalled by Article 93 of the Italian Unified Financial Act – which holds a 23.585 per cent. direct stake in ENEL's ordinary shares.

As long as the MEF remains ENEL's principal shareholder, it could exercise significant influence in matters requiring shareholder approval, including dividend distributions. More importantly, the MEF's vote, when exercised, has been up to now decisive in appointing the majority of the directors of ENEL, in accordance with the slate-based voting mechanism set forth in Article 14 of ENEL's articles of association. As a result, other shareholders' ability to influence decisions on matters submitted to a vote of ENEL's shareholders may be limited. However, the MEF is not in any way involved in managing and coordinating the Company, since the Company makes its management decisions on a fully independent basis in accordance with the structure of duties and responsibilities assigned to its corporate bodies; the foregoing is confirmed by Article 19, paragraph 6, of Decree Law No. 78/2009 (subsequently converted into Law No. 102/2009), which clarified that the regulations contained in the Italian civil code regarding the management and coordination of companies do not apply to the Italian government.

Factors which are material for the purpose of assessing the market risks associated with Notes Issued under the Programme

Risks Related to the Structure of a Particular Issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features (which however are not intended to be an exhaustive description):

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At these times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Fixed/Floating Rate Notes

Certain Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the relevant Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on such Fixed/Floating Rate Notes may be less

favourable than the prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification, waivers and substitution

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes provide that ENEL N.V. may, at any time, without the consent of the Noteholders or the Couponholders (each as defined below), substitute for itself as principal debtor under the Notes and the Coupons (each as defined below) either ENEL as Issuer or any of ENEL's Subsidiaries, in the circumstances described in Conditions 16(a) and 16(c) of the conditions of the Notes.

The conditions of the Notes also provide that, where ENEL is the Issuer, ENEL may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes and Coupons any of ENEL's Subsidiaries, in the circumstances described in Condition 16(b) of the Notes.

In either case, the relevant Subsidiary, failing which, ENEL shall indemnify the Noteholders against any adverse tax consequences of such substitution, as described in Conditions 16(a)(i), 16(b)(i) and 16 (c)(i) of the Conditions of the Notes, except that neither ENEL nor the relevant Subsidiary shall be liable under such indemnity to pay any additional amounts either on account of "*imposta sostitutiva*" or on account of any other withholding or deduction in the event of payment of interest or other amounts paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information.

Taxation

The tax regime in Italy, in The Netherlands and in any other relevant jurisdiction (including, without limitation, the jurisdiction in which each Noteholder is resident for tax purposes) may be relevant to the acquiring, holding and disposing of Notes and the receiving of payments of interest, principal and/or other income under the Notes. Prospective investors in the Notes should consult their own tax advisers as to which countries' tax laws could be relevant and the consequences of such actions under the tax laws of those countries.

Change of law

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus, save that provisions related to the convening of meetings of holders of Notes issued by ENEL and the appointment of a Noteholders' Representative in respect of any Series of Notes issued by ENEL are subject to compliance with mandatory provisions of Italian law. No assurance can be given as to the impact of any possible judicial

decision or change to English law and/or Italian law (as the case may be) or administrative practice after the date of this Base Prospectus.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuers

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg. While the Notes are represented by one or more Global Notes, the Issuers will discharge their payment obligations under the Notes by making payments to the common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuers have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes. Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

Delisting of the Notes

Application may be made for Notes issued under the Programme to be listed on the official list of the Irish Stock Exchange and admitted to trading on the regulated market of the Irish Stock Exchange and Notes issued under the Programme may also be admitted to trading, listing and/or quotation by any other listing authority, stock exchange or quotation system (each, a “listing”), as specified in the relevant Final Terms. Such Notes may subsequently be delisted despite the best efforts of the relevant Issuer to maintain such listing and, although no assurance is made as to the liquidity of the Notes as a result of listing, any delisting of the Notes may have a material effect on a Noteholder’s ability to resell the Notes on the secondary market.

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Potential conflicts with the Calculation Agent

Potential conflicts of interest may exist between the Calculation Agent (if any) and Noteholders (including where a Dealer acts as a calculation agent), including with respect to certain determinations and judgements that such Calculation Agent may make pursuant to the Conditions that may influence amounts receivable by the Noteholders during the term of the Notes and upon their redemption.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severe adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The relevant Issuer will pay principal and interest on the Notes and, if relevant, the Guarantor will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the investor's currency-equivalent yield on the Notes, (2) the investor's currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Notwithstanding the above, any adverse change in an applicable credit rating could adversely affect the trading price for the Notes issued under the Programme.

Tranches of Notes issued under the Programme may be rated or unrated. Where a tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) assigned to ENEL at the date of this Base Prospectus or to other Notes issued under the Programme.

Notes issued, if any, as "Green Bonds" may not be a suitable investment for all investors seeking exposure to green assets

In connection with the issue of "Green Bonds" under the Programme, the relevant Issuer or the Guarantor may request a sustainability rating agency or sustainability consulting firm to issue a second-party opinion

confirming that the Eligible Green Projects (as defined under “*Use of Proceeds*” below) have been defined in accordance with the broad categorisation of eligibility for green projects set out by the International Capital Market Association (ICMA) Green Bond Principles (GBP) and/or a second-party opinion regarding the suitability of the Notes as an investment in connection with certain environmental and sustainability project (any such second-party opinion, a “**Second-party Opinion**”). A Second-party Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes or the projects financed or refinanced toward an amount corresponding the net proceeds of the relevant issue of Notes in the form of “Green Bonds”. A Second-party Opinion would not constitute a recommendation to buy, sell or hold securities and would only be current as of the date it is released. In addition, although ENEL and ENEL N.V. may agree at the time of issue of any Green Bonds to certain reporting and use of proceeds (including in the case of certain divestments described under “*Use of Proceeds*”) it would not be an event of default under the Notes if ENEL or ENEL N.V. were to fail to comply with such obligations. A withdrawal of the Second-party Opinion may affect the value of such Notes and/or may have consequences for certain investors with portfolio mandates to invest in green assets.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the Irish Stock Exchange shall be incorporated in, and form part of, this Base Prospectus:

- (a) the independent auditors' report and audited consolidated financial statements of ENEL for the financial year ended 31 December 2014 (contained in ENEL's Annual Report 2014);
- (b) the independent auditors' report and audited consolidated financial statements of ENEL for the financial year ended 31 December 2015 (contained in ENEL's Annual Report 2015);
- (c) the unaudited consolidated interim financial report of ENEL for the six month period ended 30 June 2016;
- (d) the independent auditors' report and audited financial statements of ENEL N.V. for the financial year ended 31 December 2014;
- (e) the independent auditors' report and audited financial statements of ENEL N.V. for the financial year ended 31 December 2015; and
- (f) the unaudited interim condensed financial statements of ENEL N.V. for the six month period ended 30 June 2016.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuers and approved by the Central Bank in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

The Issuers and the Guarantor will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of each of the Issuers and from the specified offices of the Paying Agents for the time being in London (being The Bank of New York Mellon (acting through its London Branch), One Canada Square, London E14 5AL, United Kingdom) and Ireland (being Deutsche International Corporate Services (Ireland) Limited, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland).

In addition,

- The independent auditors' report and audited consolidated financial statements of ENEL for the financial year ended 31 December 2014 can be found on ENEL's website at: https://www.enel.com/content/dam/enel-com/governance_pdf/reports/annual-financial-report/2014/annual_report2014.pdf;
- The independent auditors' report and audited consolidated financial statements of ENEL for the financial year ended 31 December 2015 can be found on ENEL's website at: https://www.enel.com/content/dam/enel-com/governance_pdf/reports/annual-financial-report/2015/Annual_Report_2015.pdf;

- The unaudited consolidated interim financial report of ENEL for the six month period ended 30 June 2016 can be found on ENEL's website at: https://www.enel.com/content/dam/enel-com/governance_pdf/reports/interim-financial-reports/2016/Half-Year%20Financial%20Report%20at%20June%2030%202016.pdf;
- The independent auditors' report and audited financial statements of ENEL N.V. for the financial year ended 31 December 2014 can be found on ENEL's website at: https://www.enel.com/content/dam/enel-com/governance_pdf/reports/annual-financial-report/2014/enel_finance_international_nv_annual_report_2014_en.pdf;
- The independent auditors' report and audited financial statements of ENEL N.V. for the financial year ended 31 December 2015 can be found on ENEL's website at: https://www.enel.com/content/dam/enel-com/governance_pdf/reports/annual-financial-report/2015/EFI_NV_12m2015%20published.pdf;
- The unaudited interim financial report of ENEL N.V. for the six month period ended 30 June 2016 can be found on ENEL's website at: https://www.enel.com/content/dam/enel-com/governance_pdf/reports/interim-financial-reports/2016/EFI_1H_2016_FS.pdf

The following information from ENEL's annual reports is incorporated by reference, and the following cross-reference lists are provided to enable investors to identify specific items of information so incorporated. Any information contained in any of the documents specified herein which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus (in line with Article 28(4) of Commission Regulation (EC) No. 809/2004 implementing the Prospectus Directive):

Document	Information incorporated	Location
ENEL's audited consolidated annual financial statements for the financial year ended 31 December 2014	Financial information concerning ENEL Group's assets and liabilities, financial position and profits and losses, significant events and summary of the regulatory framework in which ENEL Group operates:	
	Significant events in 2014	pp. 63-73
	Sub-section "Regulatory and rate issues" of section "Reference scenario"	pp. 83-101
	Consolidated Income Statement	p. 136
	Statement of consolidated comprehensive Income	p. 137
	Consolidated Balance Sheet	pp. 138-139
	Statement of Changes in Consolidated Shareholders' Equity	pp. 140-141
	Consolidated Statement of Cash Flows	p. 142
	Notes to the Financial Statements	pp. 143-285
	Report of the Independent Auditors	pp. 372-375

ENEL's audited consolidated annual financial statements for the financial year ended 31 December 2015

Financial information concerning ENEL Group's assets and liabilities, financial position and profits and losses, significant events and summary of the regulatory framework in which ENEL Group operates:

Significant events in 2015	pp. 64-73
Sub-section "Regulatory and rate issues" of section "Reference scenario"	pp. 86-115
Consolidated Income Statement	p. 146
Statement of consolidated comprehensive income	p. 147
Consolidated Balance Sheet	p. 148-149
Statement of changes in consolidated shareholders' equity	p. 150
Consolidated Statement of Cash Flows	p. 151
Notes to the Financial Statements	pp. 152-302
Report of the Independent Auditors	pp. 386-393

ENEL's unaudited consolidated interim financial report for the six month period ended 30 June 2016

Financial information concerning ENEL Group's assets and liabilities, financial position and profits and losses, significant events and summary of the regulatory framework in which ENEL Group operates:

Significant events in the 1st half of 2016	pp. 61-66
Sub-section "Regulatory and rate issues" of section "Reference scenario"	pp. 74-83
Consolidated Income Statement	p. 93
Statement of Consolidated Comprehensive Income	p. 94
Consolidated Balance Sheet	pp. 95-96
Statement of Changes in Consolidated Shareholders' Equity	p. 97
Consolidated Statement of Cash Flows	p. 98

ENEL N.V.'s audited annual financial statements for the financial year ended 31 December 2014	Explanatory Notes	pp. 99-145
	Financial information concerning ENEL N.V.'s assets and liabilities, financial position and profit and losses:	
	Statement of comprehensive income	p. 15
	Statement of financial position	p. 16
	Statement of changes in equity	p. 17
	Statement of cashflows	p. 18
	Notes to the Financial Statements	pp. 19-55
ENEL N.V.'s audited annual financial statements for the financial year ended 31 December 2015	Independent auditor's report	pp. 56-59
	Financial information concerning ENEL N.V.'s assets and liabilities, financial position and profit and losses:	
	Statement of comprehensive income	p. 18
	Statement of financial position	p. 19
	Statement of changes in equity	p. 20
	Statement of cashflows	p. 21
	Notes to the Financial Statements	pp. 22-52
ENEL N.V.'s unaudited interim financial report for the six month period ended 30 June 2016	Independent auditor's report	pp. 54-59
	Financial information concerning ENEL N.V.'s assets and liabilities, financial position and profits and losses:	
	Statement of comprehensive income	p. 12
	Statement of financial position	p. 13
	Statement of changes in equity	p. 14
	Statement of cash flows	p. 15
	Notes to the financial statements	pp. 16-33

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The relevant Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event a Drawdown Prospectus (as defined above) will be published or such Notes shall not be listed.

This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No. 809/2004 implementing the Prospectus Directive.

Words and expressions defined in “Form of the Notes” and “Terms and Conditions of the Notes” below shall have the same meanings in this overview.

Issuers	ENEL — Società per Azioni (“ ENEL ”) ENEL FINANCE INTERNATIONAL N.V. (“ ENEL N.V. ”)
Guarantor	ENEL
Description	Euro Medium Term Note Programme
Arrangers	Deutsche Bank AG, London Branch J.P. Morgan Securities plc
Dealers	Banca IMI S.p.A. Banco Bilbao Vizcaya Argentaria, S.A. Banco Santander, S.A. Barclays Bank PLC BNP Paribas Citigroup Global Markets Limited Crédit Agricole Corporate and Investment Bank Credit Suisse Securities (Europe) Limited Deutsche Bank AG, London Branch Goldman Sachs International HSBC Bank plc ING Bank N.V. J.P. Morgan Securities plc Mediobanca – Banca di Credito Finanziario S.p.A. Merrill Lynch International MUFG Securities EMEA plc Mizuho International plc Morgan Stanley & Co. International plc NATIXIS Nomura International plc The Royal Bank of Scotland plc Société Générale UBS Limited UniCredit Bank AG

	and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “Subscription and Sale and Selling and Transfer Restrictions”).
Principal Paying Agent	The Bank of New York Mellon
Registrar	The Bank of New York Mellon (Luxembourg) S.A.
Programme Size	Up to €35,000,000,000 (or its equivalent in other currencies) outstanding at any time. The Issuers and the Guarantor may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies	Subject to any applicable legal or regulatory restrictions, any currency agreed between the relevant Issuer and the relevant Dealer.
Maturities	Such maturities as may be agreed between the relevant Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency and save that no Notes having a maturity of less than one year will be issued under the Programme.
Issue Price	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par. Special tax rules may apply to Notes which are issued at a discount to par, see “Taxation”.
Form of Notes	The Notes will be issued in bearer or registered form as described in “Form of the Notes”. Registered Notes will not be exchangeable for Bearer Notes and vice versa.
Fixed Rate Notes	Fixed interest will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer.
Floating Rate Notes	Floating Rate Notes will bear interest at a rate determined: <ul style="list-style-type: none"> (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International

	<p>Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or</p> <p>(ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service.</p> <p>The margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer for each Series of Floating Rate Notes.</p>
Other provisions in relation to Floating Rate Notes	<p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the relevant Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the relevant Issuer and the relevant Dealer.</p>
Zero Coupon Notes	<p>Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.</p>
Redemption	<p>The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders upon giving notice to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the relevant Issuer and the relevant Dealer.</p>
Denomination of Notes	<p>Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area will be €100,000 (or, if the Notes are denominated in a currency other than Euro, the equivalent amount in such currency).</p>
Taxation	<p>All payments in respect of the Notes will be made without deduction or withholding for or on account of tax imposed by any Tax Jurisdiction (as defined in Condition 8 (<i>Taxation</i>)), subject as provided in Condition 8 (<i>Taxation</i>). In the event that any such deduction or withholding is made, the relevant Issuer or the Guarantor, as the case may be, will, except in certain limited circumstances provided in Condition 8 (<i>Taxation</i>), be required to pay additional amounts to cover the amounts so</p>

	deducted.
Negative Pledge	The terms of the Notes will contain a negative pledge provision as further described in Condition 4 (<i>Negative Pledge</i>).
Cross Default	The terms of the Notes will contain a cross default provision as further described in Condition 10 (<i>Events of Default</i>).
Status of the Notes	The Notes will constitute direct, unconditional and (subject to the provisions of Condition 4 (<i>Negative Pledge</i>)), unsecured and unsubordinated obligations of the relevant Issuer and will rank <i>pari passu</i> without any preference among themselves and at least equally with all other outstanding unsecured and unsubordinated obligations of the relevant Issuer, present and future, other than obligations, if any, that are mandatorily preferred by statute or by operation of law.
Guarantee	Notes issued by ENEL N.V. will be unconditionally and irrevocably guaranteed by ENEL. The Guarantee is limited to 120 per cent. of the aggregate principal amount of any Tranche of the Notes which may be issued under the Programme (in each case as specified in the applicable Final Terms) and 120 per cent. of the interest on such Notes accrued but not paid as at any date on which the Guarantor's liability under the Notes falls to be determined. The obligations of ENEL under its guarantee will be direct, unconditional and (subject to the provisions of Condition 4 (<i>Negative Pledge</i>)) unsecured and unsubordinated obligations of ENEL and will rank at least equally with all other outstanding unsecured and unsubordinated obligations of ENEL, present and future, other than obligations, if any, that are mandatorily preferred by statute or by operation of law.
Rating	The rating of certain series of Notes to be issued under the Programme may be specified in the applicable Final Terms.
Listing	<p>This Base Prospectus has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Directive. Application has been made to the Irish Stock Exchange for Notes issued under the Programme to be admitted to the Official List and trading on its regulated market. This Base Prospectus constitutes the base prospectus in connection with the application for the Notes to be admitted to the Official List of the Irish Stock Exchange. Notes may also be listed or admitted to trading on such other or further stock exchange(s) as may be agreed between the relevant Issuer and the relevant Dealer in relation to each Series.</p> <p>Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The applicable Final Terms will state whether or not the relevant Notes are to be listed and or admitted to trading, and, if so, on which stock exchange(s).</p>

Governing Law

The Notes and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, English law. Provisions relating to the meetings of holders of Notes issued by ENEL and the appointment of a representative of holders of Notes are subject to compliance with the laws of Italy.

Selling Restrictions

There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including, without limitation, the United Kingdom, France, The Netherlands and Italy) and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see “*Subscription and Sale and Selling and Transfer Restrictions*”.

Each Tranche of Notes in bearer form will be issued either in compliance with U.S. Treas. Reg. § 1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”)) (the “**TEFRA D Rules**”) or with U.S. Treas. Reg. § 1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the “**TEFRA C Rules**”) unless the Notes are only in registered form and/or the applicable Final Terms specifies that the TEFRA Rules are not applicable.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons (“**Coupons**”) attached, or registered form, without Coupons attached. Bearer Notes will be issued outside the United States to non U.S. persons in reliance on Regulation S under the Securities Act (“**Regulation S**”) and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S.

Bearer Notes

Each Tranche of Bearer Notes will be initially issued in the form of either a temporary bearer global note (a “**Temporary Bearer Global Note**”) or a permanent bearer global note (a “**Permanent Bearer Global Note**”, and, together with a Temporary Bearer Global Note, each a “**Global Note**”) as indicated in the applicable Final Terms, which, in either case, will:

- (i) if the Global Notes are intended to be issued in new global note (“**NGN**”) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the “**Common Safekeeper**”) for Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”); and
- (ii) if the Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the “**Common Depositary**”) for Euroclear and Clearstream, Luxembourg.

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note if the Temporary Global Note is not intended to be issued in NGN form) outside the United States and its possessions and only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the “**Exchange Date**”) which is 40 days after a Temporary Bearer Global Note is issued, beneficial interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) for definitive Bearer Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership thereof as required by U.S. Treasury Regulations as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made outside the United States and its possessions and through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification. For the purpose of

any payments made in respect of a Temporary Bearer Global Note or a Permanent Bearer Global Note, the relevant place of presentation shall be disregarded in the definition of “payment day” set out in Condition 6 (*Payments*).

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, interest coupons and talons attached upon either (i) not less than 60 days’ written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent as described therein or (ii) only upon the occurrence of an Exchange Event or (iii) at any time at the request of the Issuer. For these purposes, “Exchange Event” means that (i) an Event of Default (as defined in Condition 10) has occurred and is continuing, (ii) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes with a maturity of more than one year and on all interest coupons or talons relating to such Notes:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The provisions of the Code referred to in the legend generally provide that any United States person who holds a Bearer Note with a maturity of more than one year, with certain exceptions, will not be allowed to deduct any loss sustained on the sale, exchange or other disposition of such Bearer Note, and will be subject to U.S. federal income tax at ordinary income rates (as opposed to capital gain rates) on any gain recognised on such sale, exchange or other disposition.

Notes which are represented by a Temporary Bearer Global Note and/or Permanent Bearer Global Note will only be transferable in accordance with the then current rules and procedures of Euroclear or Clearstream, Luxembourg, as the case may be.

On 13 June 2006 the European Central Bank (the “**ECB**”) announced that Notes in NGN form are in compliance with the “Standards for the use of EU securities settlement systems in ESCB credit operations” of the central banking system for the euro (the “**Eurosystem**”), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as at 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

In respect of the Notes in bearer form, the applicable Final Terms will also specify whether United States Treasury Regulation §1.163 5(c)(2)(i)(C), or substantially identical successor regulation, (the “**TEFRA C**

Rules”) or United States Treasury Regulation §1.163 5(c)(2)(i)(D), or substantially identical successor regulation, (the “**TEFRA D Rules**”) are applicable in relation to the Notes.

Temporary Global Note exchangeable for Permanent Global Note

If the applicable Final Terms specify the form of Notes as being “Temporary Global Note exchangeable for a Permanent Global Note”, then the Notes will initially be in the form of a Temporary Global Note without interest coupons, interests in which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, on or after the date (the “**Exchange Date**”) which is not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

(i) presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Principal Paying Agent; and

(ii) receipt by the Principal Paying Agent of a certificate or certificates of non U.S. beneficial ownership,

within seven days of the bearer requesting such exchange.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non U.S. beneficial ownership; provided, however, that in no circumstances shall the principal amount of the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

Temporary Global Note exchangeable for Definitive Notes

If the applicable Final Terms specify the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules nor the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note, without Coupons, interests in which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the applicable Final Terms specify the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note, without Coupons, interests in which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the applicable Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Principal Paying Agent within 60 days of the bearer requesting such exchange.

Where the Temporary Global Note is to be exchanged for Definitive Notes, Notes may only be issued in denominations which are integral multiples of the minimum denomination and may only be traded in such amounts whether in global or definitive form.

Permanent Global Note exchangeable for Definitive Notes

If the applicable Final Terms specify the form of Notes as being “Permanent Global Note exchangeable for Definitive Notes”, then the Notes will initially be in the form of a Permanent Global Note, without Coupons, interests in which will be exchangeable in whole, but not in part, for Definitive Notes:

- (i) on the expiry of such period of notice as may be specified in the applicable Final Terms; or
- (ii) at any time, if so specified in the applicable Final Terms; or
- (iii) if the applicable Final Terms specify “in the limited circumstances described in the Permanent Global Note”, then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 10 of the Terms and Conditions of the Notes occurs.

Where interests in the Permanent Global Note are to be exchanged for Definitive Notes in the circumstances described in (i) and (ii) above, Notes may only be issued in denominations which are integral multiples of the minimum denomination and may only be traded in such amounts, whether in global or definitive form. As an exception to the above rule, where the Permanent Global Note may only be exchanged in the limited circumstances described in (iii) above, Notes may be issued in denominations which represent the aggregate of a minimum denomination of €100,000 and integral multiples of €1,000 in excess thereof, provided that such denominations are not less than €100,000 nor more than €199,000. For the avoidance of doubt, each holder of Notes of such denominations will, upon exchange for Definitive Notes, receive Definitive Notes in an amount equal to its entitlement to the principal amount represented by the Permanent Global Note. However, a Noteholder who holds a principal amount of less than the minimum denomination may not receive a Definitive Note and would need to purchase a principal amount of Notes such that its holding is an integral multiple of the minimum denomination.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the applicable Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 60 days of the bearer requesting such exchange. Where the Notes are listed on the Irish Stock Exchange and its rules so require, the Issuer will give notice of the exchange of the Permanent Global Note for Definitive Notes pursuant to Condition 17 of the Terms and Conditions of the Notes.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under “Terms and Conditions of the Notes” below and the provisions of the applicable Final Terms which supplement, amend and/or replace those terms and conditions.

Registered Notes

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States. Each Tranche of Registered Notes will initially be represented by a global note in registered form (“**Registered Global Note**”). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Registered

Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person, save as otherwise provided in Condition 2 of the Terms and Conditions of the Notes, and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Registered Global Note will bear a legend regarding such restrictions on transfer. The clearing system will be notified prior to the Issue Date of each Tranche of Notes as to whether the Notes are to be held under the NSS or otherwise.

In a press release dated 22 October 2008, *“Evolution of the custody arrangement for international debt securities and their eligibility in Eurosystem credit operations”*, the ECB announced that it has assessed the new holding structure and custody arrangements for registered notes which the ICSDs had designed in cooperation with market participants and that Notes to be held under the new structure (the **“New Safekeeping Structure”** or **“NSS”**) would be in compliance with the *“Standards for the use of EU securities settlement systems in ESCB credit operations”* of the central banking system for the euro (the **“Eurosystem”**), subject to the conclusion of the necessary legal and contractual arrangements. The press release also stated that the new arrangements for Notes to be held in NSS form will be offered by Euroclear and Clearstream, Luxembourg as at 30 June 2010 and that registered debt securities in global registered form held issued through Euroclear and Clearstream, Luxembourg after 30 September 2010 will only be eligible as collateral in Eurosystem operations if the New Safekeeping Structure is used.

Each Note represented by a Registered Global Note will either be: (a) in the case of a Certificate which is not to be held under the NSS, registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Registered Global Note will be deposited on or about the issue date with the common depositary; or (b) in the case of a Registered Global Note to be held under the NSS, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and the relevant Registered Global Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg.

Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

The Registered Global Notes will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 1 of the Terms and Conditions of the Notes) as the registered holder of the Registered Global Notes. None of the Issuer, the Trustee, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 7(b) of the Terms and Conditions of the Notes) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **“Exchange Event”** means that (1) in the case of Notes registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a

continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available, or (2) the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 8 of the Terms and Conditions of the Notes which would not be required were the Registered Notes represented by the Registered Global Note in definitive form or (3) such other event as may be specified in the applicable Final Terms. The Issuer will promptly give notice to Noteholders in accordance with Condition 17 of the Terms and Conditions of the Notes if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (2) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 15 days after the date on which the relevant notice is received by the Registrar.

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see “Subscription and Sale and Transfer and Selling Restrictions”.

General

Pursuant to the Agency Agreement, the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned an ISIN and a common code by Euroclear and Clearstream, Luxembourg.

Subject to mandatory provisions of applicable law, a Note may be accelerated automatically by the holder thereof in certain circumstances described in Condition 10 (*Events of Default*). In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then the Global Note will become void at 8.00 p.m. (London time) on such day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the relevant Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the “**Deed of Covenant**”) dated 5 October 2016 and executed by the relevant Issuer.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the relevant Issuer and the Guarantor (where ENEL is not the relevant Issuer) and its/their agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the relevant Issuer, the Guarantor (where ENEL is not the relevant Issuer) and its/their agents as the holder of such nominal amount

of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

Redemption at the Option of the Issuer

For so long as any Bearer Notes are represented by Bearer Global Notes and such Bearer Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, no selection of Notes to be redeemed will be required under Condition 7(c) of the Terms and Conditions of the Notes at the option of the Issuer in the event that the Issuer exercises its option pursuant such Condition 7(c) in respect of less than the aggregate principal amount of the Notes outstanding at such time. In such event, the partial redemption will be effected in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion).

Payment Business days

Notwithstanding the definition of “Payment Day” in Condition 6(f), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, “Payment Day” means: (i) (in the case of payment in euro) any day which is a TARGET Business Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or (ii) (in the case of a payment in a currency other than euro) any day which is a day on which dealings in foreign currencies may be carried on in the principal financial centre of the currency of payment and in each (if any) Additional Financial Centre.

FORM OF FINAL TERMS

[ENEL N.V. may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes and the Coupons either ENEL or any of ENEL's Subsidiaries (as defined in Condition 16 (*Substitution*) of the Notes) as Issuer. ENEL or the relevant Subsidiary (failing which, ENEL), as the case may be, shall indemnify each Noteholder and Couponholder against (A) any tax, duty, assessment or governmental charge which is imposed on such Noteholder or Couponholder by (or by any authority in or of) the Republic of Italy with respect to any Note or Coupon and which would not have been so imposed had the substitution not been made and (B) any tax, duty, assessment or governmental charge, and any cost or expense relating to the substitution, except that neither ENEL nor the relevant Subsidiary shall be liable under such indemnity to pay any additional amounts either on account of "*imposta sostitutiva*" or on account of any other withholding or deduction in the event of payment of interest or other amounts paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information. When ENEL N.V. is to be substituted by another of ENEL's Subsidiaries, such substitution may only take place if ENEL continues to guarantee the obligations of such Subsidiary.]¹

[ENEL may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes and the Coupons any of its Subsidiaries (as defined in the Terms and Conditions of the Notes). The relevant Subsidiary, failing which, ENEL, shall indemnify each Noteholder and Couponholder against (A) any tax, duty, assessment or governmental charge which is imposed on such Noteholder or Couponholder by (or by any authority in or of) the jurisdiction of incorporation of the Subsidiary with respect to any Note or Coupon and which would not have been so imposed had the substitution not been made and (B) any tax, duty, assessment or governmental charge, and any cost or expense relating to the substitution, except that neither ENEL nor the relevant Subsidiary shall be liable under such indemnity to pay any additional amounts either on account of "*imposta sostitutiva*" or on account of any other withholding or deduction in the event of payment of interest or other amounts paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information. Such substitution may only take place if ENEL continues to guarantee the obligations of such Subsidiary.

In certain circumstances, Notes will be subject to a withholding tax or a substitute tax at the rate of 26 per cent. in respect of interest and premium (if any). Condition 8 (*Taxation*) of the Notes provides that in certain cases, neither the Issuer nor the Guarantor will be required to pay any additional amounts to Noteholders in relation to any such withholding.]²

[Date]

¹ Delete where the relevant Issuer is ENEL.

² Delete where the relevant Issuer is ENEL FINANCE INTERNATIONAL N.V.

[ENEL — Società per Azioni (incorporated with limited liability in Italy)/ENEL FINANCE INTERNATIONAL N.V., a limited liability company incorporated in The Netherlands with its corporate seat in Amsterdam, The Netherlands, and its registered address at Herengracht 471, 1017 BS Amsterdam, The Netherlands]³

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
issued under the €35,000,000,000
Euro Medium Term Note Programme**

**PART A
CONTRACTUAL TERMS**

This document constitutes the Final Terms relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 5 October 2016 [and the Supplemental Base Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC (as amended, including by Directive 2010/73/EU, to the extent implemented in the Relevant Member State) (the “**Prospectus Directive**”). [This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus [as so supplemented]]⁴. Full information on the Issuer [, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the Supplemental Base Prospectus] [is][are] available for viewing [at [, and copies may be obtained from, the Central Bank of Ireland’s website at www.centralbank.ie]] [and] during normal business hours at [address] [and copies may be obtained from the Issuer [and the Guarantor] at [its/their] registered office(s).

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]

- | | | |
|---|---|---|
| 1 | (i) Issuer: | [ENEL — Società per Azioni/ENEL FINANCE INTERNATIONAL N.V.] |
| | (ii) [Guarantor: | ENEL — Società per Azioni] |
| 2 | (i) Series Number: | [●] |
| | (ii) Tranche Number: | [●] |
| | [(iii) Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [insert description of the Series] on [insert date/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 23 below [which is expected to occur on or about [insert date]]].] |

³ Delete as applicable.

⁴ Delete in relation to exempt notes.

3	Specified Currency or Currencies	[●]
4	Aggregate Nominal Amount:	
	(i) Series:	[●]
	(ii) Tranche:	[●]
5	(i) Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
	(ii) Net Proceeds:	[●] (<i>Required only for listed issues</i>)
6	(i) Specified Denominations: (<i>In the case of Registered Notes, this means the minimum integral amount in which transfers can be made</i>)	[●] (<i>Note — where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed: “[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].”</i>)
	(ii) Calculation Amount (<i>Applicable to Notes in definitive Form.</i>)	[●] (<i>If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.</i>)
7	(i) Issue Date:	[●]
	(ii) Interest Commencement Date:	[specify/Issue Date/Not Applicable] (<i>N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.</i>)
8	Maturity Date:	[Fixed rate — specify date/Floating rate — Interest Payment Date falling in or nearest to [specify month]]
9	Interest Basis:	[[●] per cent. Fixed Rate] [[LIBOR/EURIBOR] +/- [●] per cent. Floating Rate] [Zero Coupon] (further particulars specified below)
10	Redemption/Payment Basis:	[Redemption at par]
11	Change of Interest Basis:	[●]/[Not Applicable] (<i>See Condition 5 for further details</i>)

12	Put/Call Options	[Investor Put] [Issuer Call] [(further particulars specified below)]
13	(i) Status of the Notes:	Senior
	(ii) Status of the Guarantee:	Senior
	(iii) Date competent corporate body(ies) approval for issuance of Notes [and Guarantee] obtained:	[●] [and [●], respectively]] <i>(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)</i>
14	Method of distribution:	[Syndicated/Non-syndicated]
Provisions relating to interest (if any) payable		
15	Fixed Rate Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Rate(s) of Interest:	[●] per cent. per annum [payable [annually/semi annually/quarterly] in arrear]
	(ii) Interest Payment Date(s):	[[●] in each year up to and including the Maturity Date] <i>(N.B. This will need to be amended in the case of long or short coupons)</i>
	(iii) Fixed Coupon Amount(s): (Applicable to Notes in definitive form)	[●] per Calculation Amount
	(iv) Broken Amount(s): (Applicable to Notes in definitive form)	[●] per Calculation Amount, payable on the Interest Payment Date falling on [●]
	(v) Day Count Fraction:	[30/360]/[Actual/Actual (ICMA)]
	(vi) Determination Date(s):	[●] in each year [Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon] <i>(N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration)</i> <i>(N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))</i>
16	Floating Rate Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Specified Period(s)/Specified Interest Payment Dates:	[●], subject to adjustment in accordance with the Business Day Convention set out in (ii)

- below/, not subject to any adjustment[, as the Business Day Convention in (ii) below is specified to be Not Applicable]]
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (iii) Additional Business Centre(s): [●]
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [●]
- (vi) Screen Rate Determination:
- Reference Rate: [LIBOR]/[EURIBOR]
 - Interest Determination Date(s): [●]
(Second day in London on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) prior to the start of each Interest Period if LIBOR (other than Sterling or Euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or Euro LIBOR)
 - Relevant Screen Page: [●]
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate)
- (vii) ISDA Determination:
- Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]
 - ISDA Definitions: [2000/2006]
- (viii) [Linear Interpolation: Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
- (ix) Margin(s): [+/] [●] per cent. per annum
- (x) Minimum Rate of Interest: [●] per cent. per annum
- (xi) Maximum Rate of Interest: [●] per cent. per annum

	(xii) Day Count Fraction:	[Actual/Actual (ISDA)] / [Actual/Actual] / [Actual/365 (Fixed)] / [Actual/365 (Sterling)] / [Actual/360] / [30/360] / [360/360] / [Bond Basis] / [30E/360] / [Eurobond Basis] / [30E/360(ISDA)]
17	Zero Coupon Note Provisions	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(i) Accrual Yield:	[●] per cent. per annum
	(ii) Reference Price:	[●]
	(iii) Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Conditions 7(e)(iii) and 7(j) apply]
Provisions relating to Redemption		
18	Issuer Call:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount:	[●] per Calculation Amount
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[●]
	(b) Maximum Redemption Amount:	[●]
	(iv) Notice period:	[●]
19	Investor Put:	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount:	[[●] per Calculation Amount]
	(iii) Notice period:	[●]
20	Final Redemption Amount:	[[●] per Calculation Amount]
21	Early Redemption Amount payable on redemption for taxation reasons or on Event of Default:	[As per Condition 7(e) / [●] per Calculation Amount/]

General Provisions applicable to the Notes

22	Form of Notes:	
	(a) Form:	<p>[Bearer Notes:</p> <p>[Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]</p> <p>[Temporary Bearer Global Note exchangeable for Definitive Notes on and after the Exchange Date]</p> <p>[Permanent Bearer Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]</p> <p>[Registered Notes:</p> <p>Registered Global Note that is registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)]</p> <p><i>N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)</i></p>
	(b) New Global Note:	[Yes][No]
23	Additional Financial Centre(s):	<p>[Not Applicable/give details]</p> <p><i>(Note that this paragraph relates to the place of payment and not Interest Period end dates to which paragraph 16(iii) relates)</i></p>
24	Talons for future Coupons to be attached to Definitive Bearer Notes (and dates on which such Talons mature):	[Yes/No. If yes, give details]

Distribution

- | | | |
|----|--|--|
| 25 | (i) If syndicated, names [and addresses] of Managers [and underwriting commitments]: | [<i>Not Applicable/give names [and addresses and underwriting commitments]] (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)</i>] |
| | (ii) Date of [Subscription] Agreement: | [●] |
| | (iii) Stabilising Manager (if any): | [●] |
| 26 | If non-syndicated, name of relevant Dealer: | [Not Applicable/give name] |
| 27 | Total commission and concession: [CONSIDER DELETION - TBD] | [●] per cent. of the Aggregate Notional Amount |
| 28 | U.S. Selling Restrictions: | [Reg. S Category 2; TEFRA D Rules/TEFRA C Rules/TEFRA not applicable] |

Purpose of Final Terms

These Final Terms comprise the final terms required for issue and admission to trading on [the Regulated Market of the Irish Stock Exchange] [*specify, if relevant, listing on an official list*] of the Notes described herein pursuant to the €35,000,000,000 Euro Medium Term Note Programme of ENEL FINANCE INTERNATIONAL N.V. as Issuer and ENEL — Società per Azioni as Issuer and Guarantor.

Responsibility

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms. [Relevant third party information has been extracted from [*specify source*].] The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

[Signed on behalf of the Guarantor:]

By:
Duly authorised

By:
Duly authorised

PART B OTHER INFORMATION

1 Listing and Admission to Trading

(i) Listing and Admission to trading:

[Application has been made by the Issuer (or on its behalf) for the Notes [to list on the official list and] to trade on the regulated market of the Irish Stock Exchange with effect from [●].]

[Application is expected to be made by the Issuer (or on its behalf) for the Notes [to list on the official list and] to trade on the regulated market of the Irish Stock Exchange with effect from [●].] [Not Applicable.]

(Where documenting a fungible issue, need to indicate that original Notes are already admitted to trading)

(ii) Estimate of total expenses related to admission to trading: [●]

2 Ratings

Ratings:

[The Notes to be issued have not been rated. / The Notes to be issued have been rated:

[S & P: [●]]

[Moody's: [●]]

[[Other]: [●]]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

Insert one (or more) of the following options, as applicable:

[[Insert credit rating agency/ies] [is]/[are] established in the EU and [has]/[have each] applied for registration under Regulation (EC) No. 1060/2009 (as amended), although the result of such application has not yet been notified by the relevant competent authority.]

[[Insert credit rating agency/ies] [is]/[are] established in the EU and registered under Regulation (EC) No. 1060/2009 (as amended).]

[[Insert credit rating agency] is established in the EU and is neither registered nor has it applied for registration under Regulation (EC)

No. 1060/2009 (as amended).]

[[*Insert credit rating agency*] is not established in the EU but the rating it has given to the Notes is endorsed by [credit rating agency], which is established in the EU and registered under Regulation (EC) No. 1060/2009 (as amended).]

[[*Insert credit rating agency*] is not established in the EU but is certified under Regulation (EC) No. 1060/2009 (as amended).]

[[*Insert credit rating agency*] is not established in the EU and is not certified under Regulation (EC) No. 1060/2009 (as amended) (the “CRA Regulation”) and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EU and registered under the CRA Regulation.]]

3 **Interests of Natural and Legal Persons Involved in the Issue**

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. — *Amend as appropriate if there are other interests*]

[(*When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.*)]

4 **Reasons for the Offer, Estimated Net Proceeds and Total Expenses**

(i) [Reasons for the offer [General corporate purposes/To [finance/refinance] Eligible Green Projects
(*See “Use of Proceeds” wording in Base Prospectus*)]

(ii) Estimated net proceeds: [●]
(*If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds are insufficient to fund all proposed uses state amount and sources of other funding.*)

(iii) Estimated total expenses: [●]. [*Expenses are required to be broken down into each principal intended “use” and presented in order of priority of such “uses”.*]

5 **Yield (Fixed Rate Notes only)** Indication of yield:

[●]
[Calculated on the Issue Date.] The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6 **[Historic Interest Rates (Floating Rate Notes only)**

Details of historic [LIBOR/EURIBOR] rates can be obtained from [Reuters].]]

Operational Information

- (i) ISIN: [●]
- (ii) Common Code: [●]
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/give name(s) and number(s) and address(es)]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of additional Paying Agent(s) (if any): [●]
- (vi) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)]*[include this text for Registered Notes]* and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] /
- [No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)]*[include this text for Registered Notes]*. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the relevant Issuer, the Guarantor (where ENEL is not the relevant Issuer) and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to “Form of the Notes” for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by whichever of ENEL — Società per Azioni (“**ENEL**”) or ENEL FINANCE INTERNATIONAL N.V. (“**ENEL N.V.**”) is specified as the “Issuer” in the applicable Final Terms (as defined below) and references to the “Issuer” shall be construed accordingly. This Note is issued pursuant to the Agency Agreement (as defined below).

References herein to the “**Notes**” shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Notes represented by a global Note (a “**Global Note**”), units of each Specified Denomination in the Specified Currency;
- (ii) any Global Note;
- (iii) any definitive Notes in bearer form (“**Bearer Notes**”) issued in exchange for a Global Note in bearer form; and
- (iv) any definitive Notes in registered form (“**Registered Notes**”) (whether or not issued in exchange for a Global Note in registered form).

The Notes and the Coupons (as defined below) have the benefit of an amended and restated agency agreement (the “**Agency Agreement**”) dated 5 October 2016 as amended or supplemented from time to time made between ENEL N.V. as an Issuer, ENEL in its capacity as both an Issuer and as Guarantor (as defined below) of Notes issued by ENEL N.V., The Bank of New York Mellon as issuing and principal paying agent and agent bank (the “**Principal Paying Agent**”, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the “**Paying Agents**”, which expression shall include any additional or successor paying agents), The Bank of New York Mellon as exchange agent (the “**Exchange Agent**” which expression shall include any successor exchange agent) and as transfer agent and the other transfer agents named therein (the “**Transfer Agents**”, which expression shall include any additional or successor transfer agents) and The Bank of New York Mellon (Luxembourg) S.A. as registrar (the “**Registrar**”, which expression shall include any successor registrar).

Interest bearing definitive Bearer Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons (“**Coupons**”) and, if indicated in the applicable Final Terms, talons for further Coupons (“**Talons**”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Registered Notes and Global Notes do not have Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which complete these Terms and Conditions (the “**Conditions**”) and may

specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the “applicable Final Terms” are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

Notes issued by ENEL N.V. will be unconditionally and irrevocably guaranteed by ENEL (in such capacity, the “**Guarantor**”) pursuant to a deed of guarantee (the “**Guarantee**”) dated 5 October 2016 as amended or supplemented from time to time (the “**Deed of Guarantee**”). Under the Guarantee, ENEL has guaranteed the due and punctual payment of all amounts due under such Notes and the Deed of Covenant (as defined below) executed by ENEL N.V. as and when the same shall become due and payable subject to the terms and conditions provided therein.

The original of the Guarantee is held by the Principal Paying Agent on behalf of the Noteholders and the Couponholders at its specified office. References herein to the Guarantor shall only be relevant where the Issuer is ENEL N.V.

Any reference to “**Noteholders**” or “**holders**” in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to “**Couponholders**” shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, “**Tranche**” means Notes which are identical in all respects (including as to listing and admission to trading) and “**Series**” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders and the Couponholders are entitled to the benefit of the deed of covenant (the “**Deed of Covenant**”) dated 5 October 2016 and made by the Issuer as amended or supplemented from time to time. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement, the Deed of Guarantee and the Deed of Covenant are available for inspection during normal business hours at the registered office of each of the Principal Paying Agent, the Registrar and the other Paying Agents and Transfer Agents (such Agents and the Registrar being together referred to as the “**Agents**”). Copies of the applicable Final Terms are available for viewing and obtainable during normal business hours at the registered office of the Issuer and the specified office of each of the Agents and copies may be obtained from those offices save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the relevant Issuer and the relevant Agent as to its holding of such Notes and identity. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1 Form, Denomination and Title

The Notes are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and vice versa.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Bearer Notes and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Guarantor and any Agent will (except as otherwise required by law or ordered by a court having jurisdiction or an official authority) deem and treat the bearer of any Bearer Note or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Bearer Global Note held on behalf of Euroclear Bank S.A./N.V. (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream, Luxembourg**”), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note shall be treated by the Issuer, the Guarantor and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

2 Transfers of Registered Notes

(a) *Transfers of interests in Registered Global Notes*

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time

being of Euroclear or Clearstream, Luxembourg, as the case may be and in accordance with the terms and conditions specified in the Agency Agreement.

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Registered Global Note to a transferee in the United States or who is a U.S. person will only be made pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States, and, in any event, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

(b) *Transfers of Registered Notes in definitive form*

Subject as provided in paragraphs (e), (f) and (g) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (i) the holder or holders must (a) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (b) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 9 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent by uninsured mail to the address of the transferor.

(c) *Registration of transfer upon partial redemption*

In the event of a partial redemption of Notes under Condition 7, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

(d) *Costs of registration*

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(e) ***Exchanges and transfers of Registered Notes generally***

Holders of Registered Notes in definitive form may exchange such Notes for interests in a Registered Global Note of the same type at any time.

(f) ***Definitions***

In this Condition, the following expressions shall have the following meanings:

“**Distribution Compliance Period**” means the period that ends 40 days after the later of the commencement of the offering and the completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue);

“**Securities Act**” means the United States Securities Act of 1933, as amended.

3 Status of the Notes and the Guarantee

(a) ***Status of the Notes***

The Notes and any relative Coupons are direct, unconditional and (subject to the provisions of Condition 4) unsecured and unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and at least equally with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, other than obligations, if any, that are mandatorily preferred by statute or by operation of law.

(b) ***Status of the Guarantee***

The obligations of the Guarantor under the Guarantee are direct, unconditional and (subject to the provisions of Condition 4) unsecured and unsubordinated obligations of the Guarantor and rank at least equally with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, other than obligations, if any, that are mandatorily preferred by statute or by operation of law. The Guarantee is limited to 120 per cent. of the aggregate principal amount of any Tranche of the Notes which may be issued under the Programme (in each case as specified in the applicable Final Terms) and 120 per cent. of the interest on such Notes accrued but not paid as at any date on which the Guarantor's liability under the Notes falls to be determined.

4 Negative Pledge

Neither the Issuer nor the Guarantor will, so long as any of the Notes remain outstanding (as defined in the Agency Agreement), create or have outstanding (other than by operation of law) any mortgage, lien, pledge or other charge upon the whole or any part of its assets or revenues, present or future, to secure any Indebtedness unless:

- (a) the same security shall forthwith be extended equally and rateably to the Notes and the Coupons; or
- (b) such other security as shall be approved by an Extraordinary Resolution of the Noteholders shall previously have been or shall forthwith be extended equally and rateably to the Notes and the Coupons.

As used herein, “**Indebtedness**” means any present or future indebtedness for borrowed money of the Issuer or the Guarantor which is in the form of, or represented by, bonds, notes, debentures or other securities and which is or are intended to be quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other established securities market.

5 Interest

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest from and including the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, “**Fixed Interest Period**” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (i) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
- (ii) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest in accordance with this Condition 5(a):

- (i) if “**Actual/Actual (ICMA)**” is specified in the applicable Final Terms:
 - (A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “**Accrual Period**”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days

in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

- (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if “**30/360**” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In the Conditions:

“**Calculation Amount**” has the meaning given to it in the relevant Final Terms;

“**Determination Period**” means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

“**Euro**” means the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty establishing the EU, as amended; and

“**sub-unit**” means, with respect to any currency other than Euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to Euro, one cent.

(b) Interest on Floating Rate Notes

(i) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an “**Interest Payment Date**”) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in the Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 5(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, “**Business Day**” means a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than that of any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in Euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which launched on 19 November 2007 or any successor thereto (the “**TARGET System**”) is open.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the “**ISDA Definitions**”) and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is a period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London interbank offered rate (“**LIBOR**”) or on the Euro-zone interbank offered rate (“**EURIBOR**”), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

Notwithstanding the above, if “EUR CMS — X Years” is specified as the applicable Reference Rate in the applicable Final Terms and such rate does not appear on the Relevant Screen Page on the Interest Determination Date, the EUR CMS rate for that number of years (“X”) shall be determined by the Calculation Agent in accordance with the Floating Rate Option “EUR-Annual Swap Rate Reference Banks” (as defined in the ISDA Definitions), with the Designated Maturity being that which is specified in the Final Terms and the Reset Date being the first date of the Interest Period. If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(C) Linear Interpolation

Where Linear Interpolation is specified in the applicable Final Terms as the manner in which Rate of Interest is to be determined in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Principal Paying Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified in the applicable Final Terms as the manner in which Rate of Interest is to be determined) or the relevant Floating Rate Option (where ISDA Determination is specified in the applicable Final Terms as the manner in which Rate of Interest is to be determined), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

“**Applicable Maturity**” means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

(iii) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) *Determination of Rate of Interest and calculation of Interest Amounts*

In the case of Floating Rate Notes, the Principal Paying Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent will calculate the amount of interest (the “**Interest Amount**”) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the

aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

“Day Count Fraction” means, in respect of the calculation of an amount of interest for any Interest Period:

- (i) if **“Actual/Actual (ISDA)”** or **“Actual/Actual”** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if **“Actual/365 (Fixed)”** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if **“Actual/365 (Sterling)”** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if **“Actual/360”** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if **“30/360”**, **“360/360”** or **“Bond Basis”** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1) + (D_2 - D_1)]}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (vi) if **“30E/360”** or **“Eurobond Basis”** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1) + (D_2 - D_1)]}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

- (vii) if “**30E/360 (ISDA)**” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1) + (D_2 - D_1)]}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

- (v) *Notification of Rate of Interest and Interest Amounts*

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be given in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each

Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression “**London Business Day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(vi) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(b), whether by the Principal Paying Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Principal Paying Agent, the Calculation Agent (if applicable), the other Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Guarantor, the Noteholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Accrual of interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (1) the date on which all amounts due in respect of such Note have been paid; and
- (2) five days after the date on which the full amount of the moneys payable in respect of such Notes has been received by the Principal Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 14.

6 Payments

(a) *Method of payment*

Subject as provided below:

- (i) payments in a Specified Currency other than Euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (ii) payments in Euro will be made by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the payee.

Save as provided in Condition 8, payments will be subject in all cases to any other applicable fiscal or other laws and regulations in the place of payment or other laws and regulations to which the Issuer or the Guarantor or its or their respective agents agree to be subject and neither the Issuer nor the Guarantor will be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or agreements.

(b) *Presentation of definitive Bearer Notes and Coupons*

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case only at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A “**Long Maturity Note**” is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

(c) *Payments in respect of Bearer Global Notes*

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note only at the specified office of any Paying Agent outside the United States and its possessions. A record of each payment made against presentation or surrender of any Global Note in bearer form, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which

it was presented and such record shall be prima facie evidence that the payment in question has been made.

(d) *Payments in respect of Registered Notes*

Payments of principal in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the “**Register**”) at the close of business on the Clearing System Business Day (in the case of Notes in global form) (where “**Clearing System Business Day**” means Monday to Friday inclusive except for 25 December and 1 January) or the 15th business day (in the case of Notes in definitive form) (a business day being for this purpose a day on which banks are open for general business in the city where the specified office of the Registrar is located) before the relevant due date (the “**Record Date**”). If the Notes have been issued by ENEL N.V., payments will be made to the persons shown in the register of Noteholders held by ENEL N.V. at its registered office. Notwithstanding the previous sentence, if a holder does not have a Designated Account, payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, “**Designated Account**” means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and “**Designated Bank**” means (in the case of payment in a Specified Currency other than Euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland) and (in the case of a payment in Euro) any bank which processes payments in Euro.

Payments of interest in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of business on the Record Date at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

None of the Issuer, the Guarantor and the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the

Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(e) *General provisions applicable to payments*

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear and/or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences to the Issuer or the Guarantor.

(f) *Payment Day*

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, “**Payment Day**” means any day which (subject to Condition 9) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) the relevant place of presentation;
 - (B) London;
 - (C) each Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland,

respectively) or (2) in relation to any sum payable in Euro, a day on which the TARGET System is open.

(g) *Interpretation of principal and interest*

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 8;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7(e)); and
- (vi) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8.

7 Redemption and Purchase

(a) *Redemption at maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

(b) *Redemption for tax reasons*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Principal Paying Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 or the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8) or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (ii) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Principal Paying Agent a certificate signed by two Directors of the Issuer or, as the case may be, the Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing in a Tax Jurisdiction (as defined in Condition 8) to the effect that the Issuer or, as the case may be, the Guarantor has or will become obliged, as aforesaid, to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 7(b) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Upon the expiry of such notice, the Issuer shall be bound to redeem the Notes accordingly.

(c) *Redemption at the option of the Issuer (Issuer Call)*

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14 with a copy to the Guarantor; and
- (ii) not less than 15 days before the giving of the notice referred to in (i) above, notice to the Principal Paying Agent and, in the case of a redemption of Registered Notes, the Registrar,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least five days prior to the Selection Date.

(d) *Redemption at the option of the Noteholders (Investor Put)*

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 (with a copy to the Guarantor) not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not, in the case of a Bearer Note in definitive form, in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Registered Notes may be redeemed under this Condition 7(d) in any multiple of

their lowest Specified Denomination. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

If this Note is in definitive form, to exercise the right to require redemption of this Note the holder of this Note must deliver such Note at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a “**Put Notice**”) and in which the holder must specify a bank account to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2(b). If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Agent for notation accordingly.

Any Put Notice given by a holder of any Note pursuant to this paragraph, or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg, shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and is continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 10.

(e) Early Redemption Amounts

For the purpose of paragraph (b) above and Condition 10, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price (subject to subparagraph (iv) below), at the Final Redemption Amount thereof;
- (ii) in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount;
- (iii) in the case of a Zero Coupon Note, at an amount (the “**Amortised Face Amount**”) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} (1 + \text{AY})^y$$

where:

“**RP**” means the Reference Price;

“**AY**” means the Accrual Yield expressed as a decimal; and

“**y**” is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360; or

- (iv) in the case of a Floating Rate Note where “**EUR CMS -X Years**” is specified as the applicable Reference Rate, at the Market Value, where the “**Market Value**” on the due date for the redemption of the Note shall represent the fair market value of the Notes and shall have the effect of preserving the economic equivalent of the obligations of the Issuer to make the payments in respect of the Notes which would, but for such early redemption, have fallen due after the relevant early redemption date. Provided that, in respect of the Notes bearing interest (and notwithstanding the provisions of the Conditions of the Notes, including without limitation, Condition 7(b), the first paragraph of Condition 9 and the tenth paragraph of Condition 10), the Early Redemption Amount, as determined by the Calculation Agent in accordance with this sub-paragraph, shall include any accrued interest to but excluding the relevant early redemption date and apart from any such interest included in the Early Redemption Amount, no interest, accrued or otherwise, or any other amount whatsoever will be payable by the Issuer or, as the case may be, the Guarantor in respect of such redemption.

(f) Purchases

The Issuer, the Guarantor or any Subsidiaries may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Coupons and Talons appertaining thereto are attached or surrendered therewith) in the open market or by tender or by private agreement at any price. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent and/or the Registrar for cancellation.

(g) Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to paragraph (f) above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold and the obligations of the Issuer and the Guarantor (where applicable) in respect of any such Notes shall be discharged.

(h) Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c), or (d) above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 14.

8 Taxation

All payments of principal and interest in respect of the Notes and Coupons by ENEL (acting as the Issuer or Guarantor) or by ENEL N.V. will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction (as defined below) unless such withholding or deduction is required by law. In such event, ENEL (acting as the Issuer or Guarantor) or, as the case may be, ENEL N.V. will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) presented for payment in any Tax Jurisdiction (as defined below); or
- (b) presented for payment by or on behalf of a holder who is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon; or
- (c) presented for payment by, or on behalf of, a holder who would be able to avoid such withholding or deduction by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so; or
- (d) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such 30th day assuming that day to have been a Payment Day (as defined in Condition 6(f)); or
- (e) in relation to any payment or deduction on account of *imposta sostitutiva* pursuant to Italian Legislative Decree 1 April 1996, No. 239 (“**Decree 239**”), as amended and/or supplemented or, for the avoidance of doubt, Italian Legislative Decree 21 November 1997, No. 461 as amended and supplemented and in all circumstances in which the procedures set forth in Decree 239 in order to benefit from a tax exemption have not been met or complied with; or
- (f) where such withholding or deduction is required to be made pursuant to Law Decree 30 September 1983, No. 512 converted into law with amendments by Law 25 November 1983, No. 649; or
- (g) in the event of payment by ENEL (acting as Issuer or Guarantor) to a non-Italian resident Noteholder, to the extent that the Noteholder is resident in a country which does not allow for a satisfactory exchange of information with the Italian authorities.

As used herein:

- (i) “**Tax Jurisdiction**” means the Republic of Italy and/or any political subdivision or any authority thereof or therein having power to tax in the case of payments by ENEL (also acting as Guarantor) or The Netherlands or any political subdivision or any authority thereof or therein having power to tax in the case of payments by ENEL N.V.; and
- (ii) the “**Relevant Date**” means the date on which any payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent or the Registrar on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

Notwithstanding anything to the contrary contained herein, ENEL (acting as the Issuer or Guarantor) and ENEL N.V. (and any other person making payments on behalf of ENEL or ENEL N.V.) shall be entitled to withhold and deduct any amounts required to be deducted or withheld pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), or otherwise imposed pursuant to (i) Sections 1471 through 1474 of the Code, or (ii) any regulations thereunder or official interpretations thereof, or (iii) an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof, or (iv) any law implementing such an intergovernmental agreement (any such withholding or deduction, a “**FATCA Withholding**”), and no person shall be required to pay any additional amounts in respect of FATCA Withholding.

9 Prescription

The Notes (whether in bearer or registered form) and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6(b) or any Talon which would be void pursuant to Condition 6(b).

10 Events of Default

If any one or more of the following events (each an “**Event of Default**”) shall occur and be continuing:

- (a) a default is made for a period of 10 days or more in the payment of principal of or any interest in respect of the Notes or any of them after the due date thereof; or
- (b) the Issuer or the Guarantor shall be adjudicated or becomes insolvent or shall stop payment or announce that it shall stop payment or shall be found unable to pay its debts (and including, without limitation, in relation to ENEL N.V., voluntary liquidation (*vereffening*), suspension of payments (*surseance van betaling*), bankruptcy (*faillissement*), or a composition with creditors, or any order shall be made by any competent court or other competent body for, or any resolution shall be passed by the Issuer or the Guarantor for judicial composition proceedings with its creditors or for the appointment of a receiver, administrative receiver or trustee (including, without limitation in relation to ENEL N.V., any administrator in bankruptcy (*curator*) or other similar official in insolvency proceedings in relation to the Issuer or the Guarantor; or
- (c) the Issuer or the Guarantor fails to pay a final judgment of a court of competent jurisdiction within 60 days from the receipt of a notice that a final judgment in excess of an amount equal to the value of a substantial part of the assets or property of the Guarantor has been entered against it or an execution is levied on or enforced upon or sued out in pursuance of any such judgment against any substantial part of the assets or property of the Issuer or the Guarantor; or
- (d) the Issuer or the Guarantor shall be wound up or dissolved (otherwise than for the purpose of a solvent amalgamation, merger or reconstruction under which the assets and liabilities of the Issuer or the Guarantor, as the case may be, are assumed by the entity resulting from such amalgamation, merger or reconstruction and such entity assumes the obligations of the Issuer or the Guarantor, as the case may be, in respect of the Notes or the Guarantee, as the case may be, and an opinion of an independent legal adviser of recognised standing in The Netherlands, in the case of ENEL N.V. or in Italy, in the case of ENEL, has been delivered to the Principal Paying Agent confirming the same prior to the effective date of such amalgamation, merger or reconstruction); or

- (e) the Issuer or the Guarantor shall cease or announce that it shall cease to carry on its business (otherwise than for the purpose of a solvent amalgamation, merger or reconstruction under which the assets and liabilities of the Issuer or the Guarantor, as the case may be, are assumed by the entity resulting from such amalgamation, merger or reconstruction and such entity assumes the obligations of the Issuer or the Guarantor, as the case may be, in respect of the Notes or the Guarantee, as the case may be, and an opinion of an independent legal adviser of recognised standing in The Netherlands, in the case of ENEL N.V. or in Italy, in the case of ENEL, has been delivered to the Principal Paying Agent confirming the same prior to the effective date of such amalgamation, merger or reconstruction); or
- (f) any Indebtedness for Borrowed Money of the Issuer or the Guarantor becomes due and repayable prematurely by reason of an event of default (however described) or the Issuer or the Guarantor fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment (as extended by any originally applicable grace period) or any security given by the Issuer or the Guarantor for any Indebtedness for Borrowed Money becomes enforceable or if default is made by the Issuer or the Guarantor in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person (as extended by any originally applicable grace period), provided that no such event shall constitute an Event of Default so long as and to the extent that the Issuer or the Guarantor, as the case may be, is contesting, in good faith, in a competent court in a recognised jurisdiction that the relevant Indebtedness for Borrowed Money or any such security, guarantee and/or indemnity shall be due or enforceable, as appropriate, and provided further that no such event shall constitute an Event of Default unless the aggregate Indebtedness for Borrowed Money relating to all such events which shall have occurred and be continuing shall amount to at least €100,000,000 (or its equivalent in any other currency); or
- (g) default is made by the Issuer or the Guarantor in the performance or observance of any obligation, condition or provision binding on the Issuer under the Notes or on the Guarantor under this Guarantee in relation to, or in respect of, the Notes (other than any obligation for payment of any principal or interest in respect of the Notes) and (except in any case where the default is incapable of remedy when no continuation or notice as is hereinafter mentioned will be required) such default continues for 30 days after written notice thereof to the Issuer or the Guarantor, as the case may be, requiring the same to be remedied; or
- (h) the Guarantee ceases to be, or is claimed by the Guarantor not to be, in full force and effect,

then any holder of a Note may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare any Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 7(e)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

For the purposes of this Condition:

“Indebtedness for Borrowed Money” means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptance or acceptance credit or (iii) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash.

11 Replacement of Notes, Coupons and Talons

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

12 Agents

The names of the initial Agents and their initial specified offices are set out below.

The Issuer and the Guarantor are entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

- (a) there will at all times be a Principal Paying Agent and a Registrar;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (c) there will at all times be a Paying Agent in a jurisdiction within continental Europe, other than the jurisdiction in which the Issuer or the Guarantor is incorporated.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6(e). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and the Guarantor and do not assume any obligation to, or relationship of agency or trust with, any Noteholder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

13 Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

14 Notices

All notices regarding the Bearer Notes will be deemed to be validly given if published (i) in a leading English language daily newspaper of general circulation in London and (ii) if and for so long as the Bearer Notes are admitted to trading on, and listed on the Irish Stock Exchange, on the Irish Stock Exchange's website, www.ise.ie. It is expected that any such publication in a newspaper will be made in the Financial Times in London and the Irish Times in Ireland. The Issuer (failing which the Guarantor) shall also ensure that notices

are duly published in a manner which complies with the rules and regulations of any stock exchange (or any other relevant authority) on which the Bearer Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to listing by another relevant authority and the rules of that stock exchange (or other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange (or relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the fourth day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

In addition to the above, where the Issuer is ENEL, with respect to notices for a meeting of Noteholders, any convening notice for such meeting shall be made in accordance with any applicable Italian law requirements and provisions in ENEL's by-laws.

15 Meetings of Noteholders, Modification and Waiver

(a) *Where the Issuer is ENEL*

The Agency Agreement contains provisions consistent with the laws, legislation, rules and regulations of the Republic of Italy (including without limitation Legislative Decree No. 58 of 24 February 1998, as amended) for convening meetings of the Noteholders to consider any matter affecting their interests, including any modifications of the Conditions or of any provisions of the Agency Agreement.

According to the laws, legislation, rules and regulations of the Republic of Italy, such meetings will be validly held as a single call meeting or, if Issuer's by-laws provide for multiple calls, as a multiple call meeting, if (i) in the case of a single call meeting, there are one or more persons present, being or representing Noteholders holding at least one-fifth of the aggregate nominal amount of the Notes, for the time being outstanding, or such a higher quorum as may be provided for in the Issuer's by-laws, or (ii) in the case of multiple call meeting, (a) there are one or more persons present being or representing

Noteholders holding not less than one-half of the aggregate nominal amount of the Notes, for the time being outstanding; ; (b) in case of an adjourned meeting, there are one or more persons present being or representing Noteholders holding more than one-third of the aggregate nominal amount of the Notes for the time being outstanding; and (c) in the case of any further adjourned meeting, one or more persons present being or representing Noteholders holding at least one-fifth of the aggregate nominal amount of the Notes for the time being outstanding, provided that the Issuer's by-laws may in each case (to the extent permitted under the applicable laws and regulations of the Republic of Italy) provide for a higher quorum.

The majority to pass a resolution at any meeting (including, where applicable, an adjourned meeting) will be at least two-thirds of the aggregate nominal amount of the outstanding Notes represented at the meeting; provided however that (A) certain proposals, as set out in Article 2415 of the Italian Civil Code (including, for the avoidance of doubt, (a) any modification of the method of calculating the amount payable or modification of the date of maturity or redemption or any date for payment of interest or, where applicable, of the method of calculating the date of payment in respect of any principal or interest in respect of the Notes, and (b) any alteration of the currency in which payments under the Notes and Coupons are to be made or the denomination of the Notes), may only be sanctioned by a resolution passed at a meeting of the Noteholders by the higher of (i) one or more persons holding or representing not less than one half of the aggregate nominal amount of the outstanding Notes, and (ii) one or more persons holding or representing not less than two thirds of the Notes represented at the meeting and (B) the Issuer's by-laws may in each case (to the extent permitted under applicable Italian law) provide for higher majorities.

Resolutions passed at any meeting of the Noteholders shall be binding on all Noteholders, whether or not they are present at the meeting, and on all Couponholders. In accordance with the Italian Civil Code, a *rappresentante comune*, being a joint representative of Noteholders, may be appointed in accordance with Article 2417 of the Italian Civil Code in order to represent the Noteholders' interest hereunder and to give execution to the resolutions of the meeting of the Noteholders.

(b) *Where the Issuer is ENEL N.V.*

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than one-twentieth in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than one-half in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding plus the favourable vote of the Issuer. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders.

(c) **Modifications**

The Principal Paying Agent, the Issuer and the Guarantor may agree, without the consent of the Noteholders or Couponholders, to:

- (i) any modification (except as mentioned above) of the Conditions, the Notes, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (ii) any modification of the Conditions, the Notes, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

16 Substitution

(a) **Substitution of ENEL N.V. by ENEL**

In the case of Notes issued by ENEL N.V., ENEL N.V. may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes and the Coupons ENEL as Issuer, provided that no payment in respect of the Notes or the Coupons is at the relevant time overdue. The substitution shall be made by a deed poll (the “**ENEL N.V. Substitution Deed Poll**”), to be substantially in the form set out in the Agency Agreement as Schedule 10 and may take place only if:

- (i) ENEL shall, by means of the ENEL N.V. Substitution Deed Poll, agree to indemnify each Noteholder and Couponholder against (A) any tax, duty, assessment or governmental charge which is imposed on such Noteholder and Couponholder by (or by any authority in or of) the Republic of Italy with respect to any Note or Coupon and which would not have been so imposed had the substitution not been made and (B) any tax, duty, assessment or governmental charge, and any cost or expense relating to the substitution, except that ENEL shall not be liable under such indemnity to pay any additional amounts either on account of “*imposta sostitutiva*” or on account of any other withholding or deduction in the event of payment of interest or other amounts paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information;
- (ii) all the provisions set forth in Condition 8 with respect to ENEL as Issuer of the Notes shall apply to the Notes following the substitution as if the Notes were originally issued by ENEL;
- (iii) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the ENEL N.V. Substitution Deed Poll and the Notes and the Coupons represent valid, legally binding and enforceable obligations of ENEL and in the case of the ENEL N.V. Substitution Deed Poll of the Issuer have been taken, fulfilled and done and are in full force and effect;
- (iv) the relevant stock exchange (if any) shall have confirmed that, following the proposed substitution, the Notes will continue to be listed on such stock exchange;
- (v) legal opinions addressed to the Noteholders shall have been delivered to them (care of the Principal Paying Agent) from lawyers or firms of lawyers with leading securities practices in the Republic of Italy and in England as to the fulfilment of the conditions specified in paragraph

(iii) of this Condition 16(a) and the other matters specified in the ENEL N.V. Substitution Deed Poll; and

- (vi) the Issuer shall have given at least 14 days' prior notice of such substitution to the Noteholders, in accordance with Condition 14, stating that "copies, or, pending execution, the agreed text, of all documents in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified office of each of the Paying Agents."

References in Condition 10 to obligations under the Notes shall be deemed to include obligations under the ENEL N.V. Substitution Deed Poll.

(b) *Substitution of ENEL by a Subsidiary*

In the case of Notes issued by ENEL, ENEL, or any previous substituted company, may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes and the Coupons, any company (the "**Substitute**") that is a Subsidiary (as defined below) of ENEL, provided that no payment in respect of the Notes or the Coupons is at the relevant time overdue. The substitution shall be made by a deed poll (the "**ENEL Substitution Deed Poll**"), to be substantially in the form scheduled to the Agency Agreement as Schedule 11, and may take place only if:

- (i) The Substitute, failing which ENEL, shall, by means of the ENEL Substitution Deed Poll, agree to indemnify each Noteholder and Couponholder against (A) any tax, duty, assessment or governmental charge that is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Note or Coupon or the Deed of Covenant and that would not have been so imposed had the substitution not been made and (B) any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution, except that neither the Substitute nor ENEL shall be liable under such indemnity to pay any additional amounts either on account of "imposta sostitutiva" or on account of any other withholding or deduction in the event of payment of interest or other amounts paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information;
- (ii) all the provisions set forth in Condition 8 with respect to ENEL N.V. as Issuer and ENEL as Guarantor of the Notes shall apply to the Notes following the substitution as if the Notes were originally issued by such subsidiary and guaranteed by ENEL;
- (iii) the obligations of the Substitute under the ENEL Substitution Deed Poll, the Notes, the Coupons and the Deed of Covenant shall be unconditionally guaranteed by ENEL by means of the ENEL Substitution Deed Poll;
- (iv) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the ENEL Substitution Deed Poll, the Notes, the Coupons and the Deed of Covenant represent valid, legally binding and enforceable obligations of the Substitute and, in the case of the ENEL Substitution Deed Poll, of ENEL, have been taken, fulfilled and done and are in full force and effect;
- (v) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;

- (vi) the relevant stock exchange (if any) shall have confirmed that, following the proposed substitution, the Notes will continue to be listed on such stock exchange;
- (vii) legal opinions addressed to the Noteholders shall have been delivered to them (care of the Principal Paying Agent) from lawyers or firms of lawyers with leading securities practices in each jurisdiction referred to in paragraph (i) of this Condition 16(b) and in England as to the fulfilment of the preceding conditions of paragraph (iv) of this Condition 16(b) and the other matters specified in the ENEL Substitution Deed Poll; and
- (viii) ENEL shall have given at least 14 days' prior notice of such substitution to the Noteholders, in accordance with Condition 14, stating that copies, or pending execution the agreed text, of all documents in relation to the substitution that are referred to above, or that might otherwise reasonably be regarded as material to Noteholders, shall be available for inspection at the specified office of each of the Paying Agents.

References in Condition 10 to obligations under the Notes shall be deemed to include obligations under the ENEL Substitution Deed Poll, and, where the ENEL Substitution Deed Poll contains a guarantee, the events listed in Condition 10 shall be deemed to include that guarantee not being (or being claimed by the guarantor not to be) in full force and effect.

(c) ***Substitution of ENEL N.V. by another Subsidiary***

In the case of Notes issued by ENEL N.V., ENEL N.V., or any previous substituted company, may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes and the Coupons, any company (the “**Substitute**”) that is a Subsidiary (as defined in the Agency Agreement) of ENEL, provided that no payment in respect of the Notes or the Coupons is at the relevant time overdue. The substitution shall be made by a deed poll (the “**ENEL N.V. and Subsidiary Substitution Deed Poll**”), to be substantially in the form scheduled to the Agency Agreement as Schedule 12, and may take place only if:

- (i) The Substitute, failing which, ENEL, shall, by means of the ENEL N.V. and Subsidiary Substitution Deed Poll, agree to indemnify each Noteholder and Couponholder against (A) any tax, duty, assessment or governmental charge that is imposed on such Noteholder or Couponholder by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Note or Coupon or the Deed of Covenant and that would not have been so imposed had the substitution not been made, and (B) any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution, except that neither the Substitute nor ENEL shall be liable under such indemnity to pay any additional amounts either on account of “*imposta sostitutiva*” or on account of any other withholding or deduction in the event of payment of interest or other amounts paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information;
- (ii) all the provisions set forth in Condition 8 with respect to ENEL N.V. as Issuer and ENEL as Guarantor of the Notes shall apply to the Notes following the substitution as if the Notes were originally issued by the Substitute and guaranteed by ENEL;
- (iii) the obligations of the Substitute under the ENEL N.V. and Subsidiary Substitution Deed Poll, the Notes, the Coupons and the Deed of Covenant shall be unconditionally guaranteed by ENEL by means of the ENEL N.V. and Subsidiary Substitution Deed Poll and the Deed of Guarantee;

- (iv) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the ENEL N.V. and Subsidiary Substitution Deed Poll, the Notes, the Coupons and the Deed of Covenant represent valid, legally binding and enforceable obligations of the Substitute and, in the case of the ENEL N.V. and Subsidiary Substitution Deed Poll and the Deed of Guarantee, of ENEL, have been taken, fulfilled and done and are in full force and effect;
- (v) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;
- (vi) the relevant stock exchange (if any) shall have confirmed that, following the proposed substitution, the Notes will continue to be listed on such stock exchange;
- (vii) legal opinions addressed to the Noteholders shall have been delivered to them (care of the Principal Paying Agent) from lawyers or firms of lawyers with leading securities practices in each jurisdiction referred to in paragraph (i) of this Condition 16(c) and in England as to the fulfilment of the preceding conditions of paragraph (iv) of this Condition 16(c) and the other matters specified in the ENEL N.V. and Subsidiary Substitution Deed Poll; and
- (viii) ENEL N.V. shall have given at least 14 days' prior notice of such substitution to the Noteholders, in accordance with Condition 14, stating that copies, or pending execution the agreed text, of all documents in relation to the substitution that are referred to above, or that might otherwise reasonably be regarded as material to Noteholders, shall be available for inspection at the specified office of each of the Paying Agents.

References in Condition 10 to obligations under the Notes shall be deemed to include obligations under the ENEL N.V. and Subsidiary Substitution Deed Poll, and the events listed in Condition 10 shall be deemed to include the Deed of Guarantee not being (or being claimed by the guarantor not to be) in full force and effect.

For the purposes of this Condition 16, "**Subsidiary**" means any entity which is a subsidiary (*società controllata*) within the meaning of Article 2359 of the Italian Civil Code and Article 93 of Legislative Decree No. 58 of 24 February 1998 as amended.

(d) Consent to Substitution

By subscribing to, or otherwise acquiring the Notes, the Noteholders expressly and irrevocably consent in advance to the substitution of ENEL N.V., ENEL or any Subsidiary, as the case may be, by ENEL or a Subsidiary, as the case may be, pursuant to Condition 16(a), (b) or (c). The Noteholders further consent to the release of ENEL N.V., or any Subsidiary, as the case may be, from any and all obligations in respect of the Notes and any relevant agreements and are expressly deemed to have accepted such substitution and the consequences thereof.

17 Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

18 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

19 Governing Law and Submission to Jurisdiction

(a) *Governing law*

The Agency Agreement, the Programme Agreement, the Deed of Guarantee, the Deed of Covenant, the ENEL N.V. Substitution Deed Poll, the ENEL Substitution Deed Poll and the ENEL N.V. and Subsidiary Substitution Deed Poll, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law. Condition 15(a) and the provisions of Schedule 5 of the Agency Agreement which relate to the convening of meetings of Noteholders and the appointment of a Noteholders' representative are subject to compliance with Italian law.

(b) *Submission to jurisdiction*

In relation to any legal action or proceedings arising out of or in connection with the Notes, the Coupons, the Agency Agreement, the Deed of Covenant, the ENEL N.V. Substitution Deed Poll and the ENEL N.V. and Subsidiary Substitution Deed Poll ("**Proceedings**"), the Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Noteholders and the Couponholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) to the extent permitted by law.

(c) *Appointment of Process Agent*

The Issuer appoints Law Debenture Corporate Services Limited of 100 Wood Street, London EC2V 7EX as its agent in England to receive service of process for any Proceedings in England based on any of the Notes, the Coupons, the Agency Agreement, the Deed of Covenant, the ENEL N.V. Substitution Deed Poll and the ENEL N.V. and Subsidiary Substitution Deed Poll. If for any reason such process agent ceases to act as such or no longer has an address in England, the Issuer agrees to appoint a substitute agent for service of process for any Proceedings in England and to give notice to the Noteholders of such appointment in accordance with Condition 14.

(d) *Other documents*

The Issuer and the Guarantor have in the Agency Agreement, the Deed of Covenant and the Deed of Guarantee (in the case of the Guarantor) submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

USE OF PROCEEDS

An amount equal to the net proceeds from each issue of each Tranche of Notes will be applied by the relevant Issuer, as indicated in the applicable Final Terms, either:

- (a) for its general corporate purposes; or
- (b) to finance or refinance, in whole or in part, Eligible Green Projects.

According to the definition criteria set out by the International Capital Market Association (“**ICMA**”) Green Bond Principles (“**GBP**”), only Tranches of Notes financing or refinancing Eligible Green Projects (above mentioned at (b)) will be denominated “Green Bonds”.

In case of project divestment, an amount equal to the net proceeds of the “Green Bonds” will be used to finance or refinance other Eligible Green Projects.

Eligible Green Projects have been defined in accordance with the broad categorisation of eligibility for Green Projects set out by the ICMA GBP.

For the purposes of this section:

“**Eligible Green Projects**” means Renewable Energy Projects and Transmission, Distribution and Smart Grid Projects or Other Projects which meet a set of environmental and social criteria, which prior to the relevant Issue Date will be (i) approved both by the relevant Issuer and, where applicable, the Guarantor and by a reputed sustainability rating agency, and (ii) made available on ENEL’s website (www.enel.com) in the investor relations section.

“**Other Projects**” means any projects which meet a set of environmental and social criteria, which prior to the relevant Issue Date will be (i) approved both by the relevant Issuer and, where applicable, the Guarantor and by a reputed sustainability rating agency, and (ii) made available on ENEL’s website (www.enel.com) in the investor relations section and may include, inter alia:

- (a) Clean Transportation Projects which consist in financing or refinancing of, or investments in the electric, hybrid, public, rail, non-motorised, multi-modal transportation, infrastructure for clean energy vehicles and reduction of harmful emissions,
- (b) Green Buildings which consist in financing or refinancing of, or investments in the renovation of existing buildings and efficiency improvements; and
- (c) Decarbonising Technologies which consist in financing or refinancing of, or investments in the capture and storage of CO₂ emissions.

“**Renewable Energy Projects**” means the financing or refinancing of, or investments in the development, the construction, repowering and the installation of renewable energy production units for the production of energy through: (i) renewable non-fossil sources and (ii) hydro, geothermal, wind, solar, waves and other renewable energy sources. Energy production units include small-scale energy generation systems and utility scale or centralised power generation systems.

“**Transmission, Distribution and Smart Grid Projects**” means the financing or refinancing of, or investments in the building, the operation and the maintenance of electric power distribution, transmission networks and smart metering systems, that contribute to: (i) connecting renewable energy production units to the general network and (ii) improving networks in terms of demand-size management, energy efficiency and access to electricity.

DESCRIPTION OF ENEL

OVERVIEW

The Company was incorporated under the laws of Italy as a joint stock company (*società per azioni*) on 24 July 1992 and operates in accordance with the Italian Civil Code. Its registered office is at Viale Regina Margherita 137, in Rome, and its main telephone number is +3906 83051. The Company is registered with the Italian Companies' Register of the Chamber of Commerce of Rome under registration No. 00811720580. Pursuant to Article 3 of the Company's articles of association, the Company shall remain in existence until 31 December 2100; however, the Company's corporate duration may be further extended by a shareholder resolution.

In particular, ENEL is a multinational power company and a leading integrated player in the world's power and gas markets, with a particular focus on Europe and Latin America. The concern manages a highly diverse network of power plants: hydroelectric, thermoelectric, nuclear, geothermal, wind, solar PV and other renewable sources.

According to ENEL's estimates, the ENEL Group is the leading electricity operator in both Italy and Spain, one of the largest energy operator in the Americas where it is active in 12 countries with power generation plants of all types and one of the leading global operators in the fields of generation, distribution and sales of electricity. In particular, the ENEL Group has a presence in more than 30 countries across four continents (Europe, North America, Latin America, Africa and Asia) with more than 89 GW of net installed capacity and 1.9 million kilometres of grid network and sells electricity and gas to approximately 61 million customers as of 31 December 2015. Moreover, according to ENEL's estimates, ENEL is the largest Italian power company and the Europe's second largest listed utility by installed capacity

The ENEL Group had operational generation plants (thermal, hydroelectric, geothermal, nuclear and other plants) with a total net maximum electrical capacity of 87 GW as of 30 June 2016, compared to 89.7 GW as of 31 December 2015 and 96.1 GW as of 31 December 2014, respectively. For the six months ended 30 June 2016, net electricity production was 128.2 TWh and distribution of electricity was 209.5 TWh, respectively, compared to 284 TWh and 417.4 TWh as of 31 December 2015 and 283.1 TWh and 411.1 TWh as of 31 December 2014, respectively.

The ENEL Group is deeply committed to the renewable energies sector and to researching and developing new environmentally friendly technologies. In 2015, approximately half of the electricity the ENEL Group produced was free of carbon dioxide emissions, making it one of the world's major producers of clean energy. Further, ENEL is committed to becoming a carbon-neutral company by 2050. In 2016, ENEL's renewable energy business, operated through by ENEL Green Power S.p.A. ("**EGP**") and its subsidiaries, has been the subject matter of a corporate reorganization with the aim of, *inter alia*, innovating in renewables at scale and with greater speed (for further information, see also "*History and development of ENEL – Reorganisation of the renewable energy business*" below).

Moreover, ENEL is the first utility in the world to replace conventional electromechanical meters with so-called "*smart meters*", being modern electronic meters that enable consumption levels to be read in real time and contracts to be managed remotely. As of the date of this Base Prospectus, approximately 38 million of European customers have an electronic meter developed and installed by ENEL. This innovative measurement system is essential to the development of smart grids, smart cities and electric mobility. For further information, see "*Most recent significant transactions and events in 2015 and in the beginning of 2016 – ENEL presents ENEL Open Meter, the new electronic meter*" below.

The following tables set forth the Group's key operating data of the electricity business as of and for the six months ended 30 June 2016 and 30 June 2015 and as of and for the years ended 31 December 2015 and 2014.

	Six months ended 30 June 2016			Six months ended 30 June 2015		
	Italy	Abroad	Total	Italy	Abroad	Total
Net electricity production (TWh).....	29.6	98.6	128.2	34.5	105.1	139.6
Net maximum electrical capacity (GW).....	27.8	59.2	87.0	30.8	58.0	88.8
Electricity conveyed through the grid (TWh).....	109.8	99.7	209.5	110.2	94.2	207.4
Electricity sold (TWh) ⁽¹⁾	45.9	85.1	131.0	42.2	85.5	127.7
Average number of power end costumers (millions).....	26.8	29.1	55.9	27.0	28.8	55.8

Note:

(1) Excluding sales to sellers

	Six months ended 30 June 2016			Six months ended 30 June 2015		
	Italy	Abroad	Total	Italy	Abroad	Total
Net electricity production (TWh).....	68.5	215.5	284.0	71.8	211.3	283.1
Net maximum electrical capacity (GW).....	30.7	59.0	89.7	36.8	59.3	96.1
Electricity conveyed through the grid (TWh).....	226.6	190.8	417.4	223	188.1	411.1
Electricity sold (TWh) ⁽¹⁾	88	172.1	260.1	87.6	173.4	261
Average number of power end costumers (millions).....	27.1	29.0	56.1	27.2	28.6	55.8

Note:

(1) Excluding sales to sellers

The ENEL Group also imports and sells natural gas in Italy, Spain and elsewhere. The ENEL Group has sold approximately 5.7 billion cubic metres of gas worldwide in the six months ended 30 June 2016, 8.9 billion cubic metres of gas worldwide in 2015 and 7.8 billion cubic metres of gas worldwide in 2014.

In the six months ended 30 June 2016, the ENEL Group's total revenues were €34,150 million compared to €37,632 million in the six months ended 30 June 2015, while, for the same period, the net income attributable

to shareholders was €1,834 million, compared to €1,833 million in the six months ended 30 June 2015. In 2015, the ENEL Group's total revenues were €75,658 million and the net income attributable to shareholders of ENEL was €2,196 million. In 2014, the ENEL Group's total revenues were €75,791 million and the net income attributable to shareholders of ENEL was €517 million.

As of 30 June 2016, the ENEL Group employed 66,666 employees, of which 31,877 were employed in Italy and 34,789 were employed abroad.

As of the date of this Base Prospectus, the principal shareholder of ENEL is the Ministry of Economy and Finance of the Republic of Italy (the “MEF”) which owns 23.59 per cent. of ENEL's shares.

The following table sets forth the number of shares and the percentage of the main shareholders.

Name	Share Ownership	
	(Number)	(%)
The Ministry of Economy and Finance of the Republic of Italy.....	2,397,856,331	23.59
BlackRock Inc. (shares held as “ <i>gestione non discrezionale del risparmio</i> ”).....	508,957,305	5.006

As of the date of this Base Prospectus, based on the shareholders' register and the notices submitted to CONSOB and received by ENEL pursuant to Article 120 of the Financial Services Act, as well as other available information, no shareholders other than the MEF (with 23.59 per cent. of the share capital) and BlackRock Inc. (with 5.006 per cent. of the share capital, which comprises certain subsidiaries which own ENEL's shares on the basis of its collective, non-discretionary asset management activities (*gestione non discrezionale del risparmio*)) held more than 3 per cent. of the total share capital of ENEL. Pursuant to Article 3 of Decree Law No. 332/1994 (converted with amendments into Law No. 74/1994) and as set forth in ENEL's by-laws, no person, other than an Italian governmental entity, may hold more than 3 per cent. of the share capital of ENEL. Voting rights attributable to shares held in excess of the aforesaid limit shall not be exercised.

As of the date of this Base Prospectus, ENEL is subject to the *de facto* control of the MEF, which has sufficient votes to exercise a dominant influence at ENEL's ordinary shareholders' meetings, pursuant to Article 93 of the Financial Services Act. Pursuant to Article 19, paragraph 6, of Decree Law No. 78/2009 (subsequently converted into Law No. 102/2009). The discipline concerning management and co-ordination of companies outlined in Article 2497 of the Italian Civil Code is not applicable to the MEF.

As at 30 June 2016, ENEL's share capital amounted to €10,166,679,946 fully paid-in and divided into 10,166,679,946 issued and outstanding ordinary shares, listed on the *mercato telematico azionario*, a stock exchange regulated and managed by Borsa Italiana S.p.A. (“MTA”), with a nominal value of €1 each. This represents an increase of €763,322,151 compared with the previous amount of €9,403,357,795 as at 31 December 2015 as a result of the partial, non-proportional demerger of EGP into ENEL, effective as of 31 March 2016 (for further information on the EGP integration, see also “– *History and development of ENEL – Reorganisation of the renewable energy business*” below).

HISTORY AND DEVELOPMENT OF ENEL

The foundation, the privatisation and the market liberalisation

ENEL traces its origins to the creation in 1962 of the Italian governmental entity, the Ente Nazionale per l'Energia Elettrica, which was granted an exclusive concession to carry out the activities of generation, import, export, transportation, transformation, distribution and sale of electricity in Italy following the nationalisation of the industry in that year. Controlled by the Italian government, the Ente Nazionale per l'Energia Elettrica implemented a process of development and diversification of energy sources through the creation of new nuclear, hydroelectric and renewable-energy power plants.

Law No. 9 of January 1991 set the framework for the opening of the Italian electricity market to competition. As part of this move towards liberalisation, the Ente Nazionale per l'Energia Elettrica was, pursuant to Legislative Decree No. 333 of 11 July 1992 (as ratified into law pursuant to Law No. 359 of 8 August 1992), converted into a joint stock company (*società per azioni*). Pursuant to a resolution adopted at the extraordinary shareholders' meeting held on 7 August 1992, the Company's name was changed to ENEL S.p.A. The aforementioned legislative decree granted ENEL licences to undertake all the activities previously carried out by the Ente Nazionale per l'Energia Elettrica. Initially, the sole shareholder of ENEL was the MEF.

Legislative Decree No. 79 of 16 March 1999 (*Attuazione della direttiva 96/92/CE recante norme comuni per il mercato interno dell'energia elettrica*) (the “**Bersani Decree**”) established new rules for the electricity market, providing for further liberalisation – in compliance with public policy – of the activities of generation, import, export, purchase and sale of electricity. Pursuant to the Bersani Decree, a single entity may engage in any or all of these activities, provided that utility companies are separated into distinct units for accounting and management purposes. With reference to ENEL, the Bersani Decree required the separation, for accounting and management purposes, of the activities of production, transmission, distribution and sales to Non-Eligible clients, and the obligation to reduce ENEL's production capacity through the disposal of at least 15 GW by 2002. In particular, the Bersani Decree required the following significant changes to be made to the Group's business:

- the separation of significant businesses into separate subsidiaries (effective as of October 1999);
- the transfer of management and control of the Italian national electricity transmission grid and electricity dispatching to the Electricity Services Operator, a company wholly owned by the MEF, and the subsequent sale of 94.88 per cent. of ENEL's formerly wholly owned subsidiary, Terna S.p.A. (“**Terna**”), which owns the majority of Italy's electricity transmission grid (as a result of this sale, Terna was deconsolidated on 15 September 2005); and
- the sale of three electricity generation companies (accounting for approximately 15 GW of the Group's generating capacity) and several municipal distribution companies.

In November 1999, the process for the privatisation of ENEL began with an initial public offering of approximately 32 per cent. of ENEL's share capital, as part of which ENEL's shares were listed on the MTA and on the New York Stock Exchange (in the form of American Depositary Shares). The initial public offering was followed by a number of private placements to institutional investors in Italy and abroad (in 2003) and public offerings to retail investors in Italy and to institutional investors in Italy and abroad. As a result of Japanese offerings (in 2004 and 2005), ENEL's shares were also registered at the Kanto Local Finance Bureau in Tokyo.

In December 2007, ENEL voluntarily de-listed from the New York Stock Exchange, and in March 2008 the process of deregistration of ENEL's shares and American Depositary Receipts with the U.S. Securities and Exchange Commission was completed. Reorganisation of the ENEL Group and Business Diversification.

Following the liberalisation of the energy market and the consequent reductions to parts of ENEL's core business, the Group focused its strategy on the diversification of its business and expansion into new markets (including in the telecommunications industry market in which ENEL operated until 2006). ENEL became an industrial holding company, and its divisions were transformed into utility companies focused on specific business sectors. ENEL Produzione S.p.A. ("**ENEL Produzione**") and ENEL Distribuzione S.p.A. (which, as of 30 June 2016, changed its name into e-distribuzione S.p.A.) were established, along with other companies. Along with pursuing the separation for management purposes of the activities of production, transmission and distribution, new business areas were created, such as energy trading, construction of generation plants and supply of environmental services.

Internationalisation and focus on energy businesses

Following the business reorganisation pursuant to the Bersani Decree described above, the Company changed course and initiated a new strategy, again focusing on its core energy businesses (electricity and gas).

From 2002, the Group began to expand its electricity business abroad through several acquisitions and joint ventures in, *inter alia*, electricity generation and distribution operators and power producers specialising in renewable resources in Europe and in the Americas.

Global presence

As a global multinational group, ENEL is actively engaged in consolidating its assets and further integrating its business.

In Italy, ENEL is the largest electricity company. It operates in the field of electricity generation through thermoelectric and renewable plants with an installed capacity of nearly 31 GW, of which more than 3 GW derives from plants generating energy from renewable sources, which are managed by EGP. Furthermore, ENEL operates in the electricity distribution sector with more than 1 kilometer of grid network across the Italian Peninsula and offers an integrated package of electricity and gas products and services to its 31 million Italian customers.

In the Iberian Peninsula, ENEL operates through Endesa S.A. ("**Endesa**"), which is currently 70.1 per cent. owned by ENEL. Endesa is the leading power company in Spain and, according to ENEL Group's estimates, the second leading power company in Portugal. Endesa has approximately 21.2 GW of installed capacity and a strong presence in the distribution sector as well as in the sale of electricity and gas products, with more than 10,000 employees and approximately 12.4 million customers. Furthermore, the ENEL Group is active in the Iberian Peninsula through ENEL Green Power España S.L. ("**EGPE**"), a company which manages renewable plants generating 1.7 GW. For further information on EGPE, see also "*Recent developments - EGP International sells 60 per cent. of EGPE to Endesa for €1,207 million*" below).

Elsewhere in Europe, ENEL operates in Slovakia through Slovenské Elektrárne ("**SE**"), a company 66 per cent. owned by Slovak Power Holding BV ("**SPH**") which, as of 28 July 2016, is 50 per cent. owned by EP Slovakia BV ("**EP Slovakia**") (a subsidiary of Energetický a priemyslový holding as ("**EPH**")) and 50 per cent. owned by ENEL Produzione (for further information on the disposal of ENEL Produzione's stake in SE, see also "*Recent significant transactions and events in 2015 and in the beginning of 2016 – Agreement to dispose of Slovenské elektrárne*" and "*Recent developments – ENEL closes disposal to EPH of 50 per cent. of equity interest in SE*" below). In particular, SE is the largest electricity generator in the country and the second largest in Central & Eastern Europe, according to the ENEL Group's estimates, with an installed capacity of more than 4 GW. Active on the Romanian market since 2005, ENEL is currently the country's largest private

investor in energy, with operations in power distribution and supply as well as renewable energy production. In Romania, the ENEL Group has more than 3,100 employees and, through its distribution network, serves 2.7 million customers in three key areas of the country (Muntenia Sud, including Bucharest, Banat and Dobrogea), accounting for one third of Romania's electricity distribution market, and it is active in managing renewable generation plants through EGP. In Russia, the ENEL Group is active in the generation sector – where its subsidiary ENEL Russia controls nearly 9 GW of installed thermoelectric capacity – as well as in the retail sector, where the Group owns 49.5 per cent. of RusEnergosbyt, one of the largest independent suppliers in the country, according to the ENEL Group's estimates. In France, the ENEL Group operates through ENEL France which is one of the main alternative providers on the French market, specialized in electricity supply to industrial and tertiary large companies ENEL France provides also a full range of services including energy efficiency (white certificates, energy audit, green energy) and decision-making tools allowing users to control and perform energy consumption. Since 2012, the ENEL Group has been operating also in Belgium by producing electricity with a combined cycle gas turbine of 406 MW in Marchienne-au-Pont, near Charleroi. In Greece, the ENEL Group operates through EGP which is active in managing renewable generation plants with 290 MW of installed wind capacity, solar and hydro power.

According to the Group's estimates, the ENEL Group is one the leading players in the Latin American power market where it has direct and indirect interests in the electricity generation, transmission and distribution business, and related areas. In particular, the ENEL Group operates through its subsidiaries in 5 countries (Argentina, Brazil, Chile, Colombia and Peru), with nearly 17 GW of installed capacity from thermal, hydro and other renewable power plants and serves 15.1 million customers. In the generation sector, it owns and operates 4.4 GW in Argentina, 1.0 GW in Brazil, 6.3 GW in Chile, 3.4 GW in Colombia and 1.9 GW in Peru. In the distribution sector, the ENEL Group is present in the Brazilian states of Ceará and Rio de Janeiro and in four of the largest cities in South America: Bogota, Buenos Aires, Santiago and Lima. In the transmission sector, it operates an interconnection power line between Brazil and Argentina. In addition, Chile and Brazil, along with Costa Rica, Guatemala, Panama, Uruguay and Mexico host approximately 2.2 GW of wind, PV and hydroelectric plants operated by ENEL Green Power Latin America.

In North America, ENEL Green Power North America, Inc. ("**EGP-NA**"), a subsidiary of EGP, is a leading owner and operator of renewable energy plants with projects operating and under development in 21 U.S. States and two Canadian provinces. EGP-NA owns and operates over 90 plants with an installed capacity exceeding 2 GW powered by renewable hydropower, wind, geothermal, and solar energy. EGP-NA employs approximately 350 people in North America with strong technical and financial expertise.

In Africa, the ENEL Group is active in the upstream gas sector, developing gas fields in Algeria and Egypt. ENEL also operates a thermal power plant in Morocco through Endesa. In South Africa, it owns and operates Upington (10 MW), the ENEL Group's first solar photovoltaic plant in such country, and it has recently started the construction of the 111 MW Gibson Bay and 88 MW Nojoli wind farms, as well as the Aurora, Paleisheweul (both 82.5 MW) and Tom Burke (66 MW) solar photovoltaic plants.

Following the acquisition of the majority stake in BLP Energy ("**BLP**") (for further information in this respect, see "*– Recent significant transactions and events in 2015 and in the beginning of 2016 – Acquisition of BLP Energy*" below), the ENEL Group has entered the Indian renewable energy markets. BLP, which is one of the leading companies in the renewable market in India, currently owns and operates wind plants in the states of Gujarat and Maharashtra with a total installed capacity of 172 MW and total annual production of approximately 340 GWh.

Reorganisation of operations in the Iberian Peninsula and in Latin America

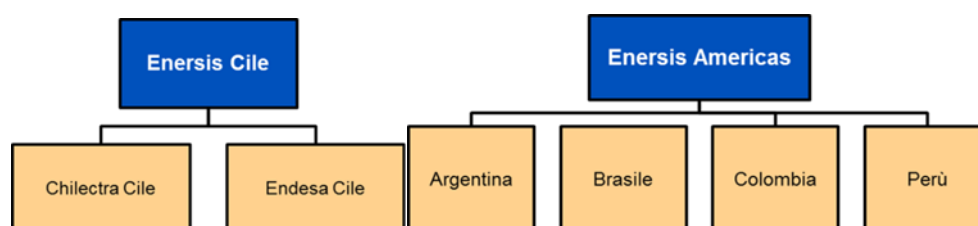
On 30 July 2014, the Board of Directors of ENEL approved a plan aimed at reorganising the operations in the Regions "Iberian Peninsula" and "Latin America". The main projects are as follows:

- to align the corporate structure with the New Organizational Structure of the Group (as defined below), simplifying the chain of control of the companies operating in Latin America and creating the conditions for optimising the ENEL Group’s cash flows; and
- to focus the operations of Endesa as a leading company in energy markets in the Iberian Peninsula through a new business plan focused on the development of current business platforms and leveraging the competitiveness of the Group’s operations in Spain and Portugal.

In this connection, on 22 April 2015, the Board of Directors of ENEL passed a resolution allowing the then named Enersis S.A. (“**Enersis**”, now Enersis Americas S.A., “**Enersis Americas**”) and its subsidiaries, Empresa Nacional de Electricidad S.A. (“**Endesa Chile**”) and Chilectra S.A. (“**Chilectra**”), to commence a corporate reorganisation aimed at separating power generation and distribution activities carried out in Chile from those carried out in the other Latin America countries. The reorganisation is aimed at reducing a number of duplications and overlaps among the companies consolidated in Enersis, which represent an obstacle for the full valuation of the related assets for all shareholders and making the decision-making process more complex. In this respect, on 28 July 2015, upon completion of the analysis of the abovementioned reorganisation, the Board of Directors of Enersis, Endesa Chile and Chilectra agreed upon and approved the following extraordinary transactions to be carried out to implement such reorganisation:

- the partial demerger of Endesa Chile and Chilectra, through the assignment of all of their respective assets and liabilities held in the Latin American countries, other than Chile, in favour of two newly established companies, Endesa Americas S.A. (“**Endesa Americas**”) and Chilectra America S.A. (“**Chilectra Americas**”);
- the partial demerger of Enersis, by assigning all the relevant assets and liabilities held in Chile (including, *inter alia*, the equity interests held in Endesa Chile and Chilectra), in favour of the newly established company Enersis Chile. In addition, Enersis shall be renamed Enersis Americas and shall own all the assets and liabilities held in the other Latin American countries (including the equity interests in the abovementioned newly established companies, Endesa Americas and Chilectra America); and
- the merger by way of incorporation of Endesa Americas and Chilectra Americas into Enersis Americas. The latter, upon completion of the merger, shall own all the equity interests held by the Enersis group in the Latin American countries, other than Chile.

The chart below shows the corporate structure of the Latin America activities, following the completion of the abovementioned extraordinary transactions:



On 18 December 2015, the extraordinary shareholders’ meetings of Enersis, Endesa Chile and Chilectra approved the first phase of the above corporate reorganization involving the partial demergers of Enersis, Endesa Chile and Chilectra. The demergers were then carried out with effect from 1 February 2016 and the final phase of the corporate reorganization is expected to be completed by the end of the third quarter of 2016.

For further information on the final phase of the above reorganisation, see also “*Recent Developments – ENEL Group launches final phase of corporate reorganisation in Latin America*” below.

Reorganisation of the renewable energy business

Integration of ENEL and EGP

In accordance with the ENEL’s Strategic Plan (see also “*Strategy*” below), on 17 November 2015, the Boards of Directors of ENEL and EGP approved the integration of the renewable energy business within the ENEL Group (the “**EGP Integration**”). The EGP Integration envisaged:

- (A) the assignment by EGP to ENEL of certain assets essentially represented by (i) the 100 per cent. equity interest held by EGP in ENEL Green Power International BV (“**EGP International**”), a Dutch holding company that holds investments in companies operating in the renewable energy sector in North, Central and South America, Europe, South Africa and India; and (ii) the assets, liabilities, contracts and other legal relationships associated with those investments (the “**Demerged Assets**”); and
- (B) the retention by EGP of all remaining assets and liabilities other than those that are part of the Demerged Assets (and thus, essentially, all Italian operations and a small number of remaining foreign investments).

On 11 January 2016, the Extraordinary Shareholders’ Meetings of ENEL and EGP approved the EGP Integration. The EGP Integration was carried out on 25 March 2016 and became effective as of 31 March 2016.

Upon completion of the EGP Integration, (i) the shareholders of EGP other than ENEL exchanged all the shares they held in EGP (amounting to 1,570,621,711 EGP shares) with newly issued ENEL ordinary shares on the basis of the exchange ratio of 0.486 newly issued ENEL ordinary shares for each EGP share tendered for exchange, with no cash adjustments, and (ii) ENEL exchanged the shares corresponding to its equity interest in the Demerged Assets (amounting to 2,069,378,289 EGP shares) with a total of 1,005,717,849 ENEL ordinary shares, which were immediately cancelled in accordance with Article 2504-ter, paragraph 2, and Article 2506-ter, paragraph 5, of the Italian Civil Code. Therefore, following the issuance of 763,322,151 new ENEL ordinary shares allotted to EGP shareholders other than ENEL, the share capital of ENEL was increased by a total nominal amount of €763,322,151 and is therefore currently equal to €10,166,679,946, fully subscribed and paid-up, represented by 10,166,679,946 ordinary shares with a par value of €1.00 each.

EGP shares were traded on the Mercato Telematico Azionario, the stock exchange organised and operated by Borsa Italiana S.p.A. (“**MTA**”) until the market close of 31 March 2016 and on the Spanish continuous electronic trading system (Sistema de Interconexión Bursátil, SIBE) until market close of 30 March 2016, while trading of the newly issued ENEL ordinary shares began on the MTA on 1 April 2016.

Cross-border merger of EGP International into EGP

In May 2016 the Boards of Directors of EGP and EGP International approved the common proposal on the cross border merger of the two companies. Following such merger, EGP will hold all the foreign participations owned by EGP International. The new structure that will result from the implementation of the cross border merger is part of the wider project of the ENEL Group consisting in the global reorganisation and allocation of the participations held in the foreign companies that operate in the renewable energy business. To this aim, through the merger EGP is expected to pursue greater efficiency in terms of costs reduction and organizational structure.

ENEL's new corporate identity

On 26 January 2016, the ENEL Group's unveiled the new global corporate brand identity at the headquarters of the Endesa subsidiary in Madrid. The new global corporate brand identity represents the pursuit of the "Open Power" strategy (the "**Open Power Strategy**"), as announced and presented at the Group's Capital Markets Day in London in November 2015. The Open Power Strategy is founded on the concept of "openness" which is the keystone of the strategic and operational approach of the ENEL Group and thus makes the ENEL Group an innovative, sustainable and forward-looking group that works to expand and enlarge the technology content of all its operations, in order to achieve security of supply and to improve energy services globally. More specifically, the Open Power Strategy seeks to:

- open access to electricity for more people;
- open the world of energy to new technology;
- open energy management to individuals;
- open power to new uses;
- open up to new partnerships.

The new brand strategy is aimed at conveying the image of ENEL as a modern, open, flexible, responsive utility capable of leading the energy transition. The ENEL Group has introduced a colorful new visual system – which includes the logos – that reflects the flexible and dynamic principles of the Open Power Strategy. The new visual identity and the new logo are composed of a rich palette of color to reflect the variety of the energy spectrum, the multifaceted nature of the ENEL Group, which is present in more than 30 countries, and the growing diversification of the services offered by the ENEL Group in a global energy system.

As part of the rebranding, the ENEL Group unveiled also the new logos of Endesa and EGP as well as the new corporate website Enel.com, a site focused on users and access via mobile applications. The updating of the ENEL Group's global online presence will be completed over the course of 2016.

STRATEGY

The 2016-2019 Strategic Plan, which is built on the previous one presented in March 2015, is mainly aimed at accelerating value creation across the four strategic pillars, with the addition of "Group Simplification" a fifth focus area. Such plan contains the strategic priorities and growth objectives of the ENEL Group for the upcoming four years. More specifically, it is characterised by the following strategic guidelines:

- Operational efficiency

The Group has increased its savings target to € 1.8 billion up to 2019, through:

- A careful reduction in maintenance capex, achieving savings of € 0.8 billion through technology best practices, improving efficiencies in maintenance across the portfolio. These efficiencies are expected to create savings on opex.
- An enhanced opex reduction target for 2019 of € 1 billion, from € 9.3 billion in 2014 to € 8.3 billion in 2019. Efficiency gains are expected to stem from Renewables, Networks and Conventional Generation technologies, as well as from headcount reduction and technical optimisation, through the closure of inefficient plants and network digitalisation.

- Industrial growth

A key feature of the updated growth strategy is rebalanced growth capex, which is planned to increase by € 2.7 billion to € 17 billion over the 2016-2019 period, with a shift towards a lower overall technology and geography business risk profile. The Group has a large and diversified pipeline of mid and small sized projects, offering flexibility and optionality in the deployment of capex, in order to maximise returns. In addition, the project pipeline shows a shorter time to EBITDA (on average below two years), supporting improved self-financing through cash flow acceleration.

Over the 2016-2019 period, about 95 per cent. of the new growth capex will be devoted to low risk, stable return businesses, such as renewable and conventional generation under power purchase agreements (“PPAs”), and networks. A 30 per cent. increase in investment is planned in Italy, where the roll out of the second generation smart meter will be brought forward and is expected to deliver a fair regulated rate of return.

- Group simplification

The first step in simplifying the Group’s corporate structure to enhance operational efficiency and reduce complexity was the reorganisation of Endesa finalised at the end of 2014, creating a pure-play Iberian business. ENEL’s management has now taken further steps to continue with this process, proposing (i) the full integration of ENEL Green Power, and its generation portfolio, and (ii) the reorganisation of Latin American operations.

The proposed full integration of ENEL Green Power into ENEL, is expected to deliver a number of benefits, including:

- An acceleration in the pace of growth in the renewable business;
- A faster introduction across all units of the ENEL Group of best practices established and proven in ENEL Green Power, resulting in increased cost efficiencies;
- Optimised asset base and reduced volatility in energy production, improving price competitiveness;
- Greater integration between networks and renewable energy generation, opening up new business opportunities as distributed generation increases its prevalence, demanding more sophisticated energy management systems;
- An enhanced retail offering, developing smart, integrated, green solutions for customers to optimise their energy consumption.

The reorganisation of the Group’s Latin American operations, which involves the spin-off of Enersis’ Chilean operations from those in the rest of Latin America, followed by the subsequent merger of the non-Chilean entities into Enersis Americas. The overall reorganisation should create the following benefits:

- Simplified governance, resulting in a more efficient decision-making process and operational management;
- Tailored approaches to the Chilean market (low risk, stable regulatory regime, market maturity, high cash flow) and the rest of Latin America (higher volatility, higher forecast demand growth, significant growth investment pipeline);
- About € 360-380 million yearly efficiency savings by 2019; and

- Reduction of multiple minority cross-shareholdings between Enersis, Endesa Chile and Chilectra.
- Active portfolio management
Under the accelerated 2016-2019 Strategic Plan, the asset rotation target has been increased to about € 6 billion, from € 5 billion in the previous plan. The programme of disposals and reinvestment of capital is already providing value creation by accelerating the strategic repositioning of the Group, reducing business risk profile and driving higher returns by funding additional capex for strategic priority investments, such as in networks in Europe and in renewables worldwide. Furthermore, it is predicted that the proceeds of portfolio management initiatives could support Group simplification initiatives.
- Shareholders' remuneration
The 2016-2019 Strategic Plan confirms new dividend policy announced in March 2015 which is expected to provide certainty in the short-term, and a significant upside potential in the medium term. In particular, the payout ratio is expected to increase by five percentage points every year to reach 65 per cent. in 2018.

RECENT SIGNIFICANT TRANSACTIONS AND EVENTS IN 2015 AND IN THE BEGINNING OF 2016

A summary of ENEL's most recent and significant transactions, including acquisitions, joint ventures and disposals is described below.

Disposal of SF Energy

On 29 January 2015, ENEL Produzione sold the equity interest held in SF Energy at a price of €55 million. Of the entire stake, 50 per cent. was sold to SEL - Società Elettrica Altoatesina (currently Alperia S.p.A.), while the remaining 50 per cent. was sold to Dolomiti Energia.

Disposal of equity interest in SE Hydropower

On 15 April 2015, ENEL Produzione sold the equity interest held in SE Hydropower S.r.l., representing 40 per cent. of its corporate capital, to SEL – Società Elettrica Altoatesina S.p.A. (currently, Alperia S.p.A.) for a total consideration of € 345 million.

Acquisition of BLP Energy

On 24 September 2015, EGP acquired a majority equity interest in BLP Energy (“**BLP**”), a multi-utility company active in the wind and solar markets in India, for a total consideration of € 30 million.

BLP, a company wholly owned by Bharat Light & Power Pvt Ltd, is one of the leading companies in the renewables market in India, owning and managing wind plants in the States of Gujarat and Maharashtra with a total installed capacity of 172 MW and a total annual production of approximately 340 GWh. The company also has a pipeline of about 600 MW of wind projects at various stages of development.

Enel starts production at El Quimbo

On 13 October 2015, Emgesa S.A. ESP started production at the El Quimbo hydropower plant in Colombia. The plant, located in the region of Huila (about 350 kilometres southwest of Bogota), has an installed capacity of 400 MW and is powered by hydropower energy of the Magdalena, the country's largest river. The plant is expected to produce about 2.2 TWh per year (approximately 4% of the country's electricity demand).

Sale of the Porto Marghera site

On 2 November 2015, ENEL sold the Porto Marghera plant. The coal-fired Giuseppe Volpi thermal power station, which has been largely inactive for the past three years, has been sold together with the surrounding area to three companies already operating in the port logistics, structural metalworking and plant engineering industries: Porto Invest, Simic and CITI.

Disposal of all renewables assets in Portugal

In line with the ENEL's strategy aimed at optimising its portfolio, on 26 November 2015, EGPE sold the entire equity interest held in Finerge Gestão de Projectos Energéticos SA ("**Finerge Gestão**"), a wholly-owned EGPE subsidiary operating wind farms in Portugal with a net installed capacity of 642 MW, equivalent to a gross capacity of 863 MW, to the Portuguese company First State Wind Energy Investments SA ("**First State Wind Energy Investments**"), a Portuguese company wholly owned by funds managed by First State Investments. The total consideration for the sale was equal to €900 million, including the repayment of a shareholder loan to Finerge Gestão.

As of the effective date of the disposal, the ENEL Group has exited the Portuguese renewables market.

Agreement to dispose of Slovenské elektrárne

On 18 December 2015, ENEL Produzione entered into an agreement with EP Slovakia BV for the sale of the equity interest held by ENEL Produzione in SE, equal to 66 per cent. of the latter's share capital. Pursuant to such agreement, the sale will be executed by way of a transfer of ENEL Produzione's entire equity interest in SE to the newly established company SPH, and the subsequent sale to EP Slovakia of 100 per cent. of the share capital of SPH.

In particular, the sale of the entire share capital of SPH to EP Slovakia shall be implemented in two phases. In the first phase, ENEL Produzione will sell 50 per cent. of SPH's share capital to EP Slovakia for a consideration of €375 million, of which €150 million will be paid upon the closing of the first phase, and €225 million will be paid upon the closing of the second phase. In the second phase, a put or a call option can be exercised respectively by ENEL Produzione or by EP Slovakia, 12 months after receiving the Trial Operation Permit of units 3 and 4 of the Mochovce nuclear power plant, which are currently under construction. On the basis of the current work plan these options are expected to become exercisable within the first half of 2019. Upon exercise of either option, ENEL Produzione would transfer the remaining 50 per cent. of the SPH's share capital to EP Slovakia for a consideration of €375 million. The closing of the second phase is subject to obtaining the Final Operation Permit for Mochovce's units 3 and 4. The total consideration payable over the two phases, equal to €750 million, is subject to an adjustment mechanism. Any adjustment will be calculated by independent experts and applied upon completion of the second phase on the basis of a set of parameters, including the evolution of the net financial position of SE, developments in energy prices in the Slovakian market, operating efficiency levels at SE as measured against benchmarks specified in the agreement, and the enterprise value of units 3 and 4 of Mochovce.

The agreement also provides that, should the options not become exercisable under the above timetable, these options could be in any case exercisable starting from 30 June 2022. The closing of the transaction is also subject to clearance from the EU's antitrust authorities. For further information see "Recent Developments – ENEL closes disposal to EPH of 50 per cent. of stake in SE" below.

Creation of photovoltaic joint venture in Italy

On 22 December 2015, EGP and F2i SGR S.p.A. ("**F2i**"), acting on behalf of F2i – Fondo italiano per le infrastrutture, together with their subsidiaries ENEL Green Power Solar Energy S.r.l. and F2i Energie Rinnovabili S.r.l. ("**F2i Energie Rinnovabili**"), created an equally held joint venture, following up on the agreement signed and announced on 16 October 2015.

The new joint venture, which seeks to become the photovoltaic market leader in Italy by aggregating operating photovoltaic solar plants owned by different financial institutions and private operators, thus started to operate with a portfolio of 207 MW of installed capacity, of which 102 MW were contributed by EGP and 105 MW by F2i.

The closing of the transaction was completed following satisfaction of the conditions precedent provided for in the agreement signed by the parties on 16 October 2015, including approval by the competent EU antitrust authorities. The enterprise value of the EGP assets amounted to about €234 million and that of the F2i assets to about €282 million, with respective equity values of about €91 million, net of minorities, and about €111 million. Accordingly, EGP, in order to ensure equal participation in the joint venture, made a cash contribution of about €20 million.

Framework agreement with Bank of China and SINOSURE

On 20 January 2016, ENEL, Bank of China (a leader in the Chinese banking sector as well as the most internationalized and diversified bank in China), and the China Export & Credit Insurance Corporation (“SINOSURE”) entered into a non-binding framework agreement to promote the development by ENEL Group companies, in particular EGP of projects on a worldwide basis with the participation of Chinese companies acting as engineering, procurement and construction contractors and/or suppliers. Under the agreement, Bank of China will provide ENEL and its subsidiaries with a credit line of up to \$1 billion backed by SINOSURE. The framework agreement, which provides for the main terms and conditions of the facilities that can be granted, will remain in force for a period of five years, with the possibility of extension if mutually agreed by the parties.

Start-up program in Israel

On 10 February 2016, ENEL announced the launch of a technological support program for start-ups in Israel. Each year, up to eight start-ups will be selected from among key local companies, which will be able to benefit from a customized support program in collaboration with ENEL.

One of the program’s objectives – in addition to developing individual start-ups – is to establish a presence in Israel’s innovation ecosystem, one of the most advanced in the world, leveraging venture capital funds, universities and a collaboration with the Office of the “Chief Scientist” of Israel’s Ministry of the Economy.

Memorandum of understanding between architects and ENEL Energia

On 17 February 2016, ENEL Energia signed a memorandum of understanding with the National Council of Architects, Planners, Landscape Architects and Conservators. The memorandum is intended to promote the energy upgrading of buildings and the architectural quality of the solutions. It also seeks to foster joint policies and actions and propose legislation to raise the quality of the installation of efficient technologies, ensure environmental benefits and dignity and, at the same time, generate savings for the public.

The memorandum sets out a collaborative program to encourage and develop approaches to integration and cooperation. ENEL Energia will provide Italian architects with permanent ongoing training initiatives – compliant with the rules governing life-long training of the National Council of Architects – in order to keep them up to date on innovation in efficient residential technologies, their characteristics, benefits and key installation and permitting issues.

EGP wins renewables tender in Peru

On 18 February 2016, EGP, acting through its subsidiary ENEL Green Power Peru, was awarded the right to sign 20-year energy supply contracts for 126 MW wind power, 180 MW solar PV and 20 MW of hydro capacity following the renewable tender launched by the Peruvian government through the energy regulator OSINERGMIN. With 326 MW awarded in the tender, the ENEL Group is expected to become by 2018 the

main renewable player in Peru and the only company operating plants of three different renewable technologies in the country.

The 20-year supply contracts provide for the sale of specified volumes of energy generated by the plants. Nazca wind project will be built in the Marcona district, which is located in Peru's southern coastal area, more specifically in the Ica department, an area blessed by high level of wind resources. This project, with a total installed capacity of 126 MW, once up and running, should generate approximately 600 GWh per year, while avoiding the emission of around 370,000 metric tons of carbon dioxide into the atmosphere. The 180 MW Rubi photovoltaic project will be built in the Moquegua district, which is located in Peru's southern area, more specifically in the Moquegua department, an area which enjoys high levels of solar radiation. Once up and running, the solar facility should generate approximately 440 GWh per year, avoiding the emission of around 270,000 metric tons of carbon dioxide into the atmosphere. The hydro project Ayanunga, whose capacity amounts to an approximate 20 MW, will be built in the Monzón district, which is located in Peru's central area, more specifically in the Huánuco department. Once up and running, the hydro plant should generate annually approximately 140 GWh, while avoiding the emission of around 109,000 metric tons of carbon dioxide into the atmosphere.

Disposal of Hydro Dolomiti Enel

On 29 February 2016, ENEL Produzione sold its entire 49 per cent. equity interest in Hydro Dolomiti Enel S.r.l. ("HDE") to Fedaia Holdings, a Luxembourg-based subsidiary of Macquarie European Infrastructure Fund 4 ("MEIF4"), managed by Macquarie Infrastructure and Real Assets, for a total consideration of €335.4 million, in line with the agreement signed on 13 November 2015 between ENEL Produzione and Fedaia Holdings. The completion of the transaction followed clearance from the EU antitrust authority, which was the final outstanding condition precedent provided for in the sale agreement.

EGP wins preferred bidder status in Morocco

On 10 March 2016, EGP, in consortium with the Moroccan energy company Nareva Holding ("Nareva") and the German wind turbine manufacturer Siemens Wind Power, was awarded preferred bidder status in the "2nd phase of the wind integrated project" tender held by the Moroccan utility ONEE (*Office National de l'Electricité et de l'Eau Potable*). The consortium was therefore pre-awarded the right to develop, design, finance, build, operate and maintain five wind projects in Morocco with a total capacity of 850 MW. Of the five projects, Midelt (150 MW), Tanger (100 MW) and Jbel Lahdid (200 MW) are located in northern Morocco, while Tiskrad (300 MW) and Boujdour (100 MW) are located in the country's south.

EGP and Nareva will establish and own five companies holding the projects, while Siemens Wind Power will provide the wind turbines, with several components manufactured locally.

The wind farms are expected to be completed and enter operation between 2017 and 2020. In line with the tender rules, the power generated by the five wind farms will be sold to ONEE under 20-year PPAs.

Operation Open Fiber

On 23 March 2016, the Board of Directors of ENEL examined and discussed the strategic plan of ENEL OpEn Fiber S.p.A. ("EOF"), the company established by ENEL in December 2015 to build and operate ultra-broadband optical fiber infrastructure across Italy.

EOF will operate as a wholesale-only player (i.e. only on the wholesale market) and will build infrastructure for other licensed operators.

The EOF plan, in line with the European Digital Agenda and the Italian strategy for ultra-broadband, provides for EOF to build in through several steps the optical fiber telecommunications network in 224 Italian

municipalities, in successful market areas (known as clusters A and B). This network will be built entirely of optical fiber brought right up to the customer's home, in FTTH mode (fiber to the home).

In the early years of the plan, very high speed connections are expected to reach some 7.5 million homes, helping Italy to bridge its digital divide.

ENEL's Board of Directors also discussed a letter of intent between EOF, Vodafone and Wind, which seeks, in a series of steps, to define a strategic and commercial partnership for the development of the ultra-broadband telecommunications network across Italy. Subsequently, exclusive negotiations were begun between ENEL and F2i and CDP Equity S.p.A. / FSI Investimenti S.p.A., shareholders of Metroweb Italia SpA ("**Metroweb**"), for the possible business integration of EOF and Metroweb. For further information on the acquisition of Metroweb see "*Recent Developments – ENEL accelerates on broadband with Metroweb acquisition*" below.

Acquisition of 40% of a number of wind farms in Calabria

On 3 May 2016, EGP, which already owned 60 per cent. of Maicor Wind, acquired the remaining 40 per cent. of the company from PLT Energia S.p.A., thus becoming the sole shareholder of a company that owns two wind farms in Calabria with a total installed capacity of 64 MW. The two plants, which have been in operation since 2011, are located in the municipalities of Maida, Cortale (56 MW) and San Floro (8 MW) in the province of Catanzaro.

ENEL enters Zambia with the award of 34 MW of photovoltaic capacity in a public tender

On 14 June 2016, ENEL, acting through EGP, was awarded the right to develop, finance, build and operate a 34 MW PV solar project in Zambia following the Scaling Solar program first round tender launched by the state-owned investment holding company Industrial Development Corporation Limited ("**IDC**"). Mosi-oa-Tunya, which is located in Lusaka South Multi-Facility Economic Zone in southern Zambia, marks the entry of ENEL in the country's renewables market.

The project will be supported by a 25-year PPA for the sale of all the electricity generated by the plant to the state-owned utility ZESCO. The project, which will be owned by a special purpose vehicle in which IDC will maintain a 20% minority stake in line with the tender rules, is expected to enter into operation in the 2nd Quarter of 2017 and will generate around 70 GWh per year.

ENEL and DCNS inaugurate marine energy research and innovation center in Chile

On 17 June 2016, ENEL, acting through its subsidiary ENEL Green Power Chile Ltda. ("**EGPC**"), and the French industrial group DCNS, inaugurated the Marine Energy Research and Innovation Center ("**MERIC**") in the presence of Chile's Energy Minister. MERIC is a groundbreaking global center of marine energy R&D excellence in Chile supported by the Chilean government's economic development organization CORFO (*Corporación de Fomento de la Producción*).

The inauguration marked the start of MERIC's first line of work, which will focus on the analysis of bio-fouling and environmental impact of marine energy. The research activity will be carried out at the marine research laboratory of Pontificia Universidad Católica de Chile ECIM (*Estación Costera de Investigaciones Marinas*) located in Las Cruces, in Valparaíso region.

ENEL presents ENEL Open Meter, the new electronic meter

On 27 June 2016, ENEL presented the ENEL Open Meter at the *Triennale di Milano*. The second generation (2.0) smart meter is one of the key elements of the Open Power Strategy, a process of renewal towards a concept of power that is open, accessible, technologically advanced and sustainable.

Starting next autumn, the new meter will be installed in 32 million homes and businesses, and will replace the first generation electronic meter, which in turn took the place of the old electromechanical device starting in 2001.

The second generation meter is the result of a process that reflects recent developments in the market and technology in the field of metering and remote management. ENEL Open Meter complies with the specifications for new meters set out in Resolution no. 87/2016 of the Authority for Electricity, Gas and the Water System, which also established a set of performance indicators.

The innovative features of the new smart meter include faster changes of supply, the elimination of fixed time bands and the availability of data on electricity use for greater savings. The measurement of customer data every 15 minutes, for example, provides a much more timely picture of daily power use and the consumption behavior of customers, who are increasingly aware of how they use electricity and alert to opportunities for achieving greater energy efficiency.

ENEL and China's BYD join forces on e-buses and energy storage

On 28 June 2016, ENEL entered into a global framework cooperation agreement with the Chinese corporation BYD, a leading electric vehicle and lithium battery manufacturer, for the worldwide development of joint projects in electric mobility and energy storage.

The agreement, signed in the Chinese city of Shenzhen, will pave the way for possible cooperation projects targeting electric buses and other transport services, as well as residential, commercial and industrial applications based on BYD's lithium batteries.

Regarding electric mobility, ENEL and BYD have agreed to leverage on the technological solutions developed by both companies in vehicle charging and electric mobility, as well as to explore integrated solutions and synergies for a possible joint offer to any interested municipalities in the areas where ENEL or BYD are present. Furthermore, ENEL and BYD will jointly explore financing opportunities in order to sell turnkey solutions composed of BYD electric buses and ENEL's charging infrastructure stations and electricity supply.

In the energy storage field, ENEL and BYD have agreed to evaluate business opportunities in markets of interest, using BYD technology and solutions for applications for residential, commercial and industrial purposes.

For further information on main changes in the scope of consolidation related to, *inter alia*, the above corporate transactions, see also Note 2 on pages 103-105 of ENEL's unaudited interim financial report as at and for the six-month period ended 30 June 2016.

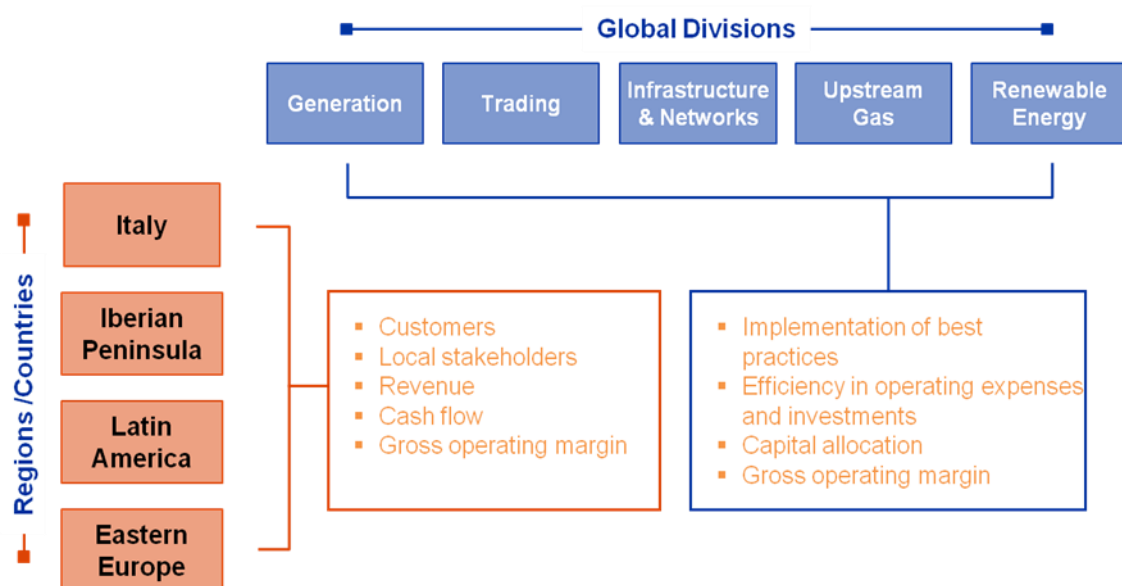
THE ENEL GROUP

THE ORGANISATIONAL STRUCTURE

The new organisational structure of the ENEL Group

On 31 July 2014, the ENEL Group adopted a new organisational structure (the “**New Organisational Structure**”), which is based on a matrix of divisions and geographical areas and is focused on the industrial objectives of the ENEL Group, with a clear specification of roles and responsibilities aimed at:

- pursuing and maintaining technological leadership in the sectors in which the ENEL Group operates, thus ensuring operational excellence;
- maximising the level of service offered to customers in local markets.



As a result of the adoption of the New Organisational Structure, the ENEL Group will be able to reduce the complexity in the execution of management actions and the analysis of the key factors for value creation.

In particular, the New Organisational Structure of the ENEL Group is based on a matrix which includes:

- Divisions (Global Generation; Global Infrastructures and Networks; Renewable Energy; Global Trading; Upstream Gas), which are responsible for managing and developing assets, optimising their performance and the return on capital employed in the various geographical areas in which the Group operates. Global Divisions are also responsible for improving efficiency in managed processes as well as sharing best practices globally. The ENEL Group will benefit from a centralised industrial overview on projects carried out under the different business lines. Any single project will be evaluated on its financial return as well as taking into account the best available technologies at ENEL Group level;
- Regions and Countries (Italy; Iberian Peninsula; Latin America; Eastern Europe), which are responsible for managing relationships with institutional bodies and regulatory authorities, as well as selling electricity and gas in each of the countries in which the ENEL Group is present, while also providing staff and other service support to the divisions;

The following functions provide support to ENEL Group's business operations:

- Global Service Functions (Procurement; ICT), which are responsible for managing information and communication technology activities and procurement at the ENEL Group level;
- Holding Company Functions (Administration, Finance and Control; Human Resources and Organisation; Communication; Legal and Corporate Affairs; Audit; European Affairs; Innovation and Sustainability), which are responsible for managing governance processes at the ENEL Group level.

The New Organisational Structure has replaced (with effect from 1 January 2015) the organisational structure adopted by the Group in February 2012 (for further information on the replaced operating model see "*The previous organisational structure of the ENEL Group*" below). The New Organisational Structure has modified (with effect from 1 January 2015) the reporting structure and the evaluation of economic and financial performance of the Group and, accordingly, the representation of the consolidated results of the Group. For further information on the main differences in the segment reporting between the two

organisational structures see *“The new/previous organisational structure – Main differences in the segment reporting”* below.

Subsequent amendments to the New Organisational Structure

The New Organizational Structure described above was modified on 8 April 2016, partly in relation to the EGP Integration. More specifically, the main organisational changes include:

- The reorganisation of the ENEL Group’s geographical presence, with a focus on the countries that represent new business opportunities around the world and in which the ENEL Group’s presence was established through EGP. The ENEL Group has therefore shifted from a matrix of four geographical areas to one with six such areas. The structure retains the Country “Italy” and the areas “Iberia” and “Latin America”, while the Eastern Europe area has been expanded into the “Europe and North Africa” area. Two new geographical areas have also been created: “North and Central America” and “Sub-Saharan Africa and Asia”. These six areas will continue to maintain a presence and integrate businesses at the local level, seeking to foster the development of all segments of the value chain. At the geographical level, in countries in which the ENEL Group operates in both the conventional and renewable generation businesses, the position of Country Manager will be unified;
- The convergence of the entire hydroelectric business within the Renewable Energy division; and
- The integrated management of dispatching of all renewable and thermal generation plants by Energy Management at the Country level in accordance with the guidelines established by the Global Trading division.

In the forthcoming months, the new organization will be implemented progressively in the ENEL Group’s Countries, beginning with Italy, with the consequent adjustment of operating segment reporting.

The previous organisational structure of the ENEL Group

On February 2012, the Group adopted an organisational structure that was expected to enhance operational flexibility (the **“2012 Organisational Structure”**).

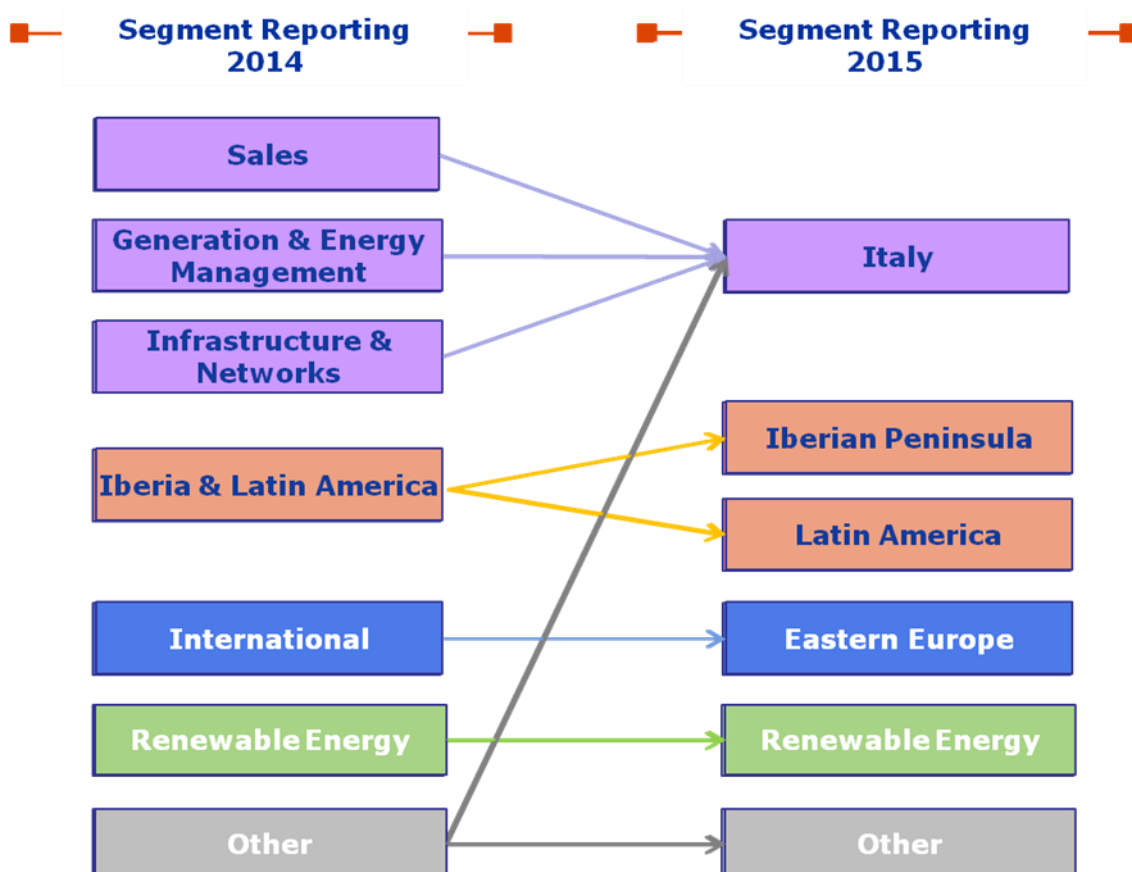
In particular, such organisational structure, which was in operation up to 31 December 2014, was structured as follows:

- Holding Company Functions, which were responsible for managing and controlling strategic activities on behalf of the Group;
- Global Service Functions, which were responsible for providing services to the Group, maximizing synergies and economies of scale;
- Business Lines, which comprised six divisions: “Generation, Energy Management and Sales Italy” (formerly separated in “Sales” and “Generation and Energy Management”), “Infrastructure and Networks”, “Iberia and Latin America”, “International”, “Renewable Energy” and “Engineering and Research”. In addition, there were certain corporate functions dedicated to specific businesses (the Upstream Gas Functions, which pursued selective vertical integration to increase the competitiveness, security and flexibility of strategic procurement to meet ENEL’s gas requirements, and the Carbon Strategy Functions, which operated in the world’s carbon dioxide certificate markets).

The new/previous organisational structure – Main differences in the segment reporting

Leaving aside certain movements of minor companies, the main differences between the New Organisational Structure and the 2012 Organisational Structure relate to the segment reporting as follows:

- the “Sales”, “Generation and Energy Management” and “Infrastructure and Networks” divisions provided under the 2012 Organisational Structure, mainly operating in the Republic of Italy, are now gathering under the Country “Italy” introduced by the New Organisational Structure;
- the “Iberia and Latin America” division set forth by the 2012 Organisational Structure, is now divided into two different segments, the Regions “Iberian Peninsula” and the “America Latina”; in this respect, on 30 July 2014, the Board of Directors of ENEL approved a plan aimed at reorganising the operations in the Regions “Iberian Peninsula” and “Latin America”. The main projects are as follows:
 - to align the corporate structure with the New Organizational Structure of the Group, simplifying the chain of control of the companies operating in Latin America and creating the conditions for optimising the ENEL Group’s cash flows;
 - to focus the operations of Endesa as a leading company in energy markets in the Iberian Peninsula, through a new business plan focused on the development of current business platforms and leveraging the competitiveness of the Group’s operations in Spain and Portugal. (For further information see “*History and Development of ENEL –Reorganisation of operations in the Iberian Peninsula and in Latin America*” above).
- the “Services and Other Activities”, as per the 2012 Organisational Structure, carried out in the Republic of Italy are now included under the Country “Italy” introduced by the New Organisational Structure, rather than representing a residual segment.



The new/previous organisational structure – Summary results

In order to reflect the reporting structure provided by the New Organisational Structure implemented by the Group, performance by business area reported in the following tables and throughout this Base Prospectus

was determined by designating the Regions and Countries perspective as the “primary reporting segment”, with the exception of the Renewable Energy division which takes advantage from the centralised management by EGP and, as a consequence, it benefits from a greater autonomy than the other divisions. In addition, on the basis of the criteria established by IFRS 8 in terms of “management approach”, the possibility of simplifying disclosure associated with the materiality thresholds established by the same accounting principle has been taken into account. As a result, in addition to the effects of the elimination of transactions between segments, the “*Other, eliminations and adjustments*” segment reports data regarding ENEL and the Upstream Gas Functions.

The following tables set forth the ENEL Group’s revenues, operating income, operating margin and capital expenditures by operating segment (reflecting the New Organisational Structure described above), for the six months ended 30 June 2016, for the six months ended 30 June 2015 and for the year ended 31 December 2015.

Six months ended 30 June 2016⁽¹⁾

	Italy	Iberian Peninsula	Latin America	Eastern Europe	Renewable Energy	Other, eliminations and adjustments	Total
<i>Millions of euro</i>							
Revenue from third parties	16,797	8,983	4,967	2,111	1,266	26	34,150
Revenue from transactions with other segments	413	31	16	117	142	(719)	-
Total revenue	17,210	9,014	4,983	2,228	1,408	(693)	34,150
Net income/(expense) from commodity contracts measured at fair value	(121)	(18)	-	(8)	31	2	(114)
Gross operating margin	3,329	1,856	1,625	353	920	(30)	8,053
Depreciation, amortization and impairment losses	994	809	445	159	366	70	2,843
Operating income	2,335	1,047	1,180	194	554	(100)	5,210
Capital expenditure	642	396	585	82⁽²⁾	1,742	18	3,465

Notes:

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

(2) Does not include €249 million regarding units classified as “held for sale”

Six months ended 30 June 2015⁽¹⁾

	Italy	Iberian Peninsula	Latin America	Eastern Europe	Renewable Energy	Other, eliminations and adjustments	Total
<i>Millions of euro</i>							
Revenue from third parties	18,389	10,144	5,404	2,215	1,471	9	37,632
Revenue from transactions with other segments	489	55	2	159	122	(827)	-
Total revenue	18,878	10,199	5,406	2,374	1,593	(818)	37,632
Net income/(expense) from commodity contracts measured at fair value	102	69	(3)	3	1	4	176
Gross operating margin	3,141	1,969	1,437	392	1,078	(56)	7,961
Depreciation, amortization and impairment losses	1,002	810	489	181	381	14	2,877
Operating income	2,139	1,159	948	211	697	(70)	5,084
Capital expenditure	616⁽²⁾	356	791	85⁽³⁾	973	16	2,837

Notes

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

(2) Does not include €1 million regarding units classified as “held for sale”.

(3) Does not include €254 million regarding units classified as “held for sale”.

Year ended 31 December 2015⁽¹⁾

	Italy	Iberian Peninsula	Latin America	Eastern Europe	Renewable Energy	Other, eliminations and adjustments	Total
<i>Millions of euro</i>							
Revenue from third parties	38,155	19,644	10,599	4,488	2,747	25	75,658
Revenue from transactions with other segments	1,489	461	28	343	264	(2,585)	-
Total revenue	39,644	20,105	10,627	4,831	3,011	(2,560)	75,658
Net income/(expense) from commodity contracts measured at fair value	201	8	(4)	(17)	(25)	5	168
Gross operating margin	6,098	3,111	3,167	1,308	1,826	(213)	15,297
Depreciation, amortization and impairment losses	2,093	1,714	926	1,807	947	125	7,612
Operating income	4,005	1,397	2,241	(499)	879	(338)	7,685
Capital expenditure	1,562⁽²⁾	985	1,819	229⁽³⁾	2,466	52	7,113

Notes

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

(2) Does not include €1 million regarding units classified as “held for sale”.

(3) Does not include €648 million regarding units classified as “held for sale”.

The New Organisational Structure modified (with effect from 1 January 2015) the representation of the consolidated results of the ENEL Group, as described above. The following tables set forth the ENEL Group’s revenues, operating income, operating margin and capital expenditures by operating segment (reflecting the 2012 Organisational Structure, taking into account the provisions established by the IFRS 8 in relation to the “management approach”) for the year ended 31 December 2014.

Year ended 31 December 2014⁽¹⁾⁽²⁾

	Italy	Iberian Peninsula	Latin America	Eastern Europe	Renewable Energy	Other, eliminations and adjustments	Total
<i>Millions of euro</i>							
Revenue from third parties	37,679	20,766	9,645	4,928	2,662	111	75,791
Revenue from transactions with other segments	710	186	3	371	259	(1,529)	-
Total revenue	38,389	20,952	9,648	5,299	2,921	(1,418)	75,791
Net income/(expense) from commodity contracts measured at fair value	(185)	(111)	(3)	(1)	76	(1)	(225)
Gross operating margin	6,343	3,203	3,092	1,210	1,938	(29)	15,757
Depreciation, amortization and impairment losses	4,425	1,963	1,543	3,886	814	39	12,670
Operating income	1,918	1,240	1,549	(2,676)	1,124	(68)	3,087
Capital expenditure	1,460	993	1,609	936	1,658	45	6,701

Notes:

(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 year.

(2) The figures have been restated to enable comparison with the results for 2015, which are presented on the basis of the new organization of the Enel Group, which as from this year represents the basis for the planning, reporting and assessment of the performance and financial position of the Group, both internally by management and with respect to the financial community.

PRINCIPAL ACTIVITIES AND RESULTS BY REGIONS/COUNTRIES – GLOBAL BUSINESS DIVISIONS

Organisational Chart

The following organisational chart lists the principal legal entities operating in the ENEL Group's geographical areas established in accordance with the New Organisational Structure as of 30 June 2016.

ENEL is the holding company of the ENEL Group and therefore is dependent upon the business carried out by each of the entities within the ENEL Group.

Italy

e-distribuzione (formerly ENEL Distribuzione)

ENEL Energia

ENEL Produzione

ENEL Servizio Elettrico

ENEL Trade

ENEL.si

Nuove Energie

ENEL Open Fiber

Latin America

ENEL LatinoamericaGroup

Iberian peninsula

Endesa Group

Eastern Europe

ENEL Distributie Banat

ENEL Distributie Dobrogea

ENEL Distributie Muntenia

ENEL Energie

ENEL Energie Muntenia

ENEL Russia

ENEL Productie

ENEL Romania

ENEL Servicii Comune

ENEL Trade Croazia

ENEL Trade Romania

Marcinelle Energie

RusEnergosbyt

Slovenské elektrárne

Renewable Energy

ENEL Green Power Group

Other

ENEL S.p.A.

ENEL Finance International

ENEL Iberoamerica

ENEL Insurance N.V.

ENEL Ingegneria e Ricerca

ENEL Longanesi Development

In addition to ENEL, further 15 companies of the ENEL Group have their shares listed on the stock exchanges of, *inter alia*, Spain, Argentina, Brazil, Chile and Peru.

Italy – Operations

Following the adoption of the New Organisational Structure by the ENEL Group, the operating companies included in the Country “Italy” are mainly: (i) ENEL Distribuzione S.p.A., a joint stock company active in electricity distribution; (ii) ENEL Energia S.p.A. and ENEL Servizio Elettrico S.p.A., joint stock companies active in electricity sales; (iii) ENEL Produzione, a joint stock company active in power generation (iv) ENEL Trade S.p.A., a joint stock company active in electricity and gas trading and wholesale; (iv) Enel Ingegneria e Ricerca S.p.A. and Enel Italia S.r.l., a joint stock company and a limited liability company respectively, active in supporting services, engineering and development activities for the Group companies.

Since 30 June 2016, ENEL Distribuzione S.p.A., the ENEL Group company that operates the Italian electricity distribution grid, changed its name into e-distribuzione S.p.A. The change of denomination discharged the unbundling obligations provided by Resolution No. 296 of 22 June 2015 issued by the Italian Authority for Electricity, Gas and the Water System. More specifically, pursuant to such resolution operators in the electricity and gas sector shall maintain a functional separation between the brand, other distinguishing marks (including the company name) and communication policies of distribution companies and those of the companies selling energy which operate within the same group.

Net electricity generation

The ENEL Group, through the operation of its divisions, is the primary electricity producer in Italy.

The following table sets forth the net electricity production of the Country “Italy” for the six months ended 30 June 2016 and 30 June 2015.

	Six months ended 30 June			
	2016	2015	Change	
	<i>Millions of kWh (except %)</i>			
Thermal.....	17,291	20,761	(3,470)	-16.7%
Hydroelectric.....	5,603	6,630	(1,027)	-15.5%
Other resources.....	-	4	(4)	-
Total net generation.....	22,894	27,395	(4,501)	-16.4%

The following table sets forth the net electricity production of the Country “Italy” for the year ended 31 December 2015 and 31 December 2014.

	Year ended 31 December			
	2015	2014	Change	
	<i>Millions of kWh (except %)</i>			
Thermal.....	43,495	42,528	967	2.3%
Hydroelectric.....	11,939	15,861	(3,922)	-24.7%
Other resources.....	8	8	-	-
Total net generation.....	55,442	58,397	(2,955)	-5.1%
- of which Italy	55,442	57,707	(2,265)	-3.9%

- of which Belgium

-

690

(690)

-

Transport of electricity

The ENEL Group is the main distributor of electricity in Italy (with 109,846 kWh of electricity transported in the six months ended 30 June 2016, 226,569 kWh of electricity transported in 2015 and 222,975 kWh in 2014) and owns the main distribution network (extending 1,140,215 kilometres as of 31 December 2015).

The following table sets forth the volume of electricity transported through the network of the Country “Italy” for the six months ended 30 June 2016 and 30 June 2015.

Six months ended 30 June

	2016	2015	Change	
	<i>Millions of kWh (except %)</i>			
Electricity transported on ENEL’s distribution network ⁽¹⁾	109,846	110,202	(356)	-0.3%

Note

(1) The figure for 2015 takes account of a more accurate calculation of quantities transported

The following table sets forth the volume of electricity transported through the network of the Country “Italy” for the years ended 31 December 2015 and 31 December 2014.

Year ended 31 December

	2015	2014	Change	
	<i>Millions of kWh (except %)</i>			
Electricity transported on ENEL’s distribution network ⁽¹⁾	226,569	222,975	3,594	1.6%

Electricity Sales

Since 1 July 2007, in applying Legislative Decree No. 73/07, as subsequently converted into law by Law No. 215 of 3 August 2007, the Italian energy market has been deregulated and all end users can choose their supplier on the unregulated market.

Within the framework of deregulation, Legislative Decree No. 73/07 introduced certain alternative electricity supply services: (i) the Universal Service, with contractual conditions and rates established by the Authority for Electricity and Gas (the “**Authority**”), limited to residential customers and small business clients, which are supplied at a low voltage and which have not chosen their supplier on the unregulated market or were left deprived of a supply service; and (ii) the Last-Resort Service, providing predetermined rates to certain medium- and large-sized clients. For further details, see “*Regulation*” below.

The following table sets forth the electricity sales for the Country “Italy” on the free market, the regulated market and in total for the six months ended 30 June 2016 and 30 June 2015.

	Six months ended 30 June			
	2016	2015	Change	
	Millions of kWh (except %)			
Free market:				
- mass-market customers.....	12,828	12,326	502	4.1%
- business customers ⁽¹⁾	9,296	5,249	4,047	77.1%
- safeguard market customers.....	1,142	705	437	62.0%
Total free market.....	23,266	18,280	4,986	27.3%
Regulated market:				
- enhanced protection market customers.....	22,626	23,931	(1,305)	-5.5%
Total.....	45,892	42,211	3,681	8.7%

Note

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

The following table sets forth the electricity sales for the Country “Italy” on the free market, the regulated market and in total for the years ended 31 December 2015 and 31 December 2014.

	Year ended 31 December			
	2015	2014	Change	
	Millions of kWh (except %)			
Free market:				
- mass-market customers.....	25,933	25,148	785	3.1%
- business customers ⁽¹⁾	10,904	10,742	162	1.5%
- safeguard market customers.....	1,819	1,479	340	23.0%
Total free market.....	38,656	37,369	1,287	3.4%
Regulated market:				
- enhanced protection market customers.....	49,369	49,734	(365)	-0.7%
Total.....	88,025	87,103	922	1.1%

Note:

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

The ongoing process of liberalisation in the electricity market, started in 2007, has affected the composition of clients served by the ENEL Group in Italy. Specifically, there has been a reduction in the number of clients on the Universal Service and Last-Resort Service markets, while the number of clients on the unregulated market has increased, mainly due to the migration of mass-market clients (including residential customers and small business clients) to the unregulated market after 1 July 2007 (the date on which all clients became Eligible Clients).

Gas Sales

The following table sets forth the volume of gas sold in the Country “Italy” for the six months ended 30 June 2016 and 30 June 2015.

	Six months ended 30 June			
	2016	2015	Change	
	Millions of kWh (except %)			
- mass-market customers ⁽¹⁾	1,643	2,146	(503)	-23.4%
- business customers.....	984	306	678	-
Total	2,627	2,452	175	7.1%

Note

(1) Includes residential customers and microbusinesses

The following table sets forth the volume of gas sold in the Country “Italy” for the years ended 31 December 2015 and 31 December 2014.

	Year ended 31 December			
	2015	2014	Change	
	Millions of kWh (except %)			
- mass-market customers ⁽¹⁾	3,394	2,937	457	15.6%
- business customers.....	677	559	118	21.1%
Total	4,071	3,496	575	16.4%

Note

(1) Includes residential customers and microbusinesses

Italy – Performance

The following table sets forth the Country “Italy” revenues, operating income, operating margin and capital expenditures for the six months ended 30 June 2016 and 30 June 2015.

Six months ended 30 June

	2016	2015	Change	
	<i>Millions of kWh (except %)</i>			
Revenue.....	17,210	18,878	(1,668)	-8.8%
Gross operating margin.....	3,329	3,141	188	6.0%
Operating income.....	2,335	2,139	196	9.2%
Capital expenditure.....	642	616 ⁽¹⁾	26	4.2%

Note:

Does not include €1 million regarding units classified as “held for sale”.

The following table sets forth the Country “Italy” revenues, operating income, operating margin and capital expenditures for the years ended 31 December 2015 and 31 December 2014.

	Year ended 31 December			
	2015	2014	Change	
	<i>Millions of kWh (except %)</i>			
Revenue.....	39,644	38,389	1,255	3.3%
Gross operating margin.....	6,098	6,343	(245)	-3.9%
Operating income.....	4,005	1,918	2,087	-
Capital expenditure.....	1,562 ⁽¹⁾	1,460	102	7.0%

Note:

Does not include €1 million regarding units classified as “held for sale”.

The following table sets forth the revenues generated by each of the business lines comprising the Country “Italy” for the six months ended 30 June 2016 and 30 June 2015.

	Six months ended 30 June			
	2016	2015	Change	
	Millions of kWh (except %)			
Generation and Trading.....	9,568	11,232	(1,664)	-14.8%
Infrastructure and Networks.....	3,558	3,532	26	0.7%
End-user markets.....	7,445	7,493	(48)	-0.6%
Services	526	499	27	5.4%
Eliminations and adjustments.....	(3,887)	(3,878)	(9)	0.2%

Total.....	17,210	18,878	(1,668)	-8.8%
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The following table sets forth the revenues generated by each of the business lines comprising the Country “Italy” for the years ended 31 December 2015 and 31 December 2014.

	Year ended 31 December			
	2015	2014 restated	Change	
	Millions of kWh (except %)			
Generation and Trading.....	23,174	22,586	588	2.6%
Infrastructure and Networks.....	7,905	7,183	722	10.1%
End-user markets.....	15,138	15,374	(236)	-1.5%
Services	1,191	1,087	104	9.6%
Eliminations and adjustments.....	(7,764)	(7,841)	77	1.0%
Total.....	39,644	38,389	1,255	3.3%

Iberian Peninsula – Operations

Following the adoption of the New Organisational Structure of the Group, the “Iberia and Latin America” division, which was established in 2007 following the purchase of 67.05 per cent. of the share capital of Endesa by ENEL and operative from 2008, has been divided in two segments, being the Regions “Iberian Peninsula” and “Latin America” (for further information on the Region “Latin America”, see “*Latin America*” below).

The activities carried out in the Region “Iberian Peninsula” focus on developing ENEL’s presence and coordinating its operations in the electricity and gas markets of the Spain and Portugal, including formulating growth strategies in the related regional markets.

Following the adoption of the New Organisational Structure by the Group, the main companies included in the Region “Iberian Peninsula” are: (i) Endesa Energia and Endesa Energia XXI, which are both active in electricity sales; (ii) Endesa Generacion, Gesa, Unelco and Endesa Generacion Portugal, each of which is active in power generation; and (iii) Endesa Distribucion which is active in electricity distribution.

Net electricity generation

The following table sets forth the net electricity production for the Region “Iberian Peninsula” for the six months ended 30 June 2016 and 30 June 2015.

	Six months ended 30 June			
	2016	2015	Change	
	Millions of kWh (except %)			
Thermal.....	12,615	17,738	(5,123)	-28.9%
Nuclear	12,842	12,913	(71)	-0.5%
Hydroelectric	4,992	4,681	311	6.6%

Total net generation.....	30,449	35,332	(4,883)	-13.8%
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The following table sets forth the net electricity production for the Region “Iberian Peninsula” for the years ended 31 December 2015 and 31 December 2014.

Year ended 31 December				
	2015	2014	Change	
<i>Millions of kWh (except %)</i>				
Thermal.....	40,129	36,141	3,988	11.0%
Nuclear	25,756	24,762	994	4.0%
Hydroelectric	7,176	8,778	(1,602)	-18.3%
Total net generation.....	73,061	69,681	3,380	4.9%

Transport of electricity

The following table sets forth the volume of electricity transported through the network of the Region “Iberian Peninsula” for the six months ended 30 June 2016 and 30 June 2015.

Six months ended 30 June				
	2016	2015	Change	
<i>Millions of kWh (except %)</i>				
Electricity transported on ENEL’s distribution network	52,735	50,952	1,783	3.4%

Electricity Sales

The ENEL Group in the Region “Iberian Peninsula” offers its medium and large-sized business clients a wide variety of electricity contracts with fixed or variable prices, and similarly offers its residential and small business clients numerous different tariff plans.

The following table sets forth the electricity sales of the Region “Iberian Peninsula” in total for the six months ended 30 June 2016 and 30 June 2015.

Six months ended 30 June				
	2016	2015	Change	
<i>Millions of kWh (except %)</i>				
Electricity sold.....	45,684	45,691	(7)	—

The following table sets forth the electricity sales of the Region “Iberian Peninsula” in total for the years ended 31 December 2015 and 31 December 2014.

	Year ended 31 December			
	2015	2014	Change	
	<i>Millions of kWh (except %)</i>			
Electricity sold.....	92,899	93,928	(1,029)	-1.1%

Iberian Peninsula – Performance

The following table sets forth the Region “Iberian Peninsula” revenues, operating income, operating margin and capital expenditures for the six months ended 30 June 2016 and 30 June 2015.

	Six months ended 30 June			
	2016	2015	Change	
	<i>Millions of euro (except %)</i>			
Revenue	9,014	10,199	(1,185)	-11.6%
Gross operating margin.....	1,856	1,969	(113)	-5.7%
Operating income	1,047	1,159	(112)	-9.7%
Capital expenditure.....	396	356	40	11.2%

The following table sets forth the Region “Iberian Peninsula” revenues, operating income, operating margin and capital expenditures for the years ended 31 December 2015 and 31 December 2014.

	Year ended 31 December			
	2015	2014 restated	Change	
	<i>Millions of euro (except %)</i>			
Revenue	20,105	20,952	(847)	-4.0%
Gross operating margin.....	3,111	3,203	(92)	-2.9%
Operating income	1,397	1,240	157	12.7%
Capital expenditure.....	985	993	(8)	-0.8%

The following table sets forth the revenues generated by each of the business lines comprising the Region “Iberian Peninsula” for the six months ended 30 June 2016 and 30 June 2015.

	Six months ended 30 June			
	2016	2015	Change	
	<i>Millions of euro (except %)</i>			
Generation and Trading	2,274	3,049	(775)	-25.4%
Infrastructure and Networks	1,288	1,309	(21)	-1.6%
End-user markets	6,654	7,916	(1,262)	-15.9%
Services	133	143	(10)	-7.0%
Eliminations and adjustments	(1,335)	(2,218)	883	-39.8%

Total	9,014	10,199	(1,185)	-11.6%
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The following table sets forth the revenues generated by each of the business lines comprising the Region “Iberian Peninsula” for the years ended 31 December 2015 and 31 December 2014.

	Year ended 31 December			
	2015	2014 restated	Change	
	Millions of euro (except %)			
Generation and Trading	6,301	6,225	76	1.2%
Infrastructure and Networks	2,667	2,599	68	2.6%
End-user markets	15,600	15,827	(227)	-1.4%
Services	251	322	(71)	-22.0%
Eliminations and adjustments	(4,714)	(4,021)	(693)	-17.2%
Total	20,105	20,952	(847)	-4.0%

Latin America – Operations

The other segment resulting from the separation of the “Iberia and Latin America” division in accordance with the New Organisational Structure is the Region “Latin America”.

The activities carried out in the Region “Latin America” focus on developing ENEL’s presence and coordinating its operations in the electricity and gas markets of Latin America (in particular, in Chile, Colombia, Brasil, Argentina and Peru) and Central America, including formulating growth strategies in the related regional markets.

Following the adoption of the New Organisational Structure by the Group, the countries included in the Region “Latin America” are mainly: (i) Chile; (ii) Argentina; (iii) Brazil; (iv) Peru; and (v) Colombia. For further information on the Latin America business organisation see “– History and development of ENEL – Reorganisation of operations in the Iberian Peninsula and in Latin America” above.

Net electricity generation

The following table sets forth the net electricity generation for the Region “Latin America” for the six months ended 30 June 2016 and 30 June 2015.

	Six months ended 30 June			
	2016	2015	Change	
	Millions of kWh (except %)			
Thermal	13,446	13,729	(283)	-2.1%
Hydroelectric	15,502	15,368	134	0.9%
Other resources	45	57	(12)	-21.1%
Total net generation	28,993	29,154	(161)	-0.6%
- of which Argentina	6,748	7,409	(661)	-8.9%
- of which Brazil	1,857	2,056	(199)	-9.7%
- of which Chile.....	8,912	8,691	221	2.5%

- of which Colombia	7,175	6,642	533	8.0%
- of which Peru	4,301	4,356	(55)	-1.3%

The following table sets forth the net electricity generation for the Region “Latin America” for the years ended 31 December 2015 and 31 December 2014.

	Year ended 31 December			
	2015	2014	Change	
	Millions of kWh (except %)			
Thermal	26,252	26,142	110	0.4%
Hydroelectric	34,012	33,999	13	—
Other resources	138	158	(20)	-12.7%
Total net generation.....	60,402	60,299	103	0.2%
- of which Argentina	15,204	14,390	814	5.7%
- of which Brazil	4,398	5,225	(827)	-15.8%
- of which Chile.....	18,294	18,063	231	1.3%
- of which Colombia	13,705	13,559	146	1.1%
- of which Peru	8,801	9,062	(261)	-2.9%

Transport of electricity

The following table sets forth the volume of electricity transported through the network of the Region “Latin America” for the six months ended 30 June 2016 and 30 June 2015.

	Six months ended 30 June			
	2016	2015	Change	
	Millions of kWh (except %)			
Electricity transported on ENEL's distribution network ⁽¹⁾	39,676	39,040	636	1.6%
- of which Argentina	9,551	9,228	323	3.5%
- of which Brazil	11,574	11,455	119	1.0%
- of which Chile.....	7,875	7,717	158	2.0%
- of which Colombia	6,744	6,794	(50)	-0.7%
- of which Peru	3,932	3,846	86	2.2%

Note:

(1) The figure for 2015 reflects a more accurate measurement of quantities transported

The following table sets forth the volume of electricity transported through the network of the Region “Latin America” for the years ended 31 December 2015 and 31 December 2014.

	Year ended 31 December			
	2015	2014	Change	
	Millions of kWh (except %)			
Electricity transported on ENEL's distribution network	78,030	77,631	399	0.5%
- of which Argentina	18,492	18,025	467	2.6%
- of which Brazil	22,311	22,878	(567)	-2.5%
- of which Chile.....	15,657	15,702	(45)	-0.3%
- of which Colombia	13,946	13,667	279	2.0%
- of which Peru	7,624	7,359	265	3.6%

Note:

(2) The figure for 2014 reflects a more accurate measurement of quantities transported

Electricity Sales

The ENEL Group in the Region “Latin America” offers its medium-sized and large-sized business clients a wide variety of electricity contracts with fixed or variable prices and similarly offers its residential and small business clients numerous different tariff plans.

The following table sets forth the electricity sales of the Region “Latin America” in total for the six months ended 30 June 2016 and 30 June 2015.

	Six months ended 30 June			
	2016	2015	Change	
	Millions of kWh (except %)			
Free market	3,092	3,080	12	0.4%
Regulated market	29,318	28,735	583	2.0%
Total	32,410	31,815	595	1.9%
- of which Argentina	8,121	7,687	434	5.6%
- of which Brazil	10,135	10,024	111	1.1%
- of which Chile.....	6,569	6,519	50	0.8%
- of which Colombia	4,126	4,155	(29)	-0.7%
- of which Peru	3,459	3,430	29	0.8%

The following table sets forth the electricity sales of the Region “Latin America” in total for the years ended 31 December 2015 and 31 December 2014.

	Year ended 31 December			
	2015	2014	Change	
	Millions of kWh (except %)			
Free market	6,062	5,891	171	2.9%
Regulated market	57,370	57,217	153	0.3%
Total	63,432	63,108	324	0.5%
- of which Argentina	15,450	14,980	470	3.1%
- of which Brazil	19,506	19,982	(476)	-2.4%
- of which Chile.....	13,203	13,257	(54)	-0.4%
- of which Colombia	8,463	8,225	238	2.9%
- of which Peru	6,810	6,664	146	2.2%

Latin America – Performance

The following table sets forth the Region “Latin America” revenues, operating income, operating margin and capital expenditures for the six months ended 30 June 2016 and 30 June 2015.

	Six months ended 30 June			
	2016	2015	Change	
	<i>Millions of euro (except %)</i>			
Revenue	4,983	5,406	(423)	-7.8%
Gross operating margin.....	1,625	1,437	188	13.1%
Operating income	1,180	948	232	24.5%
Capital expenditure.....	585	791	(206)	-26.0%

The following table sets forth the Region “Latin America” revenues, operating income, operating margin and capital expenditures for the years ended 31 December 2015 and 31 December 2014.

	Year ended 31 December			
	2015	2014 restated	Change	
	<i>Millions of euro (except %)</i>			
Revenue	10,627	9,648	979	10.1%
Gross operating margin.....	3,167	3,092	75	2.4%
Operating income	2,241	1,549	692	44.7%
Capital expenditure.....	1,819	1,609	210	13.1%

The following table sets forth the revenues generated by each of the countries included in the Region “Latin America” for the six months ended 30 June 2016 and 30 June 2015.

	Six months ended 30 June			
	2016	2015	Change	
	Millions of euro (except %)			
Argentina	594	555	39	7.0%
Brazil	1,067	1,546	(479)	-31.0%
Chile	1,659	1,656	3	0.2%
Colombia	1,038	1,051	(13)	-1.2%
Peru.....	625	598	27	4.5%
Total	4,983	5,406	(423)	-7.8%

The following table sets forth the revenues generated by each of the countries included in the Region “Latin America” for the years ended 31 December 2015 and 31 December 2014.

	Year ended 31 December			
	2015	2014 restated	Change	
	<i>Millions of euro (except %)</i>			
Argentina	1,127	712	415	58.3%
Brazil	2,771	2,994	(223)	-7.4%
Chile	3,327	2,774	553	19.9%
Colombia	2,159	2,116	43	2.0%
Peru.....	1,243	1,052	191	18.2%
Total.....	10,627	9,648	979	10.1%

Eastern Europe – Operations

The activities carried out in the Region “Eastern Europe” are aimed at supporting the ENEL Group’s strategies for international growth, as well as to manage and integrate the foreign businesses, with the exceptions of the Iberian Peninsula and Latin America markets and the renewable energies generation activities, which are managed respectively by the Regions “Iberian Peninsula”, “Latin America” and “Renewable Energy” monitoring and developing business opportunities that present themselves on the electricity and fuel markets.

Following the adoption of the New Organisational Structure by the Group, the countries included in the Region “Eastern Europe” are mainly: (i) France, where the ENEL Group is active in electricity sales through its subsidiary ENEL France; (ii) Belgium, where the ENEL Group is active in the development of thermal power plants and support activities through its subsidiary Marcinelle Energie S.A.; (iii) Romania, where the ENEL Group is active in electricity distribution, sales and support activities through its subsidiaries, ENEL Distributie Banat S.A., ENEL Distributie Dobrogea S.A., ENEL Energie, ENEL Distributie Muntenia S.A., ENEL Energie Muntenia S.A., ENEL Romania S.R.L. and ENEL Servicii Comune S.A.; (iv) Russia, where the ENEL Group is active in electricity sales and trading through its subsidiary, RusEnergosbyt, and in power generation and sales through its subsidiary ENEL Russia; (v) Slovakia, where it is active in power generation through SE, a company 66 per cent. owned by SPH which in turn, as of 28 July 2016, is 50 per cent. owned by EP Slovakia (a subsidiary of EPH) and 50 per cent. owned by ENEL Produzione (for further information

on the process of disposal of the equity interest held, through ENEL Produzione, in SE, see “– *Recent significant transactions and events in 2015 and in the beginning of 2016 – Agreement to dispose of Slovenské elektrárne*” above and “*Recent developments – ENEL closes disposal to EPH of 50 per cent. of equity interest in SE*” below).

France

The ENEL Group, through its fully-owned subsidiary ENEL France SAS (“**ENEL France**”), sells electricity on both the free market and to end users. Sales to end users are made at both market prices and semi-regulated prices (levels influenced by the *Accès Régulé à l’Electricité Nucléaire Historique* (“**ARENH**”) mechanism, which regulates access to nuclear energy at discounted prices). Following publication of the so-called “NOME” law, ENEL France has the right to buy from EdF nuclear energy at the ARENH Price.

The Group also owns 5 per cent. of the share capital of Povernext S.A., the French electricity exchange.

Belgium

The Group, through its wholly-owned subsidiary Marcinelle Energie S.A. (“**Marcinelle Energie**”), manages a 406 MW CCGT plant in the Wallonia region of Belgium. The plant came into operation on 30 March 2012.

Romania

The Group sells electricity in Romania through ENEL Energie (in the Banat and Dobrogea regions) and ENEL Energie Muntenia (in the Bucharest region) and is also involved in electricity distribution, through ENEL Distributie Banat, ENEL Distributie Dobrogea and ENEL Distributie Muntenia, which, in 2014, together distributed approximately 14.6 TWh of electricity to approximately 2.7 million clients through a 91,285 kilometre network (as of 31 December 2015).

As of 31 December 2014, the aggregate market share of ENEL Distributie Banat, ENEL Distributie Dobrogea and ENEL Distributie Muntenia was approximately 33 per cent. (14.6 TWh out of a total of 42 TWh).

ENEL controls, through its Dutch wholly-owned subsidiary ENEL Investment Holding B.V. (“**EIH**”), the above-mentioned companies with a 51.0 per cent. stake in the share capital of each of ENEL Distributie Banat, ENEL Distributie Dobrogea and ENEL Energie, and with a 64.4 per cent. stake in the share capital of ENEL Distributie Muntenia and ENEL Energie Muntenia. These stakes were acquired following the privatisation of three of the eight electricity distribution and supply companies in Romania.

The Group owns an interest equal to 9.15 per cent. in the company Ergonuclear S.A. Ergonuclear S.A., aims to construct two CANDU nuclear reactors, each with a 720 MW capacity at the Cernavoda plant.

Russia

The ENEL Group operates in Russia, through two principal subsidiaries or controlled companies, in two vertically integrated sectors: electricity generation and electricity sales.

- **ENEL Russia**

ENEL Russia (formerly ENEL OGC-5) is one of the main electricity generation companies in Russia. It is active in the markets of the Urals, the Caucasus and central Russia. The company was founded in 2004, within the framework of the reform of the Russian energy sector, in order to establish a competitive market and to attract private investment to the sector. As of the date of this Base Prospectus, ENEL, through its subsidiary EIH, has a stake in ENEL Russia of approximately 56.43 per cent.

ENEL Russia operates through four plants in three regions: (i) in the Urals, Reftinskaya GRES (3,800 MW gross capacity fuelled by coal) and Sredneuralskaya GRES (1,657 MW gross capacity fuelled by

gas); (ii) in the northern Caucasus, Nevinnomysskaya GRES (1,530 MW gross capacity fuelled by gas); and (iii) in central Russia's Tver region, Konakovskaya GRES (2,520 MW gross capacity fuelled by gas).

- **RusEnergoSbyt**

The ENEL Group, through EIH, owns 49.5 per cent. of the share capital of Res Holdings, which in turn holds 100 per cent. of the share capital of RusEnergoSbyt, the largest independent electricity supplier and trader in Russia, according to the Group's estimates. The remaining part of the share capital of Res Holdings is held by EnergyBridge B.V., the lead company of the ESN Group, a Russian corporate group active in the energy sector. As of 31 December 2015, the company has a total of almost 52,000 clients and, in 2015, it sold approximately 25 TWh of electricity (the number of clients and the amount of electricity sold refer to the 49.5 per cent. interest).

Slovakia

The ENEL Group operates in Slovakia through SE, a company 66 per cent. owned by SPH which in turn, as of 28 July 2016, is 50 per cent. owned by EP Slovakia (a subsidiary of EPH) and 50 per cent. owned by ENEL Produzione (for further information on the process of disposal of the equity interest held, through ENEL Produzione, in SE, see also “*Recent significant transactions and events in 2015 and in the beginning of 2016 – Agreement to dispose of Slovenské elektrárne*” above and “*Recent Developments – ENEL closes disposal to EPH of 50 per cent. of equity interest in SE*” below). SE is the largest generating company in Slovakia, according to the ENEL Group's estimates, which was acquired from the National Property Fund of the Slovak Republic (the “**NPF**”). The remaining 34 per cent. of the share capital remains held by the NPF, and shareholders' rights in respect of such shares are exercised by Slovakia's Ministry of Economy. SE's electricity production for 2015 (net of pumping) was composed as follows: (i) 77 per cent. from nuclear plants; (ii) 13.1 per cent. from hydroelectric plants; and (iii) 9.9 per cent. from thermal and photovoltaic plants. In 2015, SE generated a total of 18.3 TWh of net electricity production (net of pumping), and purchased a further approximately 7.2 TWh of energy. Total sales to final customers amounted to 4.1 TWh.

As of 31 December 2015, SE had an installed hydroelectric, thermal, solar and nuclear capacity equal to 4,032 MW.

SE's nuclear generation is carried out at two facilities located in the municipalities of Bohunice and Mochovce, which, together, contain four active reactors, all of which are pressurised-water-technology reactors. Bohunice has a capacity of 942 MW and Mochovce of 872 MW, for a total net capacity of 1,814 MW as of 31 December 2015. In November 2008, work started on the completion of units 3 and 4 of the nuclear plant at Mochovce, with a capacity of 1,060 MW.

SE's hydroelectric production consists of run-of-the-river hydropower plants and programmable hydroelectric plants (with both pondage and reservoir installations) for a total installed capacity of 1,590 MW.

SE's thermal generation is carried out at two sites: (i) Novaky, which has installed capacity of 428 MW; and (ii) Vojany, with an installed capacity equal to 198 MW. For further information on SE see “*Recent Developments – ENEL closes disposal to EPH of 50 per cent. of equity interest in SE*” below.

Net electricity generation

The following table sets forth the net electricity production for the Region “Eastern Europe” for the six months ended 30 June 2016 and 30 June 2015.

	Six months ended 30 June			
	2016	2015	Change	
	Millions of kWh (except %)			
Thermal	20,288	21,935	(1,647)	-7.5%
Nuclear	6,244	6,773	(529)	-7.8%
Hydroelectric	1,071	1,763	(692)	-39.3%
Other resources	3	16	(13)	-81.2%
Total net generation.....	27,606	30,487	(2,881)	-9.4%
- of which Russia.....	19,108	20,587	(1,479)	-7.2%
- of which Slovakia	8,146	9,464	(1,318)	-13.9%
- of which Belgium.....	352	436	(84)	-19.3%

The following table sets forth the net electricity production for the Region “Eastern Europe” for the years ended 31 December 2015 and 31 December 2014.

	Year ended 31 December			
	2015	2014	Change	
	Millions of kWh (except %)			
Thermal	45,024	44,229	795	1.8%
Nuclear	14,081	14,420	(339)	-2.4%
Hydroelectric	2,385	4,225	(1,840)	-43.6%
Other resources	42	52	(10)	-19.2%
Total net generation.....	61,532	62,926	(1,394)	-2.2%
- of which Russia.....	42,090	42,376	(286)	-0.7%
- of which Slovakia	18,292	20,550	(2,258)	-11.0%
- of which Belgium.....	1,150	—	1,150	—

Transport of electricity

The following table sets forth the volume of electricity transported through the network of the Region “Eastern Europe” for the six months ended 30 June 2016 and 30 June 2015.

	Six months ended 30 June			
	2016	2015	Change	
	<i>Millions of kWh (except %)</i>			
Electricity transported on ENEL's distribution network.....	7,278	7,199	79	1.1%

The following table sets forth the volume of electricity transported through the network of the Region “Eastern Europe” for the years ended 31 December 2015 and 31 December 2014.

	Year ended 31 December			
	2015	2014	Change	
	<i>Millions of kWh (except %)</i>			
Electricity transported on ENEL's distribution network.....	14,582	14,063	519	3.7%

Electricity Sales

The following table sets forth the electricity sales for the Region “Eastern Europe” on the free market, the regulated market and in total for the six months ended 30 June 2016 and 30 June 2015.

	Six months ended 30 June			
	2016	2015	Change	
	Millions of kWh (except %)			
Free market.....	4,564	5,240	(676)	-12.9%
Regulated market.....	2,482	2,729	(247)	-9.1%
Total.....	7,046	7,969	(923)	-11.6%
- of which Romania.....	3,756	3,889	(133)	-3.4%
- of which France.....	1,241	2,032	(791)	-38.9%
- of which Slovakia	2,049	2,048	1	—

The following table sets forth the electricity sales for the Region “Eastern Europe” on the free market, the regulated market and in total for the years ended 31 December 2015 and 31 December 2014.

	Year ended 31 December			
	2015	2014	Change	
	Millions of kWh (except %)			
Free market.....	10,407	10,410	(3)	-
Regulated market.....	5,353	5,926	(573)	-9.7%
Total.....	15,760	16,336	(576)	-3.5%
- of which Romania.....	7,691	8,156	(465)	-5.7%
- of which France.....	3,966	3,442	524	15.2%
- of which Slovakia	4,103	4,738	(635)	-13.4%

Eastern Europe – Performance

The following table sets forth the Region “Eastern Europe” revenues, operating income, operating margin and capital expenditures for the six months ended 30 June 2016 and 30 June 2015.

	Six months ended 30 June			
	2016	2015	Change	
	<i>Millions of euro (except %)</i>			
Revenue	2,228	2,374	(146)	-6.1%
Gross operating margin.....	353	392	(39)	-9.9%
Operating income	194	211	(17)	-8.1%
Capital expenditure.....	82 ⁽¹⁾	85 ⁽²⁾	(3)	-3.5%

Notes:

(3) Does not include €249 million regarding units classified as “held for sale”.

(4) Does not include €254 million regarding units classified as “held for sale”.

The following table sets forth the Region “Eastern Europe” revenues, operating income, operating margin and capital expenditures for the years ended 31 December 2015 and 31 December 2014.

	Year ended 31 December			
	2015	2014 restated	Change	
	<i>Millions of euro (except %)</i>			
Revenue	4,831	5,299	(468)	-8.8%
Gross operating margin.....	1,308	1,210	98	8.1%
Operating income	(499)	(2,676)	2,177	-81.4%
Capital expenditure.....	229 ⁽¹⁾	936	(707)	-75.5%

Note:

(1) Does not include €648 million regarding units classified as “held for sale”.

The following table sets forth the revenues generated by each of the countries included in the Region “Eastern Europe” for the six months ended 30 June 2016 and 30 June 2015.

	Six months ended 30 June			
	2016	2015	Change	
	Millions of euro (except %)			
Romania.....	474	497	(23)	-4.6%
Russia	425	547	(122)	-22.3%
Slovakia	1,172	1,172	—	—
Other countries	157	158	(1)	-0.6%
Total	2,228	2,374	(146)	-6.1%

The following table sets forth the revenues generated by each of the countries included in the Region “Eastern Europe” for the years ended 31 December 2015 and 31 December 2014.

	Year ended 31 December			
	2015	2014 restated	Change	
	<i>Millions of euro (except %)</i>			
Romania.....	1,004	1,021	(17)	-1.7%
Russia	1,062	1,494	(432)	-28.9%
Slovakia	2,401	2,494	(93)	-3.7%
Other countries	364	290	74	25.5%
Total.....	4,831	5,299	(468)	-8.8%

Renewable Energy division – Operations

The ENEL Group is one of the main international operators in the generation of electricity from renewable resources.

All the activities related to the ENEL Group generation of electricity from renewable resources in Italy and abroad are carried out by EGP, a company with a presence in Europe, North America and Latin America, and one of the global leaders in its industry, with a total installed capacity of around 10.5 GW and more than 750 plants in operation in 17 countries. In 2016, ENEL’s renewable energy business, operated by EGP, has been fully integrated within the ENEL Group with the aim of innovating in renewables at scale and with greater speed (for further information on the integration of the business operated by EGP within the ENEL Group, see also “– *History and development of ENEL – Reorganisation of the renewable energy business*” above).

The division produced 33.6 TWh of energy from water, sun, wind, geothermal and biomass in 2015. The Renewable Energy division has the mission of developing and managing operations for the generation of electricity from renewable resources, ensuring their integration in line with the ENEL Group’s strategies. The geographical areas of operation of the Renewable Energy division are:

- Italy, with power generation from non-schedulable hydroelectric plants, as well as geothermal, wind and solar plants (EGP and other minor companies);
- the rest of Europe, with power generation from non-schedulable hydroelectric plants, as well as geothermal, wind and solar plants in Greece (ENEL Green Power Hellas), Romania (ENEL Green Power Romania) and Bulgaria (ENEL Green Power Bulgaria);
- Iberia and Latin America, with power generation from renewable resources in Spain and Portugal (EGPE, which merged with EUFER in 2011) and Latin America (ENEL Green Power Latin America). For further information on the Iberian Peninsula renewables market see “– *Recent significant transactions and events in 2015 and in the beginning of 2016 – Disposal of all EGP’s assets in Portugal*” above; and
- North America, with power generation from renewable sources (EGP-NA).

Net electricity generation by Renewable Energy division

The following table sets forth the “Renewable Energy” division’s net electricity production for the six months ended 30 June 2016 and 30 June 2015.

	Six months ended 30 June			
	2016	2015	Change	
	Millions of kWh (except %)			
Hydroelectric	5,085	5,787	(702)	-12.1%
Geothermal	3,143	3,084	59	1.9%
Wind	9,482	7,912	1,570	19.8%
Other resources	527	414	113	27.3%
Total	18,237	17,197	1,040	6.0%
- of which Italy	6,717	7,115	(398)	-5.6%
- of which Iberian Peninsula	2,199	2,317	(118)	-5.1%
- of which Greece	290	282	8	2.8%
- of which Romania and Bulgaria	672	791	(119)	-15.0%
- of which United States and Canada	4,756	3,582	1,174	32.8%
- of which Panama, Mexico, Guatemala and Costa Rica	1,695	1,888	(193)	-10.2%
- of which Brazil, Chile and Uruguay	1,737	1,213	524	43.2%
- of which other countries	171	9	162	

The following table sets forth the “Renewable Energy” division’s net electricity production for the years ended 31 December 2015 and 31 December 2014.

	Year ended 31 December			
	2015	2014	Change	
	Millions of kWh (except %)			
Hydroelectric	10,426	11,452	(1,026)	-9.0%
Geothermal	6,205	5,954	251	4.2%
Wind	16,066	13,896	2,170	15.6%
Other resources	876	496	380	76.6%
Total	33,573	31,798	1,775	5.6%
- of which Italy	13,076	14,117	(1,041)	-7.4%
- of which Iberian Peninsula	4,383	4,359	24	0.6%
- of which France	—	347	(347)	—
- of which Greece	549	488	61	12.5%
- of which Romania and Bulgaria	1,420	1,351	69	5.1%
- of which United States and Canada	7,368	6,674	694	10.4%
- of which Panama, Mexico, Guatemala and Costa Rica	3,841	2,904	937	32.3%
- of which Brazil and Chile	2,869	1,550	1,319	85.1%
- of which other countries	67	8	59	

Renewable Energy division – Performance

The following table sets forth the “Renewable Energy” division’s revenues, operating income, operating margin and capital expenditures for the six months ended 30 June 2016 and 30 June 2015.

	Six months ended 30 June			
	2016	2015	Change	
	<i>Millions of euro (except %)</i>			
Revenue	1,408	1,593	(185)	-11.6%
Gross operating margin.....	920	1,078	(158)	-14.7%
Operating income	554	697	(143)	-20.5%
Capital expenditure.....	1,742	973	769	79.0%

The following table sets forth the “Renewable Energy” division’s revenues, operating income, operating margin and capital expenditures for the years ended 31 December 2015 and 31 December 2014.

	Year ended 31 December			
	2015	2014 restated	Change	
	<i>Millions of euro (except %)</i>			
Revenue	3,011	2,921	90	3.1%
Gross operating margin.....	1,826	1,938	(112)	-5.8%
Operating income	879	1,124	(245)	-21.8%
Capital expenditure.....	2,466	1,658	808	48.7%

The following table sets forth the revenues generated by each of the countries in which the “Renewable Energy” division operates for the six months ended 30 June 2016 and 30 June 2015.

	Six months ended 30 June			
	2016	2015	Change	
	Millions of euro (except %)			
Europe and North Africa	761	1,000	(239)	-23.9%
Latin America	317	321	(4)	-1.2%
North America	321	270	51	18.9%
Sub-Saharan Africa and Asia.....	9	2	7	—
Total	1,408	1,593	(185)	-11.6%

The following table sets forth the revenues generated by each of the countries in which the “Renewable Energy” division operates for the years ended 31 December 2015 and 31 December 2014.

	Year ended 31 December			
	2015	2014 restated	Change	
	<i>Millions of euro (except %)</i>			
Europe and North Africa	1,814	1,985	(171)	-8.6%
Latin America	650	537	113	21.0%
North America	533	396	137	34.6%
Sub-Saharan Africa and Asia.....	14	3	11	—
Total	3,011	2,921	90	3.1%

Other, eliminations and adjustments – Operations

The “Other, eliminations and adjustments” segment represents residual items that, in addition to the consolidated adjustments among the different segments, include:

- The Company, which aims to create synergies within the ENEL Group and to optimise the management of services in support of the core business activities. In particular, the Parent Company, in its capacity as an industrial holding company, defines strategic targets for the ENEL Group and coordinates the activities of subsidiaries. In addition, the Company manages central treasury operations and insurance risk coverage (in this case even through its subsidiaries, Enel Finance International and Enel Insurance N.V.), providing assistance and guidelines on organisation, personnel management and labour relations, accounting, administrative, fiscal, legal and corporate matters.
- ENEL Iberoamérica S.r.l., as holding of equity investments.
- The Upstream Gas Function, which pursues a selective vertical integration which may increase the competitiveness, security and the flexibility of the strategic procurement to cover the gas need of ENEL, which were previously reported under the Generation and Energy Management division.

Algeria

Within the framework of an initiative intended to vertically integrate the supply chain, it was decided in 2008 that ENEL would open an office in Algiers in order to strengthen its already developed commercial relations with Sonatrach, its Algerian supplier, and to develop new business activities in the upstream gas sector (exploration and production), as well as to research possible new initiatives in the midstream gas sector, in particular with regard to liquefied natural gas.

- The Carbon Strategy Function, which operates in the world’s carbon dioxide certificate markets.

Other, eliminations and adjustments – Performance

The following table sets forth the “Other, eliminations and adjustments” segment’s revenues, operating income, operating margin and capital expenditures for the six months ended 30 June 2016 and 30 June 2015.

	Six months ended 30 June			
	2016	2015	Change	
	<i>Millions of euro (except %)</i>			
Revenue (net of eliminations).....	371	394	(23)	-5.8%
Gross operating margin.....	(30)	(56)	26	46.4%
Operating income	(100)	(70)	(30)	-42.9%
Capital expenditure.....	18	16	2	12.5%

The following table sets forth the “Other, eliminations and adjustments” segment’s revenues, operating income, operating margin and capital expenditures for the years ended 31 December 2015 and 31 December 2014.

	Years ended 31 December			
	2015	2014 restaed	Change	
	<i>Millions of euro (except %)</i>			
Revenue (net of eliminations).....	852	1,025	(173)	-16.9%
Gross operating margin.....	(213)	(29)	(184)	—
Operating income	(338)	(68)	(270)	—
Capital expenditure.....	52	45	7	15.6%

PRINCIPAL MARKETS AND COMPETITION

ENEL is the principal electricity company in Italy and Spain, and, according to the ENEL Group’s estimates based on data published in the financial statements of the main market operators, ENEL estimates that it is the second largest electricity company in Europe, based on total installed capacity. The ENEL Group’s net electricity production in 2015 amounted to 284 TWh, of which 68.5 TWh was produced in Italy, and 215.5 TWh was produced abroad, compared to 283.1 TWh in 2014, of which 71.8 TWh was produced in Italy and 211.3 TWh was produced abroad. In 2015, the Group conveyed 417.4 TWh of electricity through the grid, of which 226.6 TWh was in Italy and 190.8 TWh abroad, compared to 411.1 TWh of electricity in 2014, of which 223 TWh was in Italy and 188.1 TWh abroad.

In 2014, the Group sold 7.8 cubic metres of gas, of which 3.5 billion cubic metres were sold in Italy, where, according to the Group’s estimates, the Group is the second largest operator, and 4.3 billion cubic metres were sold abroad, compared to 8.6 billion cubic metres of gas sold in 2013, of which 4.1 billion cubic metres were sold in Italy, and 4.5 billion cubic metres were sold abroad.

The following subsections describe the competitive position of the Group in each Country/Region in which it operates and set forth certain summary information regarding the regulatory systems in those countries. For further details, see “*Regulation*” below.

Italy

The Italian Electricity Market

According to ENEL's estimates, ENEL is the principal electricity producer in Italy, with 27.7 GW of installed capacity as of 31 December 2015. The main competitors are Edison S.p.A. and ENI S.p.A.

According to ENEL's estimates, energy consumption in the Italian unregulated market in 2014 reached approximately 221.4 TWh, compared to 222.3 TWh in 2013 with network losses (including 3.5 TWh of safeguard in 2014 and 4.7 TWh in 2013).

In 2015, ENEL sold electricity to 6,105,541 clients on the free market, of which 6,102,183 were mass-market clients and 93,358 were large or medium-sized business clients, compared to 5,473,322 in 2014, of which 5,387,579 were mass-market clients and 85,743 were large or medium-sized business clients. Of the total volume sold on the unregulated market, 27.8 TWh of electricity were sold to mass-market clients (including 1.8 TWh of safeguard) and 10.9 TWh were sold to large or medium-sized business clients in 2015, compared to 26.6 TWh of electricity sold to mass-market clients (including 1.5 TWh of safeguard) and 10.7 TWh sold to large or medium-sized business clients in 2014.

According to ENEL's estimates, 2014 energy consumption on the regulated market amounted to approximately 58.1 TWh net of network losses, compared to approximately 64.5 TWh net of network losses in 2013. In 2015, ENEL sold 49.4 TWh to 21 million clients on the regulated market, compared to 49.7 TWh sold to 22 million clients in 2014. ENEL's share of the regulated market in 2014 was 85.5 per cent., compared to 84.9 per cent. in 2013.

The Italian Natural Gas Market

In 2015, ENEL imported 6.7 billion cubic metres of gas, compared to 5 billion in 2014. In the retail market, in 2015, ENEL sold 3,394 million cubic metres of gas to mass-market clients and 677 million cubic metres of gas to large and medium-sized business clients, compared to 2,937 million cubic metres of gas sold to mass-market clients and 559 million cubic metres of gas sold to large and medium-sized business clients in 2014.

Iberian Peninsula

The Group's installed capacity in Spain and Portugal amounted to 21.2 GW as of 31 December 2015, compared to 21.7 GW as of 31 December 2014. In the year then ended, its production amounted to 73.1 TWh of energy and its sales amounted to 92.9 TWh, compared to 69.7 TWh of energy produced and 93.9 TWh sold in 2014. The main operators in the Iberian electricity industry are Endesa, Iberdrola, E.On, EDP and Gas Natural SDG.

Latin America

As of 31 December 2015, the Group's installed capacity in Latin America was equal to 17 GW, compared to 16.6 GW in 2014. In 2015, production amounted to 60.4 TWh and sales to final customers amounted to 63.4 TWh, compared to 60.3 TWh produced and 63.1 TWh sold to final customers in 2014.

Latin America has traditionally been a strategic area for growth for Endesa.

This region has reacted relatively well to the current economic crisis, due to the success of economic policies implemented in recent years. With respect to the electricity market, there is a need to increase generation capacity. The expectations for the development of the markets in this region, in terms of medium- and long-term growth in electricity demand and sales are sufficient to justify continued investment in the region. The relevant regulatory frameworks are generally modern, transparent and stable.

As of 31 December 2015, ENEL Latinoamerica had a total installed capacity in Argentina of 4.4 GW (30 per cent. hydroelectric and 70 per cent. thermoelectric), compared to 4.4 GW (30 per cent. hydroelectric and 70

per cent. thermoelectric) in 2014. As of 31 December 2014, it held a 14 per cent. share of the electricity generation market, as it was in 2013. In the distribution sector, Endesa controls Edesur (Buenos Aires), a company with 2,5 million clients that distributed 18.5 TWh of energy in 2015.

As of 31 December 2015, ENEL Latinoamérica had a total installed capacity in Brazil of 1 GW (68 per cent. hydroelectric and 32 per cent. thermoelectric), compared to 1 GW (68 per cent. hydroelectric and 32 per cent. thermoelectric) in 2014. As of 31 December 2014, it held a 1 per cent. share of the electricity generation market, as it was in 2013. In the distribution sector, Endesa controls Rio de Janeiro-based Ampla Investimentos (“**Ampla**”), which has 2.9 million clients and Coelce, which has 3.7 million clients. Total energy distributed in 2015 was 22.3 TWh, compared to 22.9 TWh in 2014.

As of 31 December 2015, ENEL Latinoamérica had a total installed capacity in Chile of 6.3 GW (55 per cent. hydroelectric and 44 per cent. thermoelectric and the remaining part renewable), compared to 6.3 GW (55 per cent. hydroelectric, 44 per cent. thermoelectric and the remaining part renewable) in 2014. As of 31 December 2014, it held a 32 per cent. share of the electricity generation market, compared to 30 per cent. in 2013. In the distribution sector, Endesa controls Chilectra (Santiago de Chile), a company that has 1.8 million clients and distributed 15.7 TWh of energy in 2015.

As of 31 December 2015, ENEL Latinoamérica had a total installed capacity in Colombia of 3.4 GW (88 per cent. hydroelectric and 12 per cent. thermoelectric), compared to 3 GW (86 per cent. hydroelectric and 14 per cent. thermoelectric) in 2014. As of 31 December 2014, it held a 20 per cent. share of the electricity generation market, as it was in 2013. In the distribution sector, Endesa controls Codensa (Bogotá), a company that has 2.8 million clients and distributed 13.9 TWh of energy in 2015. As of 31 December 2015, ENEL Latinoamérica had a total installed capacity in Peru of 2 GW (39 per cent. hydroelectric and 61 per cent. thermoelectric), compared to 1.8 GW (40 per cent. hydroelectric and 60 per cent. thermoelectric) in 2014. As of 31 December 2014, it held a 22 per cent. share in the electricity generation market, compared to 24 per cent. in 2013. In the distribution sector, Endesa controls Edelnor (Lima), a company that has 7.6 million clients and distributed 6.7 TWh of electricity in 2015.

Eastern Europe

Russia

As of 31 December 2015, the Group’s installed capacity in Russia amounted to approximately 8.9 GW, compared to 9.1 GW in 2014. Its net production amounted to 42 TWh of energy, compared to 42.3 in 2014, while its sales to final clients (through Rusenergosbyt) amounted to 24.6 TWh (21.8 TWh of which were sold on the unregulated market and 2.8 TWh of which were sold on the regulated market), compared to 25.4 TWh (22.6 TWh of which were sold on the unregulated market and 2.8 TWh of which were sold on the regulated market) in 2014.

Romania

In 2015, the ENEL Group sold 7.7 TWh of electricity in Romania, of which 70 per cent. was sold on the regulated market, compared to 8.2 TWh sold in 2014, of which 73 per cent. was sold on the regulated market. According to ENEL’s estimates, the total market share held by the Group in terms of sales of electricity in Romania was approximately 18 per cent. in 2014, compared to 19 per cent. in 2013. The main operators in the electricity market are Electrica and, among foreign operators, ENEL, E.On and CEZ.

ENEL has three separate distribution companies (ENEL Distribuție Banat S.A., ENEL Distribuție Dobrogea S.A. and ENEL Distribuție Muntenia S.A.) and two supply companies (Enel Energie S.A. and Enel Energie Muntenia S.A.) in Romania. Its interests in the country also extend to generation from renewable resources, and the acquisition or construction of generation plants, in general.

Slovakia

As of 31 December 2015, the Group had an installed capacity in Slovakia of approximately 4 GW (including the Gabčíkovo Power Plant until March 2015), compared to approximately 5 GW (including the Gabčíkovo Power Plant) in 2014. It produced approximately 28.3 TWh of energy in 2015, compared to 20.5 TWh of energy in 2014.

According to ENEL's estimates, ENEL's share in the generation market, through SE, amounted to 81 per cent. in 2014, compared to 80 per cent. in 2013.

SE is the main Slovakian producer of electricity. Other operators in the electricity generation market are PPC Power, U.S. E.ON Elektrárne, s.r.o., Slovintegra Levice, TEKOS Kosice and TP Povazska Bystrica. For further information on SE see "*Recent Developments – ENEL closes disposal to EPH of 50 per cent. of equity interest in SE*" below.

Renewable Energy markets

Within the renewable energy sector, which will continue to have an important role in ENEL's future, the growth of the Group will be executed through the technologies described herein.

Renewable energies confirm their trend of growth in all the technologies and geographical areas and, as in developing countries, such growth is usually associated with economic growth and does not derive solely from compliance with environmental protection regulations.

The model of development of the renewable energies in ENEL is based on a diversified approach from both a technological and geographical perspective which is possible because of the flexibility in the allocation of investments which are approved on the basis of profitability only.

In many countries where the Group operates or is developing its activities there have been new regulations in favour of new investments including the revision of the majorities of the so-called "feed-in" tariffs (currently, the most common incentive instrument) and bidding procedures for new plants, for the development of new capacities.

PROPERTIES, PLANTS AND EQUIPMENT

The Group owns and leases a large number of office buildings and warehouse spaces throughout Italy and in the foreign countries in which it operates. The Group owns substantially all of the plants, machinery and equipment used to carry out its production activities.

As of 31 December 2015, no creditors or other third parties had any significant rights over or in respect of any of the property, plants or equipment of the Group.

EMPLOYEES

As of 30 June 2016, the ENEL Group employed a total of 66,666 employees, of which 31,877 were employed in Italy and 34,789 were employed abroad. The following table sets forth the location and number of the ENEL Group's employees as of 30 June 2016, 30 June 2015, 31 December 2015 and 31 December 2014, directly extracted from the Group's consolidated financial statements, not taking into consideration the effect of the application of IFRS 11.

	As of 30 June		As of 31 December	
	2016	2015	2015	2014
Employees in Italy ⁽¹⁾	31,877	33,298	33,040	33,405

Employees outside of Italy ⁽¹⁾	34,789	35,436	34,874	35,556
Total employees	66,666	68,734	67,914	68,961

Note:

- (1) Of which 4,437 in units classified as “held for sale” at 30 June 2016 (4,283 at 30 June 2015; 4,301 at 31 December 2015; 4,486 at 31 December 2014).

The amount of the liability entered in the Group’s 2015 Audited Consolidated Financial Statements for severance indemnities and other similar obligations related to employees was equal to €2,653 million.

LITIGATION

In the ordinary course of its business the Group is subject to various civil and administrative proceedings, as well as certain arbitral and criminal proceedings.

ENEL records provisions in its consolidated balance sheet to cover probable liabilities whenever ENEL’s internal and external counsel advise it that an adverse outcome is likely in a given litigation and a reasonable estimate of the amount of the loss can be made. Such provisions amounted to €800 million as of 30 June 2016 and €809 million as of 31 December 2015.

For a discussion of contingent liabilities and assets, see Note 28 to the Half Year Report as of 30 June 2016 and Note 49 to the 2015 Audited Consolidated Financial Statements.

ENEL does not believe that any active or pending litigation is likely to have a material adverse effect on the financial condition or results of operations of the Group. However, see “*Risk Factors – Risks Related to the ENEL Group – ENEL is subject to a large variety of litigation and regulatory proceedings and cannot offer assurances regarding the outcomes of any particular legal proceedings*”.

REGULATION

The ENEL Group operates in highly regulated environment. An overview of such laws and regulations is available at (i) pages 86 – 115 of ENEL’s audited consolidated annual financial statements for the financial year ended 31 December 2015 (section “*Regulatory and rate issues*”) and (ii) pages 74 – 83 of ENEL’s unaudited interim financial report as at and for the six-month period ended 30 June 2016 (sub-section “*Regulatory and rate issues*” of section “*Reference scenario*”), both incorporated by reference hereto (see “*Documents Incorporated by Reference*” above).

Although this overview contains all the information that as at the date of this Base Prospectus ENEL considers material in the context of the issue of the Notes, it is not an exhaustive account of all applicable laws and regulations. Prospective investors and/or their advisers should make their own analysis of the legislation and regulations applicable to the ENEL Group and of the impact they may have on the ENEL Group and any investment in the Notes and should not rely on this overview only. See also “*Risk Factors – The ENEL Group is subject to different regulatory regimes in all the countries in which it operates. These regulatory regimes are complex and their changes could potentially affect the financial results of the Group*” above.

OPEN INNOVATION

Innovation and sustainability are key elements in ENEL's strategy and business culture, as it applies cutting-edge models, methods and technologies, in order to offer an outstanding service to its customers, encouraging access to energy, social development, while respecting the environment and the communities where it operates. ENEL has translated this approach into "Innovability", the combination of innovation and sustainability. The ENEL Group's medium/long-term innovation strategy, the approval and monitoring of projects, the selection of start-ups with a high impact on the business, and the approval of key partnerships are the main duties of the ENEL Group's Innovation Committee, which consists of the Chief Executive Officer and the heads of the main corporate divisions. ENEL's Open Innovation ecosystem is open to anyone with the desire and interest to make a contribution, whether they are industrial partners, start-ups, institutions, customers, private individuals and, of course, the people who work at ENEL. In 2015 the ENEL Group invested Euro 76 million in research and innovation through over 250 projects, involving all the elements along the whole value chain, from conventional power generation to renewables, from smart grids to energy efficiency, from electric transport to energy storage. In 2015 the ENEL Group surpassed 100 partnership agreements for innovation with leading companies across a broad range of issues. An alliance was signed with Nissan to develop an innovative Vehicle to Grid (V2G) system, which allows vehicle owners and energy users to use their cars as real "mobile stations" with the ability to accumulate and put back the energy that is not used into the grid. In addition, as regards renewables, a memorandum of understanding was signed with Enea to collaborate on technologies for the environment and the climate, with a particular focus on new generation photovoltaic technology and electricity generation from wave motion. As for new storage technologies, ENEL and Tesla finalized an agreement to develop new business linked to residential storage in the countries where the ENEL Group is present, starting from South Africa, where ENEL recently launched an innovative offer on the retail market. The collaboration with Tesla then extends to industrial aspects, with the intention to test the integration of Tesla's stationary energy storage systems in EGP's wind and photovoltaic plants. During 2015 the ENEL Group also analyzed 1,200 start-ups, launching collaborations with 13 of them in the various countries where ENEL operates. Among the more established start-ups are Smart-I, Athonet Smartgrid and I-Em which are engaged in control services for urban mobility and safety, energy efficiency in public lighting, micro-grid management, energy management services and, finally, seeking solutions for the problems of energy production plants located in remote areas where traditional operators do not provide adequate cover. Besides this, in June 2015 the INCENSE (INternet Cleantech ENablers Spark) project ended, which is financed by the European Union to support the most promising startups with an incubation program. In particular 42 start-ups were selected, each of which received a non-repayable grant of 150 thousand euro and a 6-month incubation program offered by the partners of the INCENSE Consortium which include Endesa, Accelerace (the largest incubator in North Europe) and Funding Box (a platform dedicated to public funding). ENEL intends to attract the best international start-ups, also by forging partnerships with venture capital funds and institutions which support innovation. This has proven a winning formula for all the parties involved: the start-ups can count on financial and industrial support, which increases their growth opportunities, while ENEL and the funds can unite their resources and skills both in the scouting stage and in the development and marketing of new products and services. At the end of 2015 a portal dedicated to start-ups was launched with aim of increasing awareness of the collaborative projects that ENEL is working on with them and creating a contact point between the ENEL Group and the business ecosystem. ENEL has also developed various channels through which it is possible to propose innovative projects, including the "Endesa 2244" channel in Spain and the "Join the Race" scouting channel in EGP, for various issues relating to renewables. The Open Innovation platform "Endesa Energy Challenges" has launched "Endesa Datathon", to develop new added-value offers for the Spanish market through the use of new Big Data methodologies, and "Endesa Hackathon", during which 40 developers, programmers and designers collaborated to develop solutions to optimize energy consumption.

Another key element in the Open Innovation strategy is the involvement of all the staff at ENEL. The involvement of employees in the innovation process is encouraged at every level, from simply putting forward innovative ideas for crowdsourcing, to taking part in corporate entrepreneurship initiatives, such as the ENEL Innovation World Cup and the Inspire Empreendedores Program, which were both launched during 2015. The latter is promoted by the Brazilian subsidiary Pratil and 114 people took part, putting forward over 80 projects; currently 4 business initiatives are in the incubator and market testing stage. The over 800 participants at the ENEL Innovation World Cup can use 20 per cent. of their working hours to create, develop and, finally, test innovative business models. Innovation also means the ability to experience and learn from inevitable failures. For this reason Enel launched the “My Best Failure” Project, an online platform which lets everyone share their “best” failures and what they learnt from the experience, thus creating a common knowledge base to drive innovation, and encouraging everyone to experiment and try something new. In 2015 over 70 examples from people around the world were published.

ENEL Idea Factory proposes to transform work places into laboratories for ideas and to promote integration among the different company units and openness to the outside, supporting dialogue among a number of interlocutors, inside and outside the company. In 2015, 18 ideas sessions were held involving 381 people from ENEL and 81 people from outside the ENEL Group (including institutions, associations, suppliers and, in general, managers from sectors other than the electricity sector). 312 ideas were generated and 17 of these led to 5 initiatives undertaken during the year (for example, the monthly publication of Origination Guidelines by Business Development Unit of Global Generation or the award by EGP of the tender to build a photovoltaic plant in Brazil).

In order to provide a focus for relationships with universities and research centers, global leaders (such as MIT, Berkeley, IIT) and some specialist institutions (for example Sant’Anna and PoliMi) have been selected, with which the ENEL Foundation is structuring strategic partnerships. The weekly newsletter Innovation Foresight has been launched worldwide, to spread knowledge of the latest news and trends in the sector of energy companies. The Electric Wire is, on the other hand, the monthly newsletter, which presents stakeholders with some of the most interesting initiatives which the ENEL Group is undertaking worldwide.

MAIN INNOVATION PROJECTS

Renewables

EGP continued in 2015 too with the realization of projects which were started in previous years and launched new, highly innovative projects by focusing on:

- the improvement in the performance of technologies;
- the development of renewables in urban contexts, through the use of smaller plant with a limited visual impact, such as cutting-edge wind generators and small thermodynamic solar systems, which are better integrated from the architectural viewpoint; and
- the use of new renewables, which are currently not exploited, with a particular focus on sea energy and high altitude wind.

MERIC - Marine Energy Research and Innovation Center (Chile)

In 2014, Energia Marina, a Chilean company in which EGPC has a stake, won the tender to build the MERIC (Marine Energy Research and Innovation Center). The Center aims to undertake research and development work covering technologies which use marine energy, and is supported by various organizations and local institutions (including foundations, academic institutions, research centers, and the companies Chilectra and Endesa Chile which belong to the ENEL Group). In 2015 the agreement was finalized to finance the project

which commits CORFO (“Corporación de Fomento de la Producción”, the organization for economic development of the Chilean government) to providing a total contribution of around Euro 8 million in favor of marine energy over the eight years that the project lasts.

In Italy the first plant in the world which combines geothermal and biomass

In July 2015, EGP connected to the grid, at the geothermal plant “Cornia 2” in the Municipality of Castelnuovo Val di Cecina, in Tuscany, the first plant in the world which uses biomass to heat geothermal steam, with the aim of increasing energy efficiency and electricity production from the geothermal cycle. The current geothermal plant has been joined by a small plant powered by “short supply chain” virgin forestry biomass produced within a radius of 70 km as the crow flies from the plant: thanks to the biomass, the steam being input to the plant is heated to go from an initial temperature of between 150 and 160 °C to 370-380 °C, so that it increases the net power for electricity production due both to the greater enthalpy of the steam and to the yield from the cycle linked to the reduced humidity in the production stage. This is a very valuable technological innovation since its environmental impact is next to zero and it integrates a pre-existing industrial plant, maintains the complete renewability of the resource and of the cycle and indeed combines two renewable sources for energy production which opens up new scenarios internationally. The 5 MW output increases production capacity by over 30 GWh/per annum and, overall, the operation allows a further saving of CO₂ exceeding 13,000 tons annually. There is also a very significant impact on employment which, given the direct and indirect operations to source the raw material in the short supply chain process, numbers between 35 and 40 employees. Other benefits arise from the efficient use of agricultural and agro-industrial sub-products, from the optimal maintenance of forests with the consequent prevention of hydrogeological risk, from the sustainable development of energy-producing crops and from the significant availability of co-generated heat.

Energy storage

As well as continuing with the installation of energy storage systems on wind power plants, ENEL decided to focus on residential energy storage. Partnership agreements were signed with leading companies in the sector, with the aim of developing integrated energy storage and photovoltaic systems, testing them on the market and, subsequently, selling them in countries with a high business potential, starting from South Africa. Residential energy storage systems allow consumers to store their self-produced energy, for example through photovoltaic systems, in batteries to use it subsequently to power their home should this not be connected to the grid or in the event of a power blackout. Also in the field of conventional energy generation, the advantages of integrating energy storage systems have been tested, albeit on a larger scale. A valid recent example in this sense is the installation, on the island of Ventotene, of a lithium-ion battery (300 kW/600 kWh) which is fully integrated into the existing diesel generator system paired with an ad hoc optimization and control system.

Electric transport infrastructure

Electric transport represents an increasingly important sector to be developed, above all for its numerous benefits such as reduced carbon dioxide emissions and noise pollution as well as the possibility of using the vehicles, through their batteries, as distributed energy storage systems. Over the past year, ENEL has intensified its commitment to electric transport by developing numerous projects, including the alliance signed with Nissan, but also “Zem2All” (Zero Emissions Mobility to all), which introduced a fleet of 200 electric vehicles in Malaga and the development of the necessary recharging infrastructure, and the “Electric transport in Santiago del Chile” program, for the realization of recharging infrastructure in collaboration with the public authorities in order to promote electric technology and the development of ambitious business models in the public transport sector.

Endesa in Spain launches a new electric transport project for employees

On 1 June 2015, Endesa, in order to promote electric transport as one of the factors in change and promoting a zero emissions energy model, launched an electric transport proposal for its employees, including different types of vehicles and various incentives. The initial target was to involve 100 employees. As at 31 December 2015, 158 electric vehicles had been purchased and will allow the annual saving of over 300 tons of CO₂ emissions in Spain.

Grid services

ENEL has always been committed to numerous initiatives aimed at innovating energy distribution mechanisms in order to constantly improve grid efficiency. Through the collaboration with the start-up Athonet Smartgrid, which has developed a system capable of creating a high-speed, low-latency private data network, ENEL can provide telecommunications coverage to plants located in areas that are not served by other operators and to manage confidential data. This system has already been applied to some generation plants, such as the Federico II plant in Brindisi. This solution generates considerable positive externalities because in addition to serving ENEL's plants, it serves their surrounding areas. In addition, the ENEL Group has decided to use the Athonet Smartgrid technology in the project that will lead it to develop its own virtual telecommunications network, making communication more competitive, in terms of costs and performance, to and between millions of ENEL's machines and sensors distributed throughout the area, and will create a new generation Industrial Internet of Things.

Innovation in the final uses of energy and energy efficiency

Expo 2015 represented for ENEL an important moment in realizing a cutting-edge smart city. Among the most important experiences was certainly the realization of a solution for energy efficiency in the pavilions. In particular, through the EMS (Energy Management System) platform it was possible to control loads, distributed generation sources and storage systems, and, then, optimize energy flows on the basis of the specific needs of the end user. Among the innovations in 2015 is the FLEXICIENCY project which will last 4 years and sees the involvement of four of the main electricity distributors in Europe which use a smart metering system (from Italy ENEL Distribuzione S.p.A., from France ERDF, from Spain Endesa, and from Sweden Vattenfall), the main electricity sellers, including Enel Energia for Italy in collaboration with aggregators, research institutes and the involvement of thousands of end users. Through 5 large-scale initiatives the intention is to demonstrate how the availability of data from the meter which is made accessible by the distributor in real time can facilitate the introduction of innovative services for the end user (such as, for example, services for advanced monitoring, control over consumption, ranging up to flexible services), thus creating new opportunities in the energy market. In particular, in the Italian pilot project, Enel Energia will for the first time test "demand response" services for a year with 500 customers who have been recruited in the area around Milan. Finally, in Rio de Janeiro, ENEL is creating a house that can think for itself, by reacting to outside conditions to adjust the lighting and temperature, while generating more energy than it consumes ("We are Living Tomorrow"); while in Colombia, with a competition among teams from prestigious universities, the intention is to realize a prototype home which contributes to sustainability through the development of shared economies, collective spaces, waste management and sharing of knowledge ("Solar Decathlon").

Conventional power generation

Innovation in conventional power generation aims to improve the performance, efficiency and operational flexibility of plants and reduce their emissions and environmental impact, by evaluating and developing new technologies and available systems. In keeping with previous years, work continued to characterize emissions of macro- and micro-pollutants on high-efficiency exhaust-treatment systems in ENEL plants. Among other things, campaigns were undertaken to measure and test the containment of SO₂ emissions. In regard to particulates, innovative materials were tested to filter smoke both in the pilot plant installed at the thermoelectric power plant at Torrevaldaliga Nord, but also through the direct installation in the full-scale

filters of the Reftinskaya power plant, thus assessing the impact of the various plant configurations and coal compositions. On the matter of residues, with the aim of finding a way to create value from them in economic and environmental terms, among the conventional power applications developed in recent years was the use of ash in the production of bricks and in the realization of highway works (see the chapter “*Environment*”). In terms of robotics and advanced automation, the work was mainly focused on the development and demonstration in industrial contexts of robotized systems that can support and, in some cases, replace human intervention during maintenance work with a potential positive impact on timeframes, costs and the safety of operators.

RECENT DEVELOPMENTS

ENEL starts construction of Latin America’s largest solar power plant in Brazil

On 5 July 2016, ENEL, through its subsidiary ENEL Green Power Brasil Participações Ltda. (“**EGPB**”), started construction of the 292 MW Nova Olinda solar power plant in Brazil which, once completed, should be the largest in Latin America. The construction of this new facility builds upon EGPB’s leading renewable energy presence in Brazil, where the company already runs the country’s largest solar plant currently in operation, Fontes Solar (11 MW), and is building Ituverava (254 MW), which will be Brazil’s second largest solar project.

Nova Olinda, which is owned by four special purpose vehicles (SPV) held by EGPB, is located in Ribeira do Piauí in Brazil’s north-eastern state of Piauí. Once completed, the new facility, which should cover an area of 690 hectares, might have a total installed capacity of 292 MW and might be able to generate more than 600 GWh per year, enough to meet the annual energy consumption needs of around 300,000 Brazilian households, while avoiding the emission of approximately 350,000 tonnes of CO₂ into the atmosphere. Nova Olinda will be built in an area with high levels of solar radiation and will make a significant contribution to meet country’s increasing energy demand.

The solar plant will be supported by a 20-year PPA that provides for the sale of the energy generated by the plant to the Brazilian Chamber of Commercialisation of Electric Energy (Câmara de Comercialização da Energia Elétrica, CCEE). The ENEL Group was awarded the PPA following the “Leilão de Reserva” public tender in August 2015 together with the right to sign PPAs for the Horizonte (103 MW) and Lapa solar parks (158 MW), becoming the Brazilian solar industry’s top player in terms of installed capacity and project portfolio.

ENEL starts construction of 65 MW wind farm in the United States

On 12 July 2016, ENEL, through its subsidiary EGP-NA, has started construction of the Chisholm View II wind project in Oklahoma, which is an expansion of the existing 235 MW Chisholm View wind farm and once completed will bring the site’s total installed capacity to 300 MW. Chisholm View Wind Project II, LLC, which is owned by EGP-NA subsidiary Enel Kansas, LLC, should be able to generate over 240 million kWh annually – equivalent to the energy consumption needs of over 19,000 U.S. households – while avoiding the emission of over 126,000 tonnes of carbon dioxide into the atmosphere each year. The project is envisaged to be operational by the end of 2016.

ENEL completes sale of upstream gas assets in Italy for €30 million

On 13 July 2016, ENEL completed the sale of all its Italian assets in the upstream gas sector held through its wholly-owned subsidiary Enel Longanesi Developments S.r.l. (“**ELD**”) to AleAnna Europa S.r.l., a subsidiary of the U.S. company AleAnna Resources LLC, which operates in the exploration and production of hydrocarbons. The total consideration for the disposal is €30 million, of which a portion (about €7 million) was paid in the context of the sale, while the remaining part will be paid in a number of instalments once the

Longanesi gas field in Emilia Romagna enters production, which is envisaged to occur in 2018, depending on gas prices.

ENEL steps into Indonesian renewables market with geothermal tender award

On 14 July 2016, the ENEL Group's renewable energy division EGP, in consortium with the Indonesian geothermal developer PT Optima Nusantara Energi ("PT ONE"), was awarded the right to hold the license to explore geothermal resources and develop the 55 MW Way Ratai geothermal power project in the Way Ratai area, in Indonesia's Lampung province, following the tender launched by the Indonesian Ministry of Energy and Mineral Resources in December 2015. The project will be the first to be developed by ENEL in the country, marking the company's entry into Indonesia's renewables market.

ENEL's 2015 Sustainability Report and the ENEL Group's commitment to achieving un sustainable development goals

ENEL's 2015 Sustainability Report Seeding Energies introduces and documents the ENEL Group's commitment to the achievement of the Sustainable Development Goals ("SDGs"), the global sustainability objectives proposed by the United Nations in September 2015, for which ENEL has undertaken specific commitments. Global Reporting Initiatives's ("GRI") SDG Mapping Service has confirmed that ENEL's reporting on the SDGs is correctly mapped against the relevant disclosures in the G4 Guidelines and accurately included in the report. ENEL is one of the world's first companies to have obtained this confirmation.

For the fourth consecutive year, ENEL's Sustainability Report was based on materiality analysis, which enables assessment of whether the company's strategic positioning is aligned with the stakeholders' expectations regarding sustainability issues. ENEL is deeply committed to transparent and accurate sustainability reporting principles and, for the 10th straight year, ENEL's Sustainability Report has met GRI requirements for reporting, in line with the GRI's Sustainability Reporting Guidelines. To improve the monitoring of sustainability performance, ENEL's reporting was based on the GRI G4 Guidelines, Core "in accordance" option, as well as the G4 Electric Utilities Sector Disclosures, which highlights the specific features of the electricity industry.

ENEL seeks to play an active part in the change already taking place in the energy industry paradigm with a sustainable development model that is based on shared value creation both inside and outside the company. This is carried out through actions integrated along the entire value chain. Of fundamental importance to achieving this goal is the introduction, measurement and reporting of environmental, social and governance sustainability indicators, not only to assess the progress of activities, but also to anticipate decisions and reinforce a proactive rather than reactive attitude. For the sixth consecutive year, the ENEL Sustainability Report was ranked at the UN Global Compact's "GC Advanced" level for its Communication on Progress on human rights, labour practices, environment and anti-corruption. ENEL has achieved the highest Global Compact level in its Communication on Progress thanks to its implementation of best practices in transparency and completeness.

ENEL once again confirmed in the FTSE4GOOD index

On 26 July 2016, the ENEL Group has once again been confirmed in the prestigious FTSE4Good index, this time with an overall environmental, social and governance ("ESG") score of 4.1 out of 5. The FTSE4Good index measures the performance of companies in areas such as the fight against climate change, governance, respect for human rights and anti-corruption.

Created by the global index company FTSE Russell, FTSE4Good is an equity index series designed to support investment in companies based on their ESG performance. Businesses included in the FTSE4Good Index Series meet a variety of environmental, social and governance criteria. In addition to these rankings, the

ENEL Group is also included in the world's other leading sustainability indices, including the Dow Jones Sustainability Index World, the Euronext Vigeo indices, the STOXX Global ESG Leaders indices and the Carbon Disclosure Leadership Index.

EGP International sells 60 per cent. of EGPE to Endesa for €1,207 million

On 27 July 2016, EGP International and Endesa Generación S.A. ("**Endesa Generación**"), a wholly-owned subsidiary of Endesa, entered into an agreement for EGP International to sell its equity interest in EGPE, equal to 60 per cent. of its share capital, to Endesa Generación, which following the transaction will hold the entire share capital of EGPE. The total consideration paid by Endesa Generación for the equity interest acquired was set at around €1,207 million.

The transaction is consistent with ENEL's strategy of rationalising and simplifying its structure in the various countries where ENEL operates and it aims to make these structures more efficient and manageable in order to create value. At the same time, this transaction enables Endesa to expand its presence in the renewables sector in the Iberian Peninsula, making the most of the skills concentrated in the ENEL Group's Renewable Energy Business division, which all of the renewables assets that the ENEL Group controls worldwide refer to. From an accounting standpoint, the transaction will not have an impact on the ENEL Group's consolidated financial statements as it was carried out between companies under common control.

ENEL accelerates on broadband with Metroweb acquisition

On 28 July 2016, the Board of Directors of ENEL approved the transaction aimed at the integration of its subsidiary EOF and Metroweb after receiving a favourable opinion from ENEL's Related Parties Committee.

The transaction provides for, in the following stages:

- a capital increase at EOF, reserved for ENEL and CDP Equity S.p.A. ("**CDPE**"). As a result of the capital increase, ENEL and CDPE will have equal equity interest in EOF;
- the acquisition by EOF of all of Metroweb's share capital for € 714 million, assuming a 100 per cent. enterprise value for Metroweb amounting to € 814 million, which takes into account the acquisition by Metroweb of all minority stakes in its subsidiaries; and
- the merger by way of incorporation of Metroweb into EOF ("**New EOF**").

It is also expected that ENEL and CDPE will grant an option to F2i – to be exercised by 15 October 2016 – to reinvest in New EOF through the acquisition from ENEL and CDPE of a equity interest of up to 30 per cent. of New EOF. Should F2i exercise such option, ENEL and CDPE will contribute their equal equity interest in New EOF to a newly formed company. The exercise price of the option will be based on the amount paid by EOF to purchase Metroweb.

Following the transaction, New EOF will be jointly controlled by ENEL and CDPE (even if F2i reinvests in the company) and will therefore be accounted for by ENEL using the equity method.

The implementation of the transaction will enable EOF:

- to push forward the development of the fibre optics network realisation project;
- to broaden the scope of cabling operations, developing a commercial offer that includes the most important Italian cities and, therefore, that will be of interest to all alternative operators interested in a project being implemented on a national scale (the Metroweb group has already cabled Milan and is laying cable in Bologna and Turin);
- to exploit industrial skills and expertise developed by the Metroweb group; and

- to improve the financial profile of the project and, accordingly, its financing opportunities.

The transaction is envisaged to be finalised by the end of November 2016.

ENEL closes disposal to EPH of 50 per cent. of stake in SE

On 28 July 2016, ENEL Produzione sold to EP Slovakia its 50 per cent. equity interest in SPH, which in turn holds 66 per cent. of SE. The disposal was carried out in execution of the agreement signed on 18 December 2015, between ENEL Produzione and EP Slovakia and represents the first phase of the sale of the ENEL Group's entire equity interest held by ENEL Produzione in SE, as provided for in that contract. For further information in this respect, see also "*Recent significant transactions and events in 2015 and in the beginning of 2016 – Agreement to dispose of Slovenské Elektrárne*" above. More specifically, the disposal was carried out following the transfer to SPH of the entire 66 per cent. equity interest previously held by ENEL Produzione in SE and the receipt of clearance for the transaction from the Antitrust Authorities of the EU. As a result of the completion of the first phase, EP Slovakia paid to ENEL Produzione a consideration of €150 million, while the remaining €225 million shall be paid following the closing of the second phase of the transaction.

ENEL Group launches final phase of corporate reorganisation in Latin America

On 6 August 2016 the Boards of Directors of the Enersis Americas, Endesa Americas and Chilectra Americas called Extraordinary Shareholders' Meetings for 28 September 2016 for the approval of the second and final phase of the corporate reorganisation process aimed at separating electricity generation and distribution operations in Chile from those developed in the other countries of Latin America. For further information on the corporate reorganisation process in Latin America, see also "*History and development of ENEL - Reorganisation of operations in the Iberian Peninsula and in Latin America*" above.

On that occasion, the shareholders of the three Chilean companies will be asked to approve the merger by way of incorporation of Endesa Americas and Chilectra Americas into Enersis Americas, the consequent increase in the latter's share capital and the change of its denomination to "Enel Americas S.A.". Following the merger, Enersis Americas will own all of the equity interests held by the Enersis group in the Latin American countries, other than Chile.

More specifically, on the basis of the outcome of the the Boards of Directors of the companies involved in the operation:

- the shareholders of Endesa Americas will receive 2.8 Enersis Americas shares for each Endesa Americas share they hold; and
- the shareholders of Chilectra Americas will receive 4 Enersis Americas shares for each Chilectra Americas share they hold.

The merger will take effect subject to the following conditions precedent:

- that the shareholders of Enersis Americas that did not participate in approving the merger exercise the right of withdrawal within the maximum limit of 10 per cent. of the capital of that company post-merger;
- that the shareholders of Endesa Americas that did not participate in approving the merger exercise the right of withdrawal within the maximum limit of 10 per cent. of the capital of that company; and
- that the shareholders of Chilectra Americas that did not participate in approving the merger exercise the right of withdrawal within the limit of 0.91 per cent. of the capital of that company.

In any case, the merger may take effect even if one or more of the above conditions are not met if the shareholders of Enersis Americas, Endesa Americas and Chilectra Americas waive those conditions in Shareholders' Meetings to be called for that purpose within 60 days from 28 September 2016. The merger by

way of incorporation of Endesa Americas and Chilectra Americas into Enersis Americas is envisaged to take effect as from the first day of the month following that in which the companies involved will notify in writing that the above conditions have been met or that they have been waived.

ENEL Open Fiber and the cities of Catania and Venice join forces for digitalisation

On 19 July 2016, the city of Catania and EOF, the ENEL Group company for the development of a national ultra-broadband infrastructure, signed the first agreement that will allow the laying of fibre optic cabling across the whole city. EOF is interested in creating a fibre optic, ultra-broadband telecommunications network for Catania, while at the same time ensuring its operation and maintenance, as well as offering, under non-discriminatory technical and economic conditions, wholesale access rights to all operators that request them. The fibre optic cabling will be brought to customers' homes via the Fiber to the Home (FTTH) method, which will be capable of supporting download and upload speeds of up to 1 Gbps.

On 16 August 2016, analogous arrangements have been reached by the city of Venice.

ENEL starts production at 97 MW Carrera Pinto PV plant in Chile

On 16 August 2016, ENEL, through its subsidiary EGPC, has completed and connected to the grid its PV solar park Carrera Pinto, located 60 kilometres from the city of Copiapó in the Atacama Region of Chile.

The new solar plant has an installed capacity of 97 MW and can generate more than 260 GWh each year, equivalent to the annual consumption needs of around 122,000 Chilean households, while avoiding the emission of more than 127,000 tonnes of carbon dioxide per year into the atmosphere. Carrera Pinto is supported by a long-term PPA, and the power generated by the plant will be delivered to Chile's Central Region Transmission Network (Sistema Interconectado Central, SIC).

Price set for public tender offer that Enersis Americas will launch for Endesa Americas free float

On 31 August 2016 the Board of Directors of Enersis Américas approved a number of resolutions concerning the voluntary public tender offer that Enersis Américas will launch for the shares of its subsidiary Endesa Américas. More specifically, the Board of Directors of Enersis Américas set the definitive tender price at 300 Chilean pesos per share (compared with the last price of 285 Chilean pesos per share announced on 17 December 2015). The offer relates to all of the shares and American Depositary Shares of Endesa Américas not held by Enersis Américas, which represent about 40.02 per cent. of the share capital of Endesa Américas. The public tender offer, which was first announced in November 2015 as part of the corporate reorganisation of the ENEL Group in Latin America, is intended to facilitate and support the successful merger by incorporation of Endesa Américas and the other Chilean subsidiary Chilectra Américas into Enersis Américas (for further information in this respect, see also “– *ENEL Group launches final phase of corporate reorganisation in Latin America*” above). The completion of the public tender offer is subject to the approval of the Extraordinary Shareholders' Meetings of the companies involved, called for 28 September 2016. In this context, the public tender offer price increase has the aim of offering Endesa Américas minority shareholders an option for liquidating their shareholdings in the company if the merger is approved.

ENEL confirmed once again in Dow Jones Sustainability World Index

On 9 September 2016, for the 13th year in a row, ENEL has been admitted to the Dow Jones Sustainability World Index (DJSI World). The Group's Spanish subsidiary Endesa has also been included. ENEL and Endesa are two of the 9 companies admitted to the index at global level which applied for inclusion in the utility sector category. Out of 316 companies admitted in the DJSI World, ENEL is one of the 6 Italian-based companies included. ENEL stood out in particular for its performance in the Market Opportunities component with a score of 100/100 versus an industry average of 45, and in the newly introduced component Innovation Management with a score of 95/100 versus an industry average of 44.

ENEL will present updated strategic plan on 22 November 2016

On 1 September 2016, ENEL informed the market that, pursuant to the publication of its 2016 corporate calendar on 29 December 2015, the ENEL Group's updated strategic plan will be presented to the financial community in London on 22 November 2016.

ENEL new business unit created for development of ultra broadband

On 12 September 2016, in the wake of the positive experience in Italy of Enel Open Fiber, the company devoted to the development of ultra-broadband headed by CEO Tommaso Pompei, as already announced ENEL has created a new business unit operating at global level within the Global Infrastructure and Networks Business Line of the ENEL Group. The new unit will be in charge of managing this new strategic area of the ENEL Group in Italy and abroad.

The new business unit, denominated "Global Fiber Optic Infrastructures", will be headed by Stefano Lorenzi, a manager with long experience in the sector. Its mission will be to devise strategies and implement business models for the ENEL Group's global development of fibre optic infrastructure.

ENEL starts construction of new 103 mw solar plant in Brazil

On 13 September 2016, ENEL, through its renewable energy subsidiary EGPB, has started the construction of the Horizonte solar plant, which is located in Tabocas do Brejo Velho in the state of Bahia in north-eastern Brazil.

The new facility will have an installed capacity of 103 MW and once completed will be able to generate over 220 GWh per year, enough to meet the annual energy consumption needs of more than 108,000 Brazilian households while avoiding the emission of about 129,000 tonnes of CO₂ into the atmosphere.

Horizonte is owned by a special purpose vehicle (SPV) held by EGPB and is expected to enter into service in the second half of 2017.

Horizonte will be supported by 20-year power supply contracts for the sale of energy generated by the plant to the Brazilian Chamber of Commercialisation of Electric Energy (Câmara de Comercialização da Energia Elétrica or CCEE). The project was awarded to the ENEL Group together with the 158 MW Lapa and 292 MW Nova Olinda solar projects during the "Leilão de Reserva" public tender in August 2015, which made the Group the Brazilian solar industry's top player in terms of installed capacity and project portfolio.

The ENEL Group is also building another two solar projects in Bahia: Ituverava (254 MW) and Lapa (158 MW). Horizonte will be located next to Ituverava, meaning that EGP will be able to pool resources both during the construction and operation of the two projects, which will share the same connection infrastructure.

Enersis Americas launches public tender offer for Endesa Americas free float

On 12 September 2016, the Board of Directors of Enersis Américas S.A., following the outcome of the meeting of 31 August 2016, approved the launch of a voluntary public tender offer for the shares of Endesa Américas. The offer period is set to run from 14 September to 28 October 2016.

ENEL signs tax equity agreement for 400 MW Cimarron Bend wind project in the USA

On 16 September 2016, EGPNA, the U.S. renewable energy company of the ENEL Group, acting through its subsidiary Cimarron Bend Wind Holdings, LLC ("Cimarron Bend Wind Holdings") has signed a tax equity agreement worth approximately 500 million U.S. dollars with three investors – Bank of America Merrill Lynch, J.P. Morgan and MetLife – for the 400 MW Cimarron Bend wind project located in Kansas.

Under the agreement, which is common for the development of renewable energy projects in the United States, the investors will contribute the above amount to the wind farm's owner Cimarron Bend Wind Holdings in exchange for 100 per cent. of "Class B" Membership interests in the project. This interest will

allow the three investors to obtain, at certain conditions provided by U.S. tax laws, a percentage of the fiscal benefits that will be attributed to the Cimarron Bend project. In turn, EGPNA, through Cimarron Bend Wind Holdings, retains 100 per cent. ownership of the “Class A” interests and therefore management control of the project. The funding commitment came into effect at signing. Funds will be released in two phases, the first instalment being released mid-way through the entire 400 MW project construction and the second instalment upon completion of the project.

The Cimarron Bend wind farm, whose construction started in April 2016, is expected to begin operations in 2017. Once fully operational, Cimarron Bend might be able to generate around 1.8 TWh per year, providing enough energy to meet the annual consumption needs of more than 149,000 average U.S. households, while avoiding the emissions of around 1.3 million tonnes of CO₂ each year. Cimarron Bend Wind Holdings, who owns the project through special purpose vehicles, is fully owned by ENEL Kansas, a 100 per cent. subsidiary of EGPNA. Cimarron Bend Wind Holdings has taken over the project assets from Cimarron Bend Wind Project, LLC.

Cimarron Bend is supported by two, 200 MW bundled, long-term power purchase agreements, one with Google and the other with the Kansas City Board of Public Utilities. Cimarron Bend is the first of ENEL Group’s North American wind farms to sell a portion of the power produced to a corporate off-taker.

ENEL in STOXX Global ESG Leaders for third straight year

On 20 September 2016, for the third year in a row ENEL has been included in the STOXX Global ESG Leaders index, which measures companies’ environmental, social and governance (ESG) performance. ENEL achieved a company’s score of 90.72/100 in the Social Ranking, 88.93/100 in the Governance ranking and 53.32/100 in the Environmental ranking.

The STOXX Global ESG Leaders Index was created by STOXX Limited, a global index provider that is fully owned by the German stock exchange Deutsche Boerse Group. The index uses 128 key performance indicators (KPIs), and its rating model is based on the KPI for ESG 3.0 standard by the Society of Investment Professionals in Germany (DVFA) and European Federation of Financial Analysts Societies (EFFAS).

The ENEL Group is also ranked in other leading sustainability indices such as the Dow Jones Sustainability Index World, the FTSE4Good, Euronext-Vigeo, and the Carbon Disclosure Project (CDP).

The combination of innovation and sustainability, translated into ENEL’s Innovability approach to its activity, drives the ENEL Group’s strategy and business culture. ENEL continues its path towards achieving carbon-neutrality by 2050 and it is expected that electricity generated from renewable sources, which accounts for around 43 per cent. of the ENEL Group’s total capacity as of 30 June 2016, will contribute nearly half of the ENEL Group estimated total capacity of 83 GW in 2019. As an interim step on the way to this goal, ENEL has set a medium-term target by 2020 of a 25 per cent. reduction in CO₂ emissions compared to 2007, which has been recognized as “science-based” (*i.e.* in line with the decarbonisation levels required by science). Climate action is one of the four UN Sustainable Development Goals (SDGs) endorsed by ENEL alongside access to energy, access to education, and the contribution to the socio-economic development of communities in the countries where ENEL operates.

ENEL’s commitment to delivering the highest sustainability standards has attracted the increasing interest of socially responsible investment funds (SRIs): based on the latest figures as of 31 December 2015, SRIs own 7.7 per cent. of ENEL’s total outstanding shares (5.9 per cent. recorded at the end of 2014), equal to 10.3 per cent. of the company’s free-float (8.6 cent. as of 31 December 2014).

ENEL launches innovative PV plant at La Silla observatory in Chile

On 23 September 2016, ENEL's state of the art La Silla photovoltaic plant in northern Chile has started operations. La Silla is a utility-scale PV plant that combines the use of innovative bifacial and smart modules with conventional modules for side-by-side testing. The plant, which is owned by EGPC, was named after the neighbouring astronomical observatory it will supply with clean energy. The PV plant and the observatory are located on a hill near the commune of La Higuera in the Coquimbo Region, on the outskirts of the Atacama Desert, 600 km north of Chilean capital Santiago.

La Silla's innovative smart PV modules boast a microchip that optimises production from each panel by allowing it to deliver electricity to the grid regardless of any eventual malfunctions affecting other panels, unlike conventional modules, where one malfunctioning panel can affect production of the other working panels. The facility's bifacial modules capture solar energy from both sides of the PV panel as opposed to traditional modules, which capture energy from just one side of the panel.

The side-by-side testing of the smart and bifacial modules with conventional panels will compare their performance with that of the conventional panels in the same site. The use of the innovative panels is expected to increase power generation at the facility by between 5-10 per cent. compared to a conventional PV plant of equal size. Early results from testing confirm this estimate and ENEL is continuing to explore potential improvements.

The PV plant, which has a long-term power purchase agreement with the La Silla astronomical observatory, will deliver its energy to Chile's Central Region Interconnected System (SIC). The facility is capable of generating approximately 4.75 GWh each year, equivalent to the electricity needs of approximately 2,000 Chilean households and more than 50 per cent. of the observatory's annual power consumption. The clean energy generated by La Silla will avoid the emission of over 2,000 tonnes of CO₂.

The La Silla observatory is equipped with several optical telescopes with mirror diameters of up to 3.6 metres. The facility belongs to ESO, an intergovernmental organisation focused on the design, construction and operation of powerful facilities for astronomical observation from Earth. In addition to La Silla, ESO has the Paranal Observatory that houses the Very Large Telescope (VLT). About 20 km from Paranal, at the summit of Cerro Armazones, ESO is building the European Extremely Large Telescope (E-ELT), a telescope 39 meters in diameter. ESO also operates the APEX telescope, located at an altitude of 5,000 metres on the Chajnantor plateau, about 50 km from San Pedro de Atacama. Finally, ESO is a partner in ALMA, the world's largest radio astronomy observatory.

ENEL named in top 100 of New Thomson Reuters Diversity and Inclusion index

On 26 September 2016, ENEL has been named in the Top 100 of the new Thomson Reuters Diversity and Inclusion Index, which ranks over 5,000 companies for their diversity and inclusion performance via environmental, social and governance (ESG) data gathered from sources such as annual reports, company websites, stock exchange filings, CSR reports and the news.

ENEL's score of 74.75 saw it take 25th place in the index, which was created by mass media and business information multinational Thomson Reuters, and it performed impressively against industry and country peers. The ENEL Group is the highest ranked of the five Italian companies included in the Top 100, and was also one of only two electric utilities and independent power producers (IPPs) as defined by Thomson Reuters to make the index's Top 50.

The Diversity and Inclusion Index measures company performance in 24 categories spread across four pillars: Diversity, People Development, Inclusion and News Controversies. Only businesses that manage to get a score in all four pillars are given an overall score, which is calculated as an average of the pillar scores and

runs from 100 (best in class) down to zero (worst in class). The index is revised every quarter, using the most recent bi-weekly data update from the Thomson Reuters ESG database.

In addition to its notable overall performance, ENEL also excelled in all four data point pillars, hitting the highest scores of any Italian business in every pillar and scoring a best in class 100 in the News Controversies pillar.

ENEL's commitment to delivering the highest sustainability standards has attracted increasing interest from socially responsible investment funds (SRIs): based on the latest figures as of 31 December 2015, SRIs own 7.7 per cent. of ENEL's total outstanding shares (5.9 per cent. recorded at the end of 2014), equal to 10.3 per cent. of the company's free-float (8.6 per cent. as of 31 December 2014).

ENEL starts construction of new 172 MW wind farm cluster in Brazil

On 27 September 2016, ENEL, through its renewable energy subsidiary EGPB, started the construction of the Morro do Chapéu Sul wind farm cluster, which is located in the municipalities of Morro do Chapéu and Cafarnaum in the state of Bahia in north-eastern Brazil, 400 kilometres from state capital Salvador.

The new facility will have a total installed capacity of 172 MW and is composed of six wind farms: Ventos de Santa Esperança (28 MW), Ventos de Santa Dulce (28 MW), Ventos de São Mário (30 MW), Ventos de São Paulo (28 MW), Ventos de São Abraão (28 MW) and Boa Vista (30 MW). The cluster is owned by four special purpose vehicles held by EGPB and is expected to enter into service in the first half of 2018. Once completed, Morro do Chapéu Sul might be able to generate more than 830 GWh per year, enough to meet the annual consumption needs of more than 320,000 Brazilian households while avoiding the emission of about 225,000 tonnes of CO₂ into the atmosphere.

Four of the cluster's wind farms are supported by 20-year power supply contracts with a pool of Brazilian electricity distribution companies, which EGPB was awarded following the 2014 A-5 energy auction launched by Brazil's Electricity Regulatory Agency (ANEEL). The remaining two wind farms (Ventos de São Abraão and Boa Vista) are supported by a 20-year power purchase agreement (PPA) signed in the free market.

Morro do Chapéu Sul is the ENEL Group's sixth wind project in Bahia, a state where it already operates 264 MW of wind power capacity and is currently building the Delfina (180 MW) and Cristalândia (90 MW) wind farms.

ENEL signs deal to sell 400 MW CCGT in Belgium

On 28 September 2016, ENEL signed an agreement to sell Marcinelle Energie, a 100 per cent. subsidiary of ENEL's fully-owned investment vehicle EIH to French electricity supplier Direct Energie S.A. Following the closing of the transaction, expected around the end of 2016, ENEL will step out of the Belgian market. Marcinelle Energie owns and operates a combined cycle gas turbine (CCGT) power generation plant of around 400 MW in Belgium. Completion of the sale is subject to the meeting of conditions precedent, in particular the authorization by Belgian competent authorities. The sale price will be subject to customary completion adjustments, including an earn out.

Merger of Endesa Americas and Chilectra Americas into Enersis Americas approved by shareholders of the three ENEL subsidiaries

On 28 September 2016, the Extraordinary Shareholders' Meetings of Enersis Americas, Endesa Americas and Chilectra Americas approved the second and final phase of the corporate reorganisation process to separate electricity generation and distribution operations in Chile from those in the other countries of Latin America (for further information in this respect, see also “– ENEL Group launches final phase of corporate reorganisation in Latin America” above).

ENEL awarded 93 MW of wind capacity in Mexican renewables tender

On 29 September 2016, ENEL, acting through its subsidiary Enel Green Power México, has been awarded the right to sign an energy and clean certificate supply contract with the Salitrillos wind project in the second renewable energy tender launched by the Mexican Ministry of Energy.

Salitrillos will be built in the municipality of Reynosa, which is located in the State of Tamaulipas, in Northeastern Mexico. The plant, whose installed capacity is set to total 93 MW, is expected to enter into operation by 2019. Once up and running, Salitrillos might generate around 400 GWh per year, while avoiding the emission of over 230,000 tonnes of CO₂ into the atmosphere.

ENEL completes its first wind farm in South Africa

On 3 October 2016, ENEL, through its subsidiary Enel Green Power RSA (Pty), completed and connected to the grid the Nojoli wind farm, which is located in South Africa's Eastern Cape province. Nojoli is the ENEL Group's first wind farm to start production in South Africa.

The new wind farm has a total installed capacity of 88 MW and should be able to generate more than 275 GWh per year, equivalent to the annual consumption needs of around 86,000 South African households, therefore avoiding the emission of more than 251,000 tonnes of CO₂ into the atmosphere each year.

The Nojoli wind farm is supported by a 20-year power supply agreement with the South African power utility Eskom, which ENEL was awarded in October 2013 following the third round of the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) tender promoted by the South African government.

CORPORATE GOVERNANCE

Corporate governance rules for Italian companies whose shares are listed on the Italian Stock Exchange, such as ENEL, are contained in the Italian Civil Code, in the Legislative Decree No. 58 of 24 February 1998 (the “**Consolidated Financial Act**”), CONSOB Regulation No. 11971 of 14 May 1999 (“**Issuers Regulation**”) and the self-regulatory code of corporate governance promoted by Borsa Italiana S.p.A (the “**Corporate Governance Code**” (*Codice di Autodisciplina*)).

ENEL has adopted a “traditional” system of corporate governance, based on a conventional organisational model involving shareholders' meetings, a board of directors, a board of statutory auditors and independent external auditors.

Pursuant to its by-laws, the management of ENEL is entrusted to a collegial body made up of no fewer than 3 and no more than 9 members, appointed by an ordinary Shareholders' Meeting (collectively the “**Board of Directors**” and each member so appointed a “**Director**”).

Directors are appointed for a term not exceeding three financial years and may be reappointed. For the appointment of the Board of Directors, ENEL's by-laws provide for a slate voting system, aimed at ensuring the presence on the Board of Directors of members appointed by minority shareholders (totalling three-tenths of the Directors to be elected).

The Board of Directors has the widest possible powers to perform the ordinary and extraordinary tasks involved in managing ENEL. It is authorised to take all the steps that it deems appropriate in order to achieve ENEL's aims and corporate objectives, with the sole exception of the powers expressly reserved by law and by ENEL's by-laws to Shareholders' Meetings. In addition, ENEL's by-laws confer upon the Board of Directors the power to, *inter alia*, resolve upon the following matters: (a) mergers and demergers with subsidiaries, where permitted by applicable laws; (b) decrease of share capital, in case of shareholder withdrawal; and (c) adjustments of the by-laws in order to comply with applicable regulations.

Pursuant to ENEL's by-laws, the Board of Statutory Auditors (*collegio sindacale*) is composed of three auditors and three alternate auditors, each of which shall meet the requirements provided for by applicable law and ENEL's by-laws (collectively, the “**Board of Statutory Auditors**”). The members of the Board of Statutory Auditors are appointed by the ordinary Shareholders' Meeting for three years and can be reappointed. For the appointment of the Board of Statutory Auditors, ENEL's by-laws provide for a slate voting system which aims to ensure the presence on the Board of a regular auditor (who is entitled to the office of chairman) and an alternate auditor (who will take the office of chairman if the incumbent leaves before the end of his term) designated by minority shareholders.

The Board of Statutory Auditors is responsible for monitoring (i) the Company's compliance with the law and by-laws, as well as compliance with proper management principles in carrying out the Company's activities; (ii) the process of financial disclosure and the adequacy of the Company's organizational structure, internal auditing system, and administration and accounting system; (iii) the audit of the stand-alone and the consolidated financial statements and the independence of the external auditing firm; and, lastly, (iv) how the corporate governance rules provided by the Corporate Governance Code are implemented.

ENEL's by-laws are in compliance with applicable laws and regulations aimed at ensuring the gender balance within the Board of Directors and the Board of Statutory Auditors.

Board of Directors

As of the date of this Base Prospectus, ENEL's Board of Directors is composed of nine members, appointed by the Shareholders' Meeting on 22 May 2014 and integrated by the Shareholders' Meeting on 28 May 2015. The Board of directors' term will expire on the date of the Shareholders' Meeting called to approve ENEL's financial statements for the year ending 31 December 2016.

The names of the members of the Board of Directors are set forth in the following table.

Name	Position	Place and Date of Birth
Maria Patrizia Grieco ⁽¹⁾	Chairman	Milan, 1952
Francesco Starace ⁽³⁾	Chief Executive Officer	Rome, 1955
Alfredo Antoniozzi ⁽²⁾⁽⁴⁾	Director	Cosenza, 1956
Alessandro Banchi ⁽²⁾	Director	Florence, 1946
Alberto Bianchi ⁽²⁾	Director	Pistoia, 1954
Paola Girdinio ⁽²⁾	Director	Genova, 1956
Alberto Pera ⁽²⁾	Director	Albisola Superiore (Savona), 1949
Anna Chiara Svelto ⁽²⁾	Director	Milan, 1968
Angelo Taraborelli ⁽²⁾	Director	Guardiagrele (Chieti), 1948

Notes:

- (1) Non-executive and Independent director pursuant to the Consolidated Financial Act.
- (2) Non-executive and Independent director pursuant to the Consolidated Financial Act and to the Corporate Governance Code.
- (3) Executive director.
- (4) Mr Alfredo Antoniozzi was appointed as Director by the Shareholders' Meeting held on 28 May 2015.

The business address of the Board of Directors' members is ENEL's registered office (being ENEL — Società per Azioni, Viale Regina Margherita 137, 00198 Rome, Italy).

The management competence and experience of each director is briefly summarised below:

Maria Patrizia Grieco

Chairman of the Board of Directors of ENEL since May 2014.

Maria Patrizia Grieco was born in Milan in 1952 and graduated in law at the University of Milan. She started her career in 1977 at the legal and general affairs directorate of Italtel, where she became the chief in 1994. In 1999 she was appointed general manager of Italtel to re-organize and reposition the company, in which she became chief executive officer in 2002. From September 2003 to January 2006 she was the chief executive officer of Siemens Informatica, which is the controlling entity in Italy of Siemens Business Services, becoming member of the executive council of the abovementioned group leader at worldwide level. From February 2006 she became partner of Value Partners and chief executive officer of the Group Value Team (today NTT Data). She held at Olivetti the office of chief executive officer from November 2008 up to March 2013, that of chairman from June 2011 up to June 2014, while from June to October 2014 she was director of Olivetti. She has also been director of Fiat Industrial (today CNHI, from April 2012 up to April 2016) and is currently director of Anima Holding (from March 2014), Ferrari (from April 2016) and Amplifon (from April 2016). She is also member of the steering committee of Assonime (from September 2014), of the board of director of Bocconi University (from November 2014) and of Italian Foundation MAXXI – National Museum of XXI Century Arts (from February 2016).

Francesco Starace

Member of the Board of Directors and Chief Executive of ENEL since May 2014.

Francesco Starace was born in Rome in 1955 and he graduated in nuclear engineering at the Milan Polytechnic Institute. He started his career as analyst for the security of the electronuclear plants at Nira Ansaldo (from 1981 to 1982) and he held, from 1982 to 1987, several executive management positions in Italy, the United States, Saudi Arabia, Egypt and the Arab Emirates, in the company Sae Sadelmi, which was part of the General Electric group. From 1987 to 2000, he worked for ABB and then Alstom Powers Corporation, where he was also chief executive officer of ABB Combustion Engineering Italia (from 1997 to 1998) and later (from 1998 to 2000) he was senior vice president for the global and turnkey systems sales for the gas turbine division. He joined the ENEL Group in 2000, where he held several key management positions, including head of the “power” business area (from July 2002 until October 2005), head of the “market” division (from November 2005 until September 2008) and, lastly, the role of Chief Executive Officer and General Manager of EGP, (from October 2008 until May 2014). Since June 2014, he is a member of the Advisory Board of the United Nations Sustainable Energy 4 All initiative. In May 2015, he has also been appointed to the Board of Directors of the United Nations Global Compact. In January 2016 he was appointed co-Chairman of the World Economic Forum's Energy Utilities and Energy Technologies Community.

Alfredo Antoniozzi

Member of the Board of Directors of ENEL since May 2015.

Alfredo Antoniozzi was born in Cosenza in 1956. After graduating in law at the University “La Sapienza” of Rome in 1980, he achieved a specialization in labor law, practicing his activity in a law firm. From 1981 to 1990 he was City Councilman at the Municipality of Rome, taking on the office as Counsellor for the Educational Politics; later, he held the office of Counsellor for General Affairs appointed to the Institutional and International Relations of Rome. From 1990 to 2004 he was Region Councilman at the Lazio Region, where he assumed the office as Counsellor for Transport. Furthermore, from 2008 to 2012 he held the office

as Counsellor for Heritage and Special Projects at the Municipality of Rome. From 2004 to 2014 he was Member of the European Parliament, where he was a member of the Justice Commission, Legal Commission and Constitutional Affairs Commission. During the same period he also took part in the Delegations for European relationships with the United States of America and the Arabic Peninsula and Central America, as well as he took part in the Delegation at Parliamentary Committee on relationships between EU-Mexico.

Alessandro Banchi

Member of the Board of Directors of ENEL since May 2011.

Alessandro Banchi was born in Florence in 1946. After graduating in Chemical Engineering at the University of Bologna in 1969, he started his professional career in the pharmacology industry in 1971. In 1973, he joined the Italian branch office of the chemical-pharmaceutical multinational Boehringer Ingelheim, holding different management positions both in Italy and abroad, and became Italy's country manager from 1992 until 1999. In the Boehringer Ingelheim group, he held the office of managing director of Pharma Marketing and Sales (which operates worldwide) from 2000 until 2008, where he also held the office of chairman and CEO of its executive committee starting from 2004. In 2009, he left the Boehringer Ingelheim group to provide professional advice on pharmaceutical matters. Officer of the Republic of Italy, he held offices in Italian and foreign sector associations of the chemical and pharmaceutical industry; in this regard, he was chairman of AESGP and ANIFA (respectively, European and Italian Association of pharmaceutical industries of counter products), a member of the boards of directors of Federchimica and of the board of directors of Farindustria, as well as in the G10 at the European Commission in Brussels. He is also the chairman of the supervisory board of Biotest A.G. as well as member of the Board of Directors of the Spanish company Esteve S.A.

Alberto Bianchi

Member of the Board of Directors of ENEL since May 2014.

Alberto Bianchi was born in Pistoia in 1954. After graduating in law and becoming a lawyer, he started to practice law in 1986 in the administrative, commercial, corporate and bankruptcy fields. Initially he worked for the law firm of Professor Alberto Predieri from 1983 to the death of the owner in August 2001 when he then founded the law firm Bianchi and Associates, with its main office in Florence and subsidiaries offices in Rome and Milan. From 2001 to 2007, he was liquidator of EFIM (body of loan for the manufacturing industries); after the suppression of the abovementioned body, he was appointed (in July 2007) by the Minister of Economy and Finance as commissioner “*ad acta*” for the compulsory winding up of the companies managed by Ligresta, (companies of the Fintecna Group), an office that he holds today. He was also a member of the liquidator board of Finanziaria Ernesto Breda (from 1994 to 2001), a director of Rai New Media, chairman of Firenze Fiera (from 2002 to 2006) and of Dada (an internet company listed on the Stock Exchange of Milan from 2011 to 2013). Currently he is chairman of the board of directors of “Edizioni di Storia e Letteratura”, as well as director and accounting auditor of several associations and foundations. From March 2016 he is member of the Steering Committee at Cassa di Risparmio Foundation in Florence.

Paola Girdinio

Member of the Board of Directors of ENEL since May 2014.

Paola Girdinio was born in Genova in 1956 and she graduated in physics science at the University of Genova, where she was a researcher (from 1983 to 1987), associate professor (from 1987 to 2000) and then full professor (from 2000 to today). At the same university she was headmaster of the faculty of electrical engineering (from 2001 to 2007), a member of the executive board of the centre of the permanent training (from 2006 to 2008), chief of the department of electrical engineering (from 2007 to 2008), headmaster of the faculty of engineering (from 2008 to 2012) and since 2012 she has been a member of the board of directors. She is the author of several scientific publications in national and international magazines, in which she

specialised in electromagnetic events and the related industrial compatibility. She was member of the board of directors of Ansaldo STS (Finmeccanica Group) from 2011 to 2014 and Ansaldo Energia from 2014 to 2016 and now she holds the same office at Banca Carige (from 2016), at the “Distretto ligure delle tecnologie marine” (from 2010) and at the company D’Appolonia of the Rina Group (from 2011). She is also president of the scientific committee for the project “smart city” made by Comune di Genova (from 2011), a member of the regency board of Genova of the Banca d’Italia (from 2011) and a member of the scientific committee of Eurispes (from 2013). From 2015 she is the chairman of the Cyber Security National Lab of the electrical grids to which belongs certain of the most important national companies operating in this field.

Alberto Pera

Member of the Board of Directors of ENEL since May 2014.

Alberto Pera was born in Albisola Superiore (Savona) in 1949. He graduated in economics at the University “La Sapienza” of Rome and in law at the University of Macerata, after which he became a lawyer and gained a master’s degree of science in economics at the London School of Economics. After a period as a researcher at the Faculty of Economics, University of Rome (1974 – 1978), he started his career as head of analysis of the monetary markets at the Banca Nazionale del Lavoro (1978 – 1979). Mr Pera has also been an economist at the division of the international markets for capital of the International Monetary Fund (1980 – 1985). Head of the economics studies of IRI (from 1985 to 1990, during which he also studied the items related to the privatisations of the companies controlled by IRI as well as studying the liberalisation of the markets), he was also an adviser of the Minister of Industry for the industrial policies of competition (1986 – 1990, with responsibility for the first Italian antitrust law). In this period he was a member of the board of directors of Italcable (STET Group, 1986 – 1990) and chairman of Seleco (1988 – 1990). From 1987 to 1991 he was a professor of public company economics at the “Catholic” University in Milan. First secretary of the Guaranteeing Authority of the Competition and the Market (1990 – 2000), he has also represented the abovementioned authority at the meetings of the general managers of competition of the EU members. From 2001 to 2014 he has been a partner at the Gianni, Origoni, Grippo, Cappelli & Partners law firm, in which he has founded the antitrust and regulation department and in which he is of counsel from January 2015.

Anna Chiara Svelto

Member of the Board of Directors of ENEL since May 2014.

Anna Chiara Svelto was born in 1968 in Milan and graduated in law at the University of Milan, becoming a lawyer in September 1995. From March 1996 to February 1998 she worked at the legal affairs directorate of Edison, later becoming head of the legal and corporate affairs directorate of Shell Italia from March 1998 to September 2000. She then joined the Pirelli Group where she worked until May 2016 holding several managerial positions in the parent company, and specifically acting as chief of the corporate affairs and compliance directorate, secretary of the board of directors and secretary of the advisory committee instituted inside the board of directors, and a member of the management committee and of the management committee for risk, as well as of the steering committee for sustainability. From April 2013 to February 2014 she was director and member of the control and risk and corporate governance committees of Prelios. From April 2016 she is director and member of the remuneration committee of ASTM. From June 2016 she joined UBI Banca, as manager in charge of general and legal affairs.

Angelo Taraborrelli

Member of the Board of Directors of ENEL since May 2011.

Angelo Taraborrelli was born in 1948 in Guardiagrele (Chieti) and graduated with honours in Law at the University of Siena in 1971. Mr Taraborrelli obtained a master’s degree in hydrocarbon business at the High School of Hydrocarbon “Enrico Mattei.” He began his professional activity at Eni S.p.A. in 1973, where he

held various management offices, up to the role of Director of Planning and Control of Saipem. Then he held the office of the holding's deputy Head of Strategic control and up-stream development and Gas (in 1996) and, subsequently (in 1998), the office of deputy head of Planning and Industrial Control. Subsequently he held the office of deputy chairman of Snamprogetti (2001 – 2002) and has been chief executive officer for AgipPetroli's business (2002). From the beginning of 2003, after the incorporation of the aforementioned company in the holding, he was deputy general manager of the marketing area at the Refining & Marketing division. From 2004 until 2007 he was general manager of Eni with responsibility for the Refining & Marketing division. Until September 2007, he was director of Galp (a Portuguese oil company), deputy chairman of Unione Petrolifera (association of the oil companies operating in Italy), director of Eni Foundation and chairman of Eni Trading & Shipping. From 2007 until 2009 he held the office of chief executive officer and general manager of Syndial, Eni's company operating in chemicals and environmental intervention fields. In 2009 he left Eni in order to carry out consultancy in oil industry matters; he was then appointed as distinguished associate of Energy Market Consultants (a consultancy firm in oil industry matters with registered office in London) in 2010.

Conflicts of Interest of the members of the Board of Directors

At the date hereof, none of the members of the Board of Directors has any private interests in conflict with the duties arising from his or her office or position within the Group.

Provisions in the by-laws regarding the integrity requirements of the members of the Board of Directors

In the Extraordinary session of the Shareholders' Meeting held on 22 May 2014, the meeting approved the proposal of the Shareholder, Ministry for the Economy and Finance, presented pursuant to Article 2367 of the Italian Civil Code, to insert in the corporate by-laws a provision concerning integrity requirements and related causes of ineligibility and disqualification from office of the members of the Board of Directors and the consequent by-laws amendments. Such provision was then partially modified by the resolution of the Extraordinary Shareholders' Meeting held on 28 May 2015.

Board of Statutory Auditors

At the date hereof, ENEL's Board of Statutory Auditors, appointed by the Shareholders' Meeting on 26 May 2016, is composed of three statutory members, whose names and positions are set forth in the following table, and three alternate auditors. The terms of the members of the Board of Statutory Auditors will expire on the date of the Shareholders' Meeting called to approve ENEL's financial statements for the year ending 31 December 2018.

Name	Position	Place and Date of Birth
Sergio Duca	Chairman	Milan, 1947
Mazzei Roberto	Statutory Auditor	Lamezia Terme, 1962
Guglielmetti Romina	Statutory Auditor	Piacenza, 1973

The business address of the Board of Statutory Auditors' members is ENEL's registered office (being ENEL — Società per Azioni, Viale Regina Margherita 137, 00198, Rome, Italy).

The competence and experience of each statutory auditor are briefly summarised below.

Sergio Duca

Chairman of ENEL's Board of Statutory auditors since April 2010.

Sergio Duca was born in Milan in 1947 and graduated with honors in Economics and Business from the "Bocconi" University in Milan. A certified chartered accountant and auditor, as well as auditor authorized by the U.K. Department of Trade and Industry, he acquired broad experience through the PricewaterhouseCoopers network as the external auditor of important Italian listed companies, including Fiat, Telecom Italia, and Sanpaolo IMI. He was the chairman of PricewaterhouseCoopers S.p.A. from 1997 until July 2007, when he resigned from his office and ceased to be a shareholder of that firm because he had reached the age limit provided for by the bylaws. After serving as, among other things, member of the Edison Foundation's advisory board and the Bocconi University's development committee, as well as chairman of the Bocconi Alumni Association's board of auditors and a member of the board of auditors of the ANDAF (Italian Association of Chief Financial Officers), he was chairman of the board of statutory auditors (and then regular auditor) of Exor until January 2016 and of GTech until April 2015, chairman of the board of auditors of Compagnia di San Paolo and of Silvio Tronchetti Provera Foundation, as well as chairman of the board of statutory auditors of Tosetti Value SIM and an independent director of Autostrade Milano-Torino and Sella Gestione SGR. Member of the Ned Community, an association of non-executive directors, he currently holds high offices on the boards of directors and the boards of statutory auditors of important Italian and foreign companies, associations, and foundations, serving as chairman of the board of directors of Orizzonte SGR and chairman of the board of auditors of the Foundation for the school of the Compagnia di San Paolo and ISPI (Institute for the Study of International Politics), as well as member of the board of directors, chairman of the audit committee and financial expert of Ferrari and member of the board of auditors of the Intesa San Paolo Foundation Onlus.

Roberto Mazzei

Member of ENEL's Board of Statutory Auditors since May 2016.

Roberto Mazzei was born in Lamezia Terme in 1962 and graduated in 1986 in business administration at the "Bocconi" University of Milan. Then he continued his academic activity at the same university, where he was professor of the department of corporate and project finance at the management school from 1988 to 2006 and, subsequently, full professor. He is currently associate professor of corporate finance at the University of Sassari, while he was researcher at the Cattolica University of Milan. He is author of several scientific publications on the subject of corporate finance and from 1999 he is also chartered accountant and auditor, activity in which context he provides in particular advise on valuation of companies, intangible assets and impairment. During the nineties he dealt with consulting projects for the World Bank and for the European Bank for Reconstruction and Development in relation to reconstruction measures in certain Eastern-Europe Countries. In 1995 he was one of the founding partner of Medinvest, a company that during the following years provided financial advice in several relevant extraordinary financial transactions involving some listed companies; the activity of Medinvest, starting from 2000, developed also in the field of "merchant banking" with the incorporation of Medinvest International, of which Professor Maffei is still the managing shareholder. At the end of 2009 the activity of financial advice of Medinvest was transferred to Centrobanca. Furthermore, during the period 2004-2007 he monitored, with Pirelli Re and Lehman, the incorporation of the real estate fund Diomira and the following acquisition of the real estate portfolios of ENPAM and UBI Banca. From 2010 to 2014 he was partner and chairman of Principia SGR, one of the main Italian venture capital companies, that he left at the beginning of 2015. He held and currently holds several offices on the board of directors and on the board of statutory auditors of important companies, also listed, belonging to private or public groups. In particular he was chairman of the board of directors of the Istituto Poligrafico e Zecca dello Stato (from 2009 to 2011), director of Alenia Aeronautica (from 2003 to 2012), founding shareholder and (from 2006 to 2009) director of Banzai, director of Ansaldo Breda (from 2012 to 2013), as well as statutory

auditor of Snam (from 2006 to 2012) and Eni Power (from 2006 to 2009). He is currently chairman of the board of directors of GWM Capital Management and director of Bridge Management and Ki Group (companies listed on AIM Italia market), Finanziaria Tosinvest, Im3D (technological start-up in diagnosis in medical imaging), as well as chairman of the board of statutory auditors of Biancamano (company listed on the MTA of Borsa Italiana).

Romina Guglielmetti

Member of ENEL's Board of Statutory Auditors since May 2016.

Romina Guglielmetti was born in Piacenza in 1973 and, after the graduation in law and becoming a lawyer, she started to practice the profession of lawyer. She was senior associate of Bonelli Erede law firm and of counsel of Marchetti notary office; she cooperated from 2007 to 2013 with the Santa Maria law firm (in which she was also partner), and she is currently founding partner of Starclex – Guglielmetti associated law firm. During her professional activity she has in particular deepened the subjects of corporate governance, corporate law and financial intermediaries. For years she specialized in corporate governance of listed and public companies, with specific regard to the profiles of controls, gender diversity and succession plans. She is an associate of NedCommunity (the Italian association of non-executive directors) and PWA (Professional Women Association). She was an advisor of the Ministry of Equal Opportunity from 2013 to 2015 in the context of the first application of the Law no. 120/2011 on the gender quotas; she was and still is panelist in several conferences in the subject of corporate law and banking law, with particular regard to issues concerning corporate governance and control system. She is currently a member of the board of directors of important companies, also listed, holding in particular the office of director (and, usually, also of member of the committees with consultative and proposing functions established within the same management bodies) of Tod's, Servizi Italia, Esperia Bank, Compass Bank, NTV – Nuovo Trasporto Viaggiatori, MB Facta.

Conflicts of Interest of the members of the Board of Statutory Auditors

At the date hereof, none of the members of the Board of Statutory Auditors has any private interests in conflict with the duties arising from his or her office or position within the Group.

Board Committees

Establishment of the Control and Risk Committee, the Nomination and Compensation Committee, the Related Parties Committee and the Corporate Governance Committee

In accordance with the provisions of the Corporate Governance Code (*Codice di Autodisciplina*), ENEL's Board of Directors has resolved upon the establishment of the following four committees:

- nomination and compensation committee;
- control and risk committee;
- corporate governance and sustainability committee; and
- related parties committee.

Special organisational regulations approved by the Board of Directors govern the composition, tasks and functioning of the committees.

According to the regulations here above, each committee consists of at least three directors who are appointed by the Board of Directors, which appoints one of them as chairman. In particular:

- the nomination and compensation committee, recommended by the Corporate Governance Code, is composed of at least three non-executive Directors, the majority of whom (including the Chairman) are independent pursuant to the Corporate Governance Code;

- the control and risk committee, recommended by the Corporate Governance Code is made up of at least three non-executive Directors, the majority of whom (including the Chairman) are independent pursuant to the Corporate Governance Code;
- the related parties committee, established pursuant to Consob's Resolution no. 17721 of 12 March 2010 concerning transactions with related parties, is made up of at least three Directors who qualify as independent pursuant to the Corporate Governance Code; and
- the corporate governance committee, made up of at least three Directors, the majority of whom qualify as independent pursuant to the Corporate Governance Code.

In carrying out their duties, the committees above are empowered to access the information and corporate departments necessary to perform their respective tasks and may avail themselves of external consultants at the Company's expense subject to the limits of the budget approved for each committee by the board of directors (except for the related parties committee that is not subject to budget limits in retaining external consultants). In this regard, it should be noted that in the event that the nomination and compensation committee decides to avail itself of external consultants in order to obtain information on market practices concerning remuneration policies, it previously verifies that the consultant is not in any situation which may effectively compromise his independence of judgement, while the related parties committee ascertains the independence and the absence of conflicts of interest, as well as the consultant's professional competence and skills in relation to the subjects of the transactions in which respect the committee shall issue its opinion.

Each committee appoints a secretary, who need not be one of its members, who is assigned the task of drafting the meeting minutes.

The chairman of the Board of Statutory Auditors, or another designated auditor, attends the meetings of each committee (the other regular statutory auditors are also entitled to attend) and, upon invitation by the chairman of the relevant committee, meetings may also be attended by other members of the board of directors or representatives of the company's functions or third parties whose presence may support the performance of the committee's duties. The meetings of the control and risk committee are also normally attended by the head of the "Audit" function, and the meetings of the nomination and compensation committee are also normally attended by the head of the "Human Resources and Organisation" function; no directors may attend those meetings of the nomination and compensation committee that are called to resolve upon proposals regarding their own compensation, to be submitted to the Board of Directors, except in the case of proposals concerning all the members of the committees established within the Board of Directors.

Control and Risk Committee

The control and risk committee has the task of supporting, through an adequate review process, the assessments and decisions on the part of the Board of Directors regarding the internal control and risk management system and the approval of periodic financial reports.

Specifically, the control and risk committee is entrusted with the following consultative and proposing tasks:

- (i) supporting the Board of Directors, by formulating specific opinions, in connection with the performance of its tasks on internal control and risk management matters;
- (ii) assessing, together with the executive in charge of preparing the corporate accounting documents and after consulting with the auditing firm and the Board of Statutory Auditors, the proper application of accounting principles and their uniformity for purposes of preparing the periodic financial reports;
- (iii) expressing opinions on specific aspects regarding the identification of the Company's and the ENEL Group's main risks;

- (iv) reviewing periodic reports concerning assessments on the internal control and risk management system, as well as the other reports prepared by the Audit Department that are particularly significant;
- (v) monitoring the independence, adequacy, effectiveness and efficiency of the “Audit” function;
- (vi) performing the additional tasks assigned to the committee by the Board of Directors, with particular regard to (a) reviewing the contents of the sustainability report that are relevant for purposes of the internal control and risk management system, issuing in such regard a prior opinion to the Board of Directors called to approve such report, and (b) reviewing, together with the Corporate Governance and Sustainability Committee, the main corporate rules and procedures related to the internal control and risk management system which are relevant for stakeholders, with particular reference to the Compliance Programme prepared pursuant to Legislative Decree No. 231/2001, the Code of Ethics, the “Zero Tolerance for Corruption” Plan and the Human Rights Policies, submitting such documents to the Board of Directors for approval and assessing any subsequent amendments or supplements to the same; and
- (vii) reporting to the Board of directors at least once every six months on the work performed and on the adequacy of the internal control and risk management system.

The committee may also ask the “Audit” function to perform checks on specific operating areas, giving simultaneous notice to the chairman of the Board of statutory auditors and, except where the subject matter of the request specifically concerns such persons’ activity, to the chairman of the board of directors and the director in charge of the internal control and risk management system.

At the date hereof, such committee is composed of Angelo Taraborrelli (Chairman), Paola Girdinio, Alberto Pera and Anna Chiara Svelto.

Nomination and Compensation Committee

The current nomination and compensation committee is made up entirely of Directors who qualify as independent pursuant to the Corporate Governance Code.

The nomination and compensation committee is responsible for supporting the Board of directors, through proper enquiry, the assessments and decisions of the Board on the size and composition of the board, as well as the compensation of the executive directors and key executives. Specifically, the nomination and compensation committee is entrusted with the following consultative and proposing tasks:

- formulating opinions to the Board of directors on the size and composition of the Board and expressing recommendations on the professional profiles whose participation on the Board would be deemed advisable;
- expressing recommendations to the Board of Directors on the contents of the policy on the maximum number of offices within boards of directors and control of other companies of significant size which could be considered compatible with the effective performance of the office of Director of the Company;
- expressing recommendations to the Board of Directors on controversial issues related to the application of the restriction on competition imposed upon directors pursuant to article 2390 of the Italian Civil Code if the Shareholders’ Meeting – for organisational reasons – has authorized, on a general and preliminary basis, exemptions from such restriction;

- proposing candidates for the role of Director to the Board of Directors, taking into account suggestions that may be made by shareholders:
 - in the case of co-optation, should it be necessary, to replace independent directors;
 - if, in the event of the renewal of the Board of Directors, it is envisaged that it will not be possible to draw the required number of Directors from the lists submitted by the shareholders, so that the outgoing Board may, in this case, provide its own nominations to be submitted to the Shareholders' Meeting;
 - if, in the case of a renewal of the Board of Directors, the outgoing board decides to avail itself of the right, provided under the bylaws, to submit its own slate;
- in cooperation with the Corporate Governance and Sustainability Committee, assisting the board of directors in drafting a contingency plan, which shall provide for the steps to be taken to ensure that the Company's activities are regularly managed in the event of early termination of the chief executive officer;
- in the event of early termination of the chief executive officer, proposing to the board of directors the new chief executive officer in accordance with the Corporate Governance and Sustainability Committee, taking also into consideration any indications provided by those shareholders that submitted the slate from which the outgoing chief executive office was drawn;
- submitting proposals for the compensation of the directors and key executives to the Board of Directors, periodically evaluating the adequacy, overall consistency and actual application of the policy adopted, also on the basis of the information provided by the chief executive officer concerning the implementation of such policy with respect to the key executives;
- submitting to the Board of Directors proposals for, or expressing opinions on, the compensation of the executive directors and the other directors who hold particular offices, as well as the identification performance targets related to the variable component of such compensation, monitoring the implementation of the decisions adopted by the Board and verifying, in particular, the actual achievement of performance targets;
- examining in advance the annual remuneration report to be made available to the public in view of the Shareholder's Meeting convened for the approval of the annual financial statements.

As part of its duties, the nomination and compensation committee also plays a central role in elaborating and monitoring the performance of incentive systems (including stock-based plans, if any), addressed to the management and conceived as instruments aimed at attracting and motivating resources with appropriate expertise and experience, developing their sense of belonging and ensuring their constant, enduring effort to create value. The committee can also assist the chief executive officer and the corporate functions concerned with regard to making the best use of managerial resources, finding talent and promoting related initiatives with university institutions.

At the date hereof, the nomination and compensation committee is composed of Alessandro Banchi (Chairman), Paola Girdinio, Alberto Pera and Anna Chiara Svelto.

Related Parties Committee

According to ENEL's procedure for transactions with related parties (see below under the paragraph "*Transactions with Related Parties*") and to its own organisational regulations, the related parties committee has been assigned with the task of issuing reasoned opinions on the interests of ENEL (as well as those of ENEL's directly or indirectly controlled subsidiaries that may be involved from time to time) in the

completion of transactions with related parties, expressing an assessment on the advantageousness and substantial fairness of the relevant conditions after receiving timely and adequate information in advance. In connection with transactions of major importance (as defined in the aforementioned procedure), such committee may also request information and make comments to the chief executive officer and those persons in charge of the negotiations or the inquiry on matters related to the information received. Lastly, the committee decides upon those cases, submitted to its attention by the advisory board established pursuant to the same procedure, in which the identification of a related party or the ordinary nature of a transaction is disputed.

At the date hereof, the committee is composed of Alberto Bianchi (Chairman), Alfredo Antoniozzi, Alessandro Bianchi and Angelo Taraborrelli.

Corporate Governance and Sustainability Committee

The current corporate governance and sustainability committee is made up entirely of directors who qualify as independent pursuant to the Consolidated Financial Act and the Directors, Alfredo Antoniozzi and Alberto Bianchi, also qualify as independent pursuant to the Corporate Governance Code.

The committee assists with preliminary functions, both proposing and consultative in nature, the Board of Directors on its assessments and decisions related to the corporate governance of the Company and the Group and on sustainability issues. In this regard, the corporate governance and sustainability committee has the following specific tasks:

- monitoring the evolution of the legal framework, as well as national and international best practices in relation to corporate governance, updating the Board of Directors in case of significant changes;
- verifying that the corporate governance system adopted by the Company and the ENEL Group is compliant with applicable laws, recommendations set forth under the Corporate Governance Code and national and international best practices;
- submitting proposals for the review of the aforementioned corporate governance system to the Board of Directors if it is deemed necessary or appropriate;
- preparing the Board review process, by submitting to the Board of Directors proposals for the grant of the mandate to a firm specialized in the sector, identifying the matters to be assessed and defining the modalities and timeframes to be followed in such regard;
- in cooperation with the nomination and compensation committee, assisting the Board of Directors in drafting a contingency plan, which shall provide for the steps to be taken to ensure that the Company's activities are regularly managed in the event of early termination of the chief executive officer;
- in the event of early termination of the chief executive officer, proposing to the board of directors the new chief executive officer in accordance with the nomination and compensation committee, taking also into consideration any indications provided by those shareholders that submitted the slate from which the outgoing chief executive office was drawn;
- examining, in advance, the annual report on corporate governance to be published with the documentation connected with the annual financial statements;
- monitoring on sustainability-related issues in connection with the Company's business and the interaction dynamics between the latter and its stakeholders;
- examining the guidelines set forth under the sustainability plan and the implementation modalities of the sustainability policy;

- monitoring the inclusion of the Company in the main sustainability indexes, as well as its participation to the most relevant international events on this matter;
- examining the general structure of the sustainability report and the structure of its contents, as well as the completeness and transparency of the disclosure provided through such report, issuing in such regard a prior opinion to the board of directors called upon to approve such document;
- examining the main corporate rules and procedures that might be relevant for stakeholders – together with the control and risk committee whenever such rules and procedures are related to the internal control and risk management system – and submitting these documents for approval to the board of directors, evaluating whether they should subsequently be amended or supplemented; and
- performing the additional tasks assigned to it by the Board of Directors.

At the date hereof, such committee is composed of Patrizia Grieco (Chairman), Alfredo Antoniozzi and Alberto Bianchi.

Other Corporate Governance Matters

Implementation of Corporate Governance Rules

The corporate governance structure in place at ENEL and in the group of companies that it controls reflects the principles set forth in the Corporate Governance Code, as well as the recommendations made in this regard by CONSOB and, more generally, international best practice.

In addition to establishing the above-described committees, ENEL has, among other things, identified an officer responsible for relationships with institutional investors and other shareholders and, as already mentioned, has adopted an internal procedure for the discipline of transactions with related parties.

Adoption of a Compliance Programme

In July 2002, the Board of Directors approved a compliance programme pursuant to the requirements of Legislative Decree No. 231 of 8 June 2001, which introduced into the Italian legal system a regime of administrative (but, in fact, criminal) liability with respect to companies for several kinds of crimes committed by the directors, executives, or employees in the interest of or for the benefit of the companies themselves. Such compliance programme, which was regularly updated, is consistent with the guidelines on the subject established by industry associations and represents another step towards strictness, transparency and a sense of responsibility in both internal relations and those with the external world. At the same time, the compliance programme offers shareholders adequate assurance of efficient and fair management.

Transactions with Related Parties

The relationships between the ENEL Group and its related parties primarily consist of business transactions relating to the sale and purchase of products and the provision of services. They fall within the ordinary activities carried out by the ENEL Group.

In December 2006, the Board of Directors adopted, pursuant to the Italian Civil Code and the Corporate Governance Code, an internal regulation that set forth the procedures for approving and carrying out transactions with related parties entered into by the Company or by its subsidiaries, in order to guarantee the transparency and the correctness, both substantive and procedural, of such transactions.

In 2011, a new procedure has been implemented within the ENEL Group aimed at governing the approval and conclusion of related party transactions carried out by ENEL, either directly or through its subsidiaries, in order to ensure the transparency and fairness of such transactions from both a substantive and procedural/formal standpoint. Such procedure was approved by the Board of Directors in November 2010,

pursuant to Article 2391-*bis* of the Italian Civil Code and to Consob's Resolution no. 17721/2010, and subsequently amended by the same Board of Directors in June 2011, in December 2012 and, lastly, in January 2014.

For more details on the transactions with related parties, see Note 26 to the Half Year Report as of June 30, 2016 and Note 47 to the 2015 Audited Consolidated Financial Statements.

Executive in Charge of preparing the Corporate Accounting Documents

Pursuant to the provisions of Article 154-*bis*, paragraph 1, of the Consolidated Financial Act, and the by-laws, the Board of Directors, after receiving the opinion of the Board of Statutory Auditors, is required to appoint an "executive in charge of preparing the corporate accounting documents".

This role is currently held by Alberto De Paoli, head of the Company's Administration, Finance and Control department, which fulfils (as ascertained by the Board of Directors on 4 November 2014) the relevant professional requirements set forth under the Consolidated Financial Act and the by-laws.

The duty of such executive is to establish appropriate administrative and accounting procedures for the preparation of the financial statements of ENEL and the Group's consolidated financial statements, and all other financial documents.

Principal Officers

The following table sets forth the ENEL Group's officers with strategic responsibilities and their positions as of the date of this Base Prospectus.

Name	Position
Livio Gallo	Head, Global Infrastructure and Networks business line
Enrico Viale	Head, Global Thermal Generation business line
Claudio Machetti	Head, Global Trading and Upstream Gas business line
Francesco Venturini	Head, Renewable Energies business line
Carlo Tamburi	Head, Country Italy
José Bogas Gálvez	Head, Iberian Peninsula region
Luca D'Agnese	Head, Latin America region
Roberto Deambrogio	Head, Europe and North Africa region
Alberto De Paoli	Head, Administration, Finance and Control function
Francesca Di Carlo	Head, Human Resources and Organization function

Independent External Auditors

The external auditor of ENEL is EY S.p.A., a company duly registered within the Register of external auditors, whose registered office is at Via Po, 32, 00198, Rome, Italy. EY S.p.A. has audited ENEL's consolidated financial statements as of 31 December 2014 and 2015 and for the years then ended, in accordance with auditing standards recommended by CONSOB, as stated in their reports included in this Base Prospectus.

EY's current appointment will expire on the date of the Shareholders' Meeting called for the approval of ENEL's annual financial statements as of 31 December 2019.

The auditors of ENEL are independent accountants with respect to ENEL.

DESCRIPTION OF ENEL FINANCE INTERNATIONAL N.V.

General

ENEL Finance International N.V. (“**ENEL N.V.**”) was incorporated (as ENEL Trading Rus B.V.) as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid* or B.V.) under the laws of The Netherlands on 26 September 2008 and operates in accordance with the Dutch Civil Code (*Burgerlijk Wetboek*). It was converted into a limited liability company (*naamloze vennootschap* or N.V.) under the laws of The Netherlands on 7 September 2010. It was renamed on 4 October 2010.

ENEL N.V. is registered with the trade register of the Dutch Chamber of Commerce under number 34313428 and its telephone number is +31 20 5218 777. The registered office of ENEL N.V. is at Herengracht 471, 1017 BS Amsterdam, The Netherlands. Its corporate seat is at Amsterdam, The Netherlands.

ENEL N.V. is 100 per cent. directly owned by ENEL.

Merger

On 1 December 2010, in the context of an internal reorganisation of the ENEL Group, ENEL N.V. merged with ENEL Finance International S.A. (“**ENEL S.A.**”), a company incorporated as a public limited liability company (*société anonyme*) established under the laws of Luxembourg on 3 July 1997, having its registered office in Luxembourg. The cross-border merger was carried out in accordance with Directive 2005/56/EC of the European Parliament and of the Council of 26 October 2005 on cross-border mergers of limited liability companies and the provisions of Title 7, Book 2 of the Dutch Civil Code (*Burgerlijk Wetboek*), as a result of which ENEL N.V. (as acquiring and surviving entity) acquired all the rights, assets, obligations and liabilities of ENEL S.A. (as disappearing entity) under universal succession of title, including – without limitation – any and all payment obligations in connection with the Notes issued by ENEL S.A. under the Programme prior to the merger.

Prior to the merger with ENEL S.A., ENEL N.V. was a dormant vehicle with no assets and no commercial activities.

Corporate Purpose

Pursuant to Article 2 of the articles of association of ENEL N.V. dated 30 November 2010 and having effect from 1 December 2010, the objects of ENEL N.V. include, among other things: (i) issuing, purchasing and selling notes and other securities, (ii) acquiring, holding and selling participations in other companies and businesses, (iii) financing such other companies and businesses, borrowing and lending funds, guaranteeing and providing security for third parties (including its group companies), (iv) acquiring, holding and disposing of real property, (v) providing management and administrative services to other companies and businesses, (vi) acquiring, disposing of, holding, licensing and administering patents, trade names, licences, know-how and other intellectual property rights in The Netherlands and beyond, and (vii) doing anything that is connected with or conducive to the foregoing.

Principal Activities

ENEL N.V. operates as a financing company for the ENEL Group, raising funds through notes issuances, loans and other facilities and on lending the funds so raised to the companies belonging to the ENEL Group.

ENEL N.V. is also part of the centralising financial flows process and acts as the primary reference for the management of financial needs or liquidity generated by the operating entities that are part of the ENEL Group.

ENEL N.V. acts solely as a financing company for the ENEL Group and therefore is not engaged in market competition in the energy sector with third parties.

Lending to companies belonging to the ENEL Group

As the acquiring company in the merger with ENEL S.A., ENEL N.V. succeeded, as lender, in the outstanding short and long terms financial operations with companies belonging to the ENEL Group.

The main financial agreements in place as at 30 June 2016 and the principal amount outstanding thereunder are the following:

Long term operations

- € 5,908 million long-term facility granted to ENEL Iberoamerica S.r.l. (formerly ENEL Energy Europe S.L.) bearing interest at a fixed rate, maturing on 30 November 2019;
- €3,500 million long-term facility granted to e-distribuzione S.p.A. (formerly, ENEL Distribuzione S.p.A.) bearing interest at a fixed rate, maturing on 20 April 2022;
- €3,000 million term loan facility granted to Endesa S.A. bearing interest at a fixed rate, maturing on 29 October 2024;
- €2,454 million multicurrency long-term facility, granted to ENEL Green Power International B.V., maturing on 31 July 2023;
- €2,000 million long-term facility granted to e-distribuzione S.p.A. (formerly, ENEL Distribuzione S.p.A.) bearing interest at a fixed rate, maturing on 26 October 2022;
- €2,000 million long-term facility granted to ENEL Produzione S.p.A. bearing interest at a fixed rate, maturing on 25 October 2020;
- €1,000 million long-term facility granted to Endesa S.A. bearing interest at a floated rate, maturing on 30 June 2018 as at 30 June 2018 such facility has not been utilised;
- €700 million loan facility agreement, granted to ENEL Trade S.p.A., bearing interest at a floated rate, maturing on 1 October 2017;
- €100 million loan facility agreement, granted to ENEL Sole S.r.l., bearing interest at a floated rate, maturing on 24 September 2024; and
- €500 million loan facility agreement, granted to ENEL Green Power S.p.A., bearing interest at a floated rate, maturing on 1 April 2030, as at 30 June 2016 such facility has not been utilised yet.

Short term operations

- €1,200 million multicurrency revolving facility granted to ENEL Green Power International B.V., maturing on 31 December 2010, and extended time by time to 31 December 2016; as at 30 June 2016 the facility has been utilised for € 1,025 million;
- ZAR 2,500 million revolving facility agreement, granted to ENEL Green Power International B.V. bearing interest at a floated rate, maturing on 31 December 2016, as at 30 June 2016 the facility has been utilised for countervalue of €152 million;
- €1,500 million revolving credit facility granted to ENEL Produzione S.p.A., maturing on 31 December 2012, and extended time by time to 31 December 2016;
- € 1,300 million revolving credit facility , granted to ENEL Trade S.p.A. bearing interest at a fixed rate, maturing on 1 October 2016;
- €400 million revolving credit facility, granted to ENEL Iberoamerica S.r.l. bearing interest at a floated rate, maturing on 31 December 2016; as at 30 June 2016 the facility has been utilised for € 94 million;

- €500 million revolving facility agreement, granted to ENEL Green Power S.p.A., bearing interest at a floated rate, maturing on 31 December 2015, and extended to 31 December 2016; as at 30 June 2016 the facility has been utilised for €300 million;
- ZAR 2,500 million revolving facility agreement, granted to ENEL Green Power RSA (Pty) Ltd bearing interest at a floated rate, maturing on 31 December 2016, as at 30 June 2016 the facility has been utilised for countervalue of €44 million; and
- €1,500 million uncommitted revolving facility agreement, granted to Endesa S. A., bearing interest at a floated rate, maturing on 31 December 2016; as at 30 June 2016 the facility has been not utilised; € 250 million revolving facility agreement, granted to Endesa Americas S.A. (formerly Endesa Latinoamerica S.A.), bearing interest at a floated rate, maturing on 31 December 2014, and extended time by time to 31 December 2016; as at 30 June 2016 the facility has been not utilised.

Indebtedness of ENEL N.V.

In order to provide the companies belonging to the ENEL Group with the funds they require, ENEL N.V. raises funds through bond issuances, loans and other facilities.

The table below sets forth the principal amount outstanding of the main series of notes, guaranteed by ENEL and issued under the Programme, of which ENEL N.V. is currently the primary obligor.

Notes	Maturity	Interest Rate
		%
EUR 1,082 million fixed rate Notes ⁽¹⁾⁽²⁾	2016	4.0000
USD 1,500 million fixed rate Notes ⁽¹⁾	2017	6.2500
EUR 637 million fixed rate Notes ^{(2) (3)}	2017	4.1250
EUR 544 million fixed rate Notes ^{(2) (3)}	2018	5.7500
EUR 512 million fixed rate Notes ^{(2) (3)}	2018	3.6250
USD 1,750 million fixed rate Notes ⁽¹⁾	2019	5.1250
EUR 482 million fixed rate Notes ^{(2) (3)}	2020	4.8750
EUR 533 million fixed rate Notes ^{(2) (3)}	2021	5.0000
EUR 2,077 million fixed rate Notes ^{(1) (3)}	2022	5.0000
EUR 674 million fixed rate Notes ⁽³⁾	2023	4.8750
EUR 300 million fixed rate Notes	2023	5.2500
GBP 850 million fixed rate Notes ⁽¹⁾	2024	5.6250
EUR 1,463 million fixed rate Notes ⁽²⁾	2025	1.9660
EUR 1,257 million fixed rate Notes ⁽³⁾	2026	1.3750
USD 1,000 million fixed rate Notes ⁽¹⁾	2037	6.8000
USD 1,500 million fixed rate Notes ⁽¹⁾	2039	6.0000
GBP 1,400 million fixed rate Notes ⁽¹⁾	2040	5.7500

Notes:

- (1) Originally issued under the Programme by ENEL S.A., which merged into ENEL N.V.
- (2) Notes partially exchanged pursuant to the terms of an exchange offer transaction settled on 27 January 2015.
- (3) Notes partially repaid and exchanged pursuant to the terms of an exchange offer transaction settled on 1 June 2016.

ENEL N.V. is also currently the issuer under a commercial paper programme guaranteed by ENEL. In the context of the last update of the commercial paper programme which occurred prior to the merger on 3 June 2010, the maximum aggregate principal amount of all commercial paper outstanding from time to time under the commercial paper programme has been increased from €4,000 million to €6,000 million. As at 30 June 2016, ENEL N.V. has outstanding €375 million in aggregate principal amount of commercial paper.

On 8 February 2013, ENEL N.V. (as original borrower) and ENEL (as original borrower and guarantor) signed a revolving facility agreement with a pool of banks, for an amount of €9,440 million (the “**2013 Revolving Facility Agreement**”) which replaced – with effect from 18 March 2014 – a 5-year multi-borrower revolving credit agreement dated 19 April 2010. The 2013 Revolving Facility Agreement was aimed at assuring a reasonable long-term credit facility at favourable market conditions and may be considered as a back-up creditline to face any possible liquidity problem affecting the commercial paper market. On 12 February 2015, ENEL N.V. and ENEL have signed with the same pool of banks a supplemental agreement to amend the financial costs and tenor of the 2013 Revolving Facility Agreement. Considering the current rating of ENEL, the margin that will be applied in case of utilisation has been reduced from 190 to 80 basis points and the commitment fees from 40% to 38% of the margin. The final maturity date has been extended from April 2018 to 12 February 2020.

As at 30 June 2016, such credit facility was not utilised.

The meeting of holders of the €300,000,000 5.25 per cent. Notes due September 2023 (ISIN: XS0177089298) issued by EIH and guaranteed by ENEL was convened for the purpose of resolving upon the substitution of ENEL N.V. as issuer of the mentioned notes. Upon approval of the proposed substitution and the entering into the relevant contractual documentation on 4 October 2016, ENEL N.V. has become the new principal obligor under such notes.

Share Capital

The issued share capital of ENEL N.V. amounts to €1,478,810,370 and is represented by 1,478,810,370 shares with a nominal value of €1 each, which are all held by ENEL.

Members of the Management Board

ENEL N.V. is managed by a management board, currently composed of five members. Members of the management board are appointed by the general meeting of shareholders of ENEL N.V., which may dismiss them at any time. The management board has the power to perform all acts of administration and disposition in compliance with the corporate objects of ENEL N.V.

Pursuant to its articles of association, ENEL N.V. can be validly represented by the management board in its entirety and by the joint signatures of any two members of the management board. Alternatively ENEL N.V. can be validly represented by the single signature of any person who shall have been appointed as representative of ENEL N.V. by the management board by means of a power of attorney.

As at the date hereof, the members of the management board are:

- A.J.M. Nieuwenhuizen

- F. Mauritz
- H. Marseille
- E. Di Giacomo
- A. Canta

The business address of each of ENEL N.V.'s current management board members is that of ENEL N.V.'s registered office at Herengracht 471, 1017 BS Amsterdam, The Netherlands.

ENEL N.V. considers itself to comply with all Dutch laws relating to corporate governance that are applicable to it.

ENEL N.V. does not have a separate audit committee.

Conflicts of Interest

As at the date hereof, the abovementioned members of the management board and the principal officers of ENEL N.V. do not have conflicts of interests between any duties to ENEL N.V. and their private interests or duties.

Employees

As at the date hereof, ENEL N.V. has seven employees.

Auditors

The independent auditor of ENEL N.V. is Ernst & Young Accountants LLP, whose registered office is Boompjes 258, 3011 XZ Rotterdam, The Netherlands. Ernst & Young Accountants LLP is an audit firm for which the auditors are registered with the Royal Netherlands Institute of Chartered Accountants ("NBA").

Ernst & Young Accountants LLP was appointed on 29 July 2011 as independent auditors of ENEL N.V. Ernst & Young Accountants LLP has audited, *inter alia*, the financial statements of ENEL N.V. for the financial year ended 31 December 2014 and 31 December 2015 that are incorporated by reference in this Base Prospectus. The audit has been performed in accordance with Dutch law. The above financial statements for the 2014 and 2015 financial years are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Part 9 of Book 2 of the Dutch Civil Code.

The current appointment of Ernst & Young Accountants LLP will expire on the date of the shareholders' meeting convened to approve ENEL N.V.'s annual statutory financial statements as at 31 December 2019, unless audit firm rotation is required earlier by local law.

The auditors of ENEL N.V. are independent in respect to ENEL N.V. and ENEL.

SELECTED FINANCIAL INFORMATION FOR ENEL

The following summary financial data in respect of the financial years ended 31 December 2014 and 2015 and for the six month periods ended 30 June 2015 and 2016 has been extracted from the ENEL Group's consolidated financial statements in respect of those dates and periods.

	Year ended at 31 December		Six month period ended 30 June	
	2015	2014	2016	2015
	<i>(Audited)</i>		<i>(Unaudited)</i>	
	<i>(Millions of Euro)</i>			
Income data				
Revenues.....	75,658	75,791	34,150	37,632
Operating income	7,685	3,087	5,210	5,084
Net income from continuing operations	3,372	772	2,592	2,629
Net income for the period attributable to shareholders of the parent company	2,196	517	1,834	1,833
Financial data				
Net financial debt	37,545	37,383	38,138	39,849
Total shareholders' equity.....	51,751	51,145	52,651	53,380
Cash flow from operating activities	9,572	10,058	4,196	3,045
Capital expenditure	7,113 ⁽¹⁾	6,701	3,465 ⁽²⁾	2,837 ⁽³⁾

(1) Does not include €649 million regarding units classified as "held for sale"

(2) Does not include €249 million regarding units classified as "held for sale"

(3) Does not include €255 million regarding units classified as "held for sale"

SELECTED FINANCIAL INFORMATION FOR ENEL FINANCE INTERNATIONAL N.V.

The following summary financial data in respect of the financial years ended 31 December 2014 and 2015 has been extracted, from ENEL N.V.'s financial statements in respect of those dates and periods.

	Year ended at 31 December	
	2015	2014
	<i>(Audited)</i>	
	<i>(Millions of Euro)</i>	
Financial Position		
Net non-current assets / (liabilities)	1,327	(81)
Net current assets / (liabilities)	(201)	(214)
Gross capital employed	1,126	(295)
Provisions	123	-
Net capital employed	1,249	(295)
Total shareholders' equity	1,486	723
Net financial debt	(237)	(1,018)
Net Financial Debt		
Net long-term debt	(1,828)	(3,180)
Net short-term debt / (liquidity)	1,591	2,162
Net financial debt	(237)	(1,018)

BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg (together, the “**Clearing Systems**”) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuers and the Guarantor believe to be reliable, but none of the Issuers, the Guarantor, nor any Dealer takes any responsibility for the accuracy thereof. Each of the Issuers and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by the Clearing Systems, no facts have been omitted which would render the reproduced information inaccurate or misleading. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuers, the Guarantor, nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

Book-entry Systems

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Transfers of Notes Represented by Registered Global Notes

Transfers of any interests in Notes represented by a Registered Global Note within Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under “Subscription and Sale and Selling and Transfer Restrictions”, transfers directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Fiscal Agent and any custodian with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuers, the Guarantor, the Agents and any Dealer will be responsible for any performance by Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

TAXATION

The statements herein regarding taxation are based on the laws in force as at the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. Neither the Issuers nor the Guarantor will update this summary to reflect changes in laws and if such a change occurs the information in this summary could become invalid.

This summary assumes that ENEL and ENEL N.V. are resident for tax purposes in the Republic of Italy and in The Netherlands, respectively, are structured and conduct their business in the manner outlined in this Base Prospectus. Changes in the Issuers' and/or the Guarantor's organisational structure, tax residence or the manner in which each of them conducts its business may invalidate this summary. This summary also assumes that each transaction with respect to the Notes is at arm's length.

The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules.

Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.

Financial Transaction Tax

On 14 February 2013, the European Commission published a proposal (the “**Commission's Proposal**”) for a Directive for a common financial tax transaction (“**FTT**”) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the Commission's Proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

The Republic of Italy

General

Where in this summary English terms and expressions are used to refer to Italian concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Italian concepts under Italian tax law.

Tax Treatment of Notes Issued by ENEL

Legislative Decree 1 April 1996, No. 239 (“**Decree 239**”) provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) within the meaning of Article 44 of Italian Presidential Decree 22 December 1986, No. 917 (“**Decree 917**”) issued, inter alia, by companies listed on an Italian regulated market.

For this purpose, pursuant to Article 44 of Decree 917, debentures similar to bonds are securities that (i) incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value and (ii) do not grant to the relevant holders any right to directly or indirectly participate to the management of the issuer or of the business in relation to which they are issued or to control the same management.

Italian Resident Noteholders

In case of Notes qualifying as bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) held by an Italian resident Noteholder who is beneficial owner of the Notes and is (i) an individual not engaged in an entrepreneurial activity to which the Notes are connected, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation (in each case, unless the relevant Noteholder has entrusted the management of its financial assets, including the Notes, to an Italian authorised intermediary and has opted for the application of the *risparmio gestito* regime provided for by Article 7 of Italian Legislative Decree 21 November 1997, No. 461 – the “Risparmio Gestito” regime – see under “Capital gains tax” below), interest, premium and other income relating to the Notes, accrued during the relevant holding period, are subject to a final tax, referred to as “*imposta sostitutiva*”, levied at the rate of 26 per cent.

In the event that the Noteholders described under (i) or (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax. In such case, interest, premium and other income relating to the Notes (i) will be subject to the *imposta sostitutiva* on account of income tax due and (ii) will be included in the relevant Noteholder’s annual corporate taxable income to be reported in the income tax return. As a consequence, such income will be subject to the ordinary income tax and the *imposta sostitutiva* may be recovered as a deduction from the income tax due.

Pursuant to Decree 239, *imposta sostitutiva* is generally applied by banks, *società di intermediazione mobiliare* (SIMs), fiduciary companies, *società di gestione del risparmio* (SGRs), stockbrokers and other entities identified by decrees of the Ministry of Finance who are (i) resident in Italy or permanent establishments in Italy of non-Italian resident financial intermediaries and (ii) intervene, in any way, in the collection of interest, premium and other income relating to the Notes or in the transfer of the Notes (each an “**Intermediary**”).

Where an Italian resident Noteholder who is beneficial owner of the Notes is a company or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected, and the Notes are timely deposited together with the relevant Coupons with an Intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*,

but must be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate income tax ("**IRES**"), currently applying at 27.5 per cent. rate (24 per cent., as from 1 January 2017) and, in certain circumstances, depending on the "status" of the Noteholder, also to *imposta regionale sulle attività produttive*, the regional tax on productive activities ("**IRAP**"), generally applying at the rate of 3.9 per cent. (IRAP applies at different rates for certain categories of investors, e.g. banks, financial institutions and insurance companies and, in any case, can be increased by regional laws up to 0.92 per cent.).

Payments of interest, premium and other income in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998 and Article 14-bis of Law No. 86 of 25 January 1994 (the "**Real Estate Funds**") should not be subject to *imposta sostitutiva* and do not suffer any other income tax in the hands of the Real Estate Fund, provided that the Notes, together with the relevant Coupons, are timely deposited with an Intermediary. Unitholders are generally subject to a 26 per cent. withholding tax on distributions from the Real Estate Funds. Furthermore, a direct imputation system ("tax transparency") is provided for certain non-qualifying unitholders (e.g. Italian resident individuals) holding more than 5 per cent. of the units of the fund.

If the Noteholder is resident in Italy and is an open-ended or closed-ended investment fund (the "**Fund**"), a SICAV or a SICAF to which the provisions of Article 9 of Legislative Decree No. 44 of 4 March 2014 apply, and the Notes, together with the relevant Coupons, are timely deposited with an authorised Intermediary, interest accrued during the holding period on the Notes should not be subject to *imposta sostitutiva* and do not suffer any other income tax in the hands of the Funds. A 26 per cent. withholding tax is levied on proceeds received by certain categories of unitholders upon (i) distribution by Fund; or (ii) redemption or disposal of the units or liquidation of the Fund. Upon the occurrence of any of the events under (ii) above the rate of such withholding tax still applies at the 20 per cent. rate with reference to the portion of proceeds accrued up to 30 June 2014.

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of Legislative Decree 5 December 2005, No. 252) (the "**Pension Funds**") and the Notes, together with the relevant Coupons, are timely deposited with an Intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to an ad hoc 20 per cent. substitute tax (Article 1, paragraph 621 of Law 23 December 2014, No. 920). In certain circumstances and provided that certain conditions are met a 9 per cent. tax credit may be awarded.

Where an Italian resident Noteholder has opted for the Ristparmio Gestito regime with respect to its investment in the Notes, such Noteholder will be subject to a 26 per cent. annual substitute tax on the increase in value of the managed assets accrued at the end of each tax year. In such case, interest, premium and other income on the Notes will be included in the calculation of said annual increase in value of managed assets.

Where the Notes and the relevant Coupons are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any Italian intermediary (or permanent establishment in Italy of foreign intermediary) that intervenes in the payment of interest to any Noteholder or by the Issuer and Noteholders who are Italian resident companies or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected are entitled to deduct *imposta sostitutiva* suffered from income taxes due.

Non-Italian Resident Noteholders

Where a Noteholder who is the beneficial owner of the Notes is a non-Italian resident, an exemption from the *imposta sostitutiva* applies provided that the non-Italian resident beneficial owner is either (i) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy; or (ii) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or (iii) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State;

or (iv) subject to certain exceptions, an institutional investor which is resident or established in a country which allows for a satisfactory exchange of information with Italy, even if it does not possess the status of taxpayer in its own country of residence.

Please note that the currently applicable “white list” providing for countries allowing for a satisfactory exchange of information with Italy is provided for by Ministerial Decree 4 September 1996, as amended and supplemented by Ministerial Decree 9 August 2016. Pursuant to Article 11 (4) (c) of Decree 239, as amended by Article 10 of Legislative Decree 14 September 2015, No. 147, the list will be updated every six months. The *imposta sostitutiva* will be applicable at the rate of 26 per cent. or at the reduced or nil rate provided for by the applicable double tax treaty (if any, and in any case subject to compliance with relevant subjective and procedural requirements) to interest, premium and other income paid to Noteholders who are resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy.

In order to ensure gross payment, qualifying non-Italian resident Noteholders must be the beneficial owners of the payments of interest, premium or other income and (i) deposit, directly or indirectly, the Notes, together with the relevant Coupons, with an Italian resident bank or SIM or other qualified intermediary or a permanent establishment in Italy of a non-Italian resident bank or SIM or other qualified intermediary or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economics and Finance and (ii) timely file with the relevant depository a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to meet the requirements to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in the case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001. Additional statements may be required for non-Italian resident Noteholders who are institutional investors.

Tax Treatment of Notes Issued by ENEL N.V.

Decree 239 also provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) within the meaning of Article 44 of Decree 917, issued by non-Italian resident issuers.

Italian Resident Noteholders

Pursuant to Decree 239, a final *imposta sostitutiva* equal to 26 per cent. is applied on interest, premium and other income relating to the Notes qualifying as bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) within the meaning of Article 44 of Decree 917 issued by a non-Italian resident Issuer accrued during the relevant holding period, if received by (i) an Italian individual not engaged in an entrepreneurial activity to which the Notes are connected, (ii) an Italian non-commercial partnership, (iii) an Italian non-commercial private or public institution, or (iv) an Italian investor exempt from IRES. If the Noteholders described under (i) and (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Imposta sostitutiva is generally applied by an Intermediary.

Where the Notes and the relevant Coupons are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any Italian intermediary (or permanent establishment in Italy of foreign intermediary) that intervenes in the payment of interest to any Noteholder.

Where an Italian resident Noteholder who is beneficial owner of the Notes is a company or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the Notes are

effectively connected and the Notes and the relevant Coupons are timely deposited with an Intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's annual income tax return and are therefore subject to IRES (and, in certain circumstances, depending on the "status" of the Noteholder, also to IRAP).

Where an Italian resident Noteholder has opted for the *Risparmio Gestito* regime with respect to its investment in Notes, such Noteholder will be subject to a 26 per cent. annual substitutive tax on the increase in value of the managed assets accrued at the end of each tax year.

For those categories of Noteholders not specifically mentioned in this paragraph and for Noteholders who are Pension Funds, Funds, SICAVs, SICAFs and Real Estate Funds holding Notes, please refer to paragraph "Tax treatment of Notes issued by ENEL — Italian resident Noteholders" above.

Non-Italian Resident Noteholders

No Italian *imposta sostitutiva* is applied on payments to a non-Italian resident Noteholder of interest, premium and other income relating to Notes issued by a non-Italian resident Issuer.

If Notes issued by a non-Italian resident Issuer and beneficially owned by non-Italian residents are deposited with an Italian bank or other resident intermediary (or permanent establishment in Italy of foreign intermediary) or are sold through an Italian bank or other resident intermediary (or permanent establishment in Italy of foreign intermediary) or in any case an Italian resident intermediary (or permanent establishment in Italy of foreign intermediary) intervenes in the payment of interest and other income on such Notes, to ensure payment of interest and other income without application of Italian taxation a non-Italian resident Noteholder may be required to produce to the Italian bank or the relevant intermediary a self declaration stating that he, she or it is not resident in Italy for tax purposes.

Atypical Securities

Interest payments relating to Notes that are not deemed to fall within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) or of shares or securities similar to shares (*azioni or titoli similari alle azioni*) pursuant to Article 44 of Decree 917, but qualify as atypical securities (*titoli atipici*) for Italian tax purposes, are subject to a withholding tax, levied at the rate of 26 per cent.

Where the Notes are issued by an Italian resident Issuer and the Noteholder is (i) an Italian individual engaged in an entrepreneurial activity to which the Notes are connected, (ii) an Italian company or a similar Italian commercial entity, (iii) a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected, (iv) an Italian commercial partnership or (v) an Italian commercial public or private institution, such withholding tax is a provisional withholding tax. In all other cases, including when the Noteholder is a non-Italian resident, the withholding tax is a final withholding tax. Double taxation treaties entered into by Italy may apply allowing for a lower (or, in certain cases, nil) rate of withholding tax in case of payments to non-Italian resident Noteholders, subject to compliance with relevant subjective and procedural requirements.

If the Notes are issued by a non-Italian resident Issuer, a 26 per cent. withholding tax may apply in Italy if the Notes are placed ("collocate") in Italy and interest payments on the Notes are collected through an Italian bank or other qualified financial intermediary. However, such 26 per cent. withholding tax does not apply to interest payments made:

- (a) to a non-Italian resident Noteholder. If Notes issued by a non-Italian resident Issuer and beneficially owned by non-Italian residents are deposited with an Italian bank or other resident intermediary (or permanent establishment in Italy of foreign intermediary) or are sold through an Italian bank or other resident intermediary (or permanent establishment in Italy of foreign intermediary) or

in any case an Italian resident intermediary (or permanent establishment in Italy of foreign intermediary) intervenes in the payment of interest and other income on such Notes, to ensure payment of interest and other income without application of Italian taxation a non-Italian resident Noteholder may be required to produce to the Italian bank or the relevant intermediary a self-declaration stating that he, she or it is not resident in Italy for tax purposes; and

- (b) to an Italian resident Noteholder which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are effectively connected), (ii) a commercial partnership, or (iii) a commercial private or public institution.

In case Notes issued by a non-Italian resident issuer are held by an Italian resident individual engaged in a business activity and are effectively connected with same business activity, the interest and other income will be subject to the 26 per cent. “entrance” withholding tax on a provisional basis and will be included in the relevant income tax return. As a consequence, the interest and other income will be subject to the ordinary income tax and the withholding tax may be recovered as a deduction from the income tax due.

Payments made by an Italian Resident Guarantor

There is no authority directly regarding the Italian tax regime of payments on notes made by an Italian resident guarantor. Accordingly, there can be no assurance that the Italian tax authorities will not assert an alternative treatment of such payments than that set forth herein or that the Italian courts would not support such an alternative treatment.

With respect to payments on the Notes made to Italian resident Noteholders by an Italian resident guarantor, in accordance with one interpretation of Italian tax law, any such payments may be subject to Italian withholding tax at the rate of 26 per cent. levied as a final tax or a provisional tax (“a titolo d’imposta o a titolo di acconto”) depending on the “status” of the Noteholder, pursuant to Presidential Decree 29 September 1973, No. 600, as subsequently amended. In the case of payments to non-Italian resident Noteholders, the withholding tax should be final. Double taxation treaties entered into by Italy may apply allowing for a lower (or, in certain cases, nil) rate of withholding tax in case of payments to non-Italian residents, subject to compliance with relevant subjective and procedural requirements.

In accordance with another interpretation, any such payment made by the Italian resident guarantor should be treated, in certain circumstances, as a payment by the relevant Issuer and should thus be subject to the tax regime described in the previous paragraphs of this section.

Capital Gains Tax

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable business income subject to ordinary taxation (and, in certain circumstances, depending on the “status” of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is an individual not engaged in an entrepreneurial activity to which the Notes are connected and certain other persons, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 26 per cent. Noteholders may set-off capital losses with gains of the same nature.

For the purposes of determining the taxable capital gain, any interest, premium and other income on the Notes accrued and unpaid up to the time of the purchase and the sale of the Notes must be deducted from the purchase price and the sale price, respectively.

In respect of the application of *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss of the same nature, realised by the Italian resident individual Noteholder holding the Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss of the same nature, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains of the same nature realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the “risparmio amministrato” regime). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries (or permanent establishments in Italy of foreign intermediaries) and (ii) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes, net of any incurred capital loss of the same nature, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains of the same nature subsequently realised, within the same securities management relationship, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in the annual tax return.

Any capital gains on Notes held by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called “Risparmio Gestito” regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *Risparmio Gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *Risparmio Gestito* regime, the Noteholder is not required to declare the capital gains realised in the annual tax return.

Any capital gains on Notes held by a Noteholder who is a Fund, a SICAV or a SICAF to which the provisions of Article 9 of Legislative Decree No. 44 of 4 March 2014 apply, is subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Funds. Please refer to paragraph “*Tax treatment of Notes issued by ENEL — Italian resident Noteholders*” above.

Any capital gains on Notes held by a Noteholder who is a Pension Fund will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax. Please refer to paragraph “*Tax treatment of Notes issued by ENEL — Italian resident Noteholders*” above.

Any capital gains realised by Real Estate Funds on the Notes are not taxable at the level of Real Estate Funds. Please refer to paragraph “*Tax treatment of Notes issued by ENEL — Italian resident Noteholders*” above.

Capital gains realised by non-Italian-resident Noteholders (without a permanent establishment in Italy to which the Notes are effectively connected) from the sale or redemption of Notes traded on regulated markets in Italy or abroad are not subject to the *imposta sostitutiva*, regardless of whether the Notes are held in Italy. In such a case, in order to benefit from this exemption from Italian taxation on capital gains, non-Italian resident Noteholders who hold the Notes with an Italian authorised financial intermediary and elect to be subject to the *Risparmio Gestito* regime or are subject to the so-called *risparmio amministrato* regime according to Article 6 of Italian Legislative Decree 21 November 1997, No. 461, may be required to produce in due time to the Italian authorised financial intermediary an appropriate self-declaration that they are not resident in Italy for tax purposes.

Capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes issued by an Italian or non-Italian resident Issuer not traded on regulated markets may in certain circumstances be taxable in Italy if the Notes are held in Italy. However, a non-Italian resident beneficial owner of Notes without a permanent establishment in Italy to which the Notes are effectively connected is not subject to the *imposta sostitutiva* on capital gains realised upon sale or redemption of the Notes, provided that he/she/it: (i) is resident in a country which allows for a satisfactory exchange of information with Italy; or (ii) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (iii) is a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (iv) is an institutional investor which is resident or established in a country which allows for a satisfactory exchange of information with Italy, even if it does not possess the status of taxpayer in its own country of residence. In such cases, in order to benefit from this exemption from Italian taxation on capital gains, non-Italian resident Noteholders who hold the Notes with an Italian authorised financial intermediary and elect to be subject to the *Risparmio Gestito* regime or are subject to the so-called *risparmio amministrato* regime according to Article 6 of Italian Legislative Decree 21 November 1997, No. 461 may be required to produce in due time to the Italian authorised financial intermediary an appropriate self-declaration stating that they meet the subjective requirements indicated above. Additional statements may be required for non-Italian resident Noteholders who are institutional investors.

Please note that the currently applicable “white list” providing for countries allowing for a satisfactory exchange of information with Italy is provided for by Ministerial Decree 4 September 1996, as subsequently amended and supplemented. According to the Budget Law 2008, a decree still to be issued is proposed to introduce a new “white list” replacing the current one. Moreover, in any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are connected that may benefit from a double taxation treaty with Italy providing that capital gains realised upon the sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon the sale or redemption of Notes. In such a case, in order to benefit from this exemption from Italian taxation on capital gains, non-Italian resident Noteholders who hold the Notes with an Italian authorised financial intermediary and elect to be subject to the *Risparmio Gestito* regime or are subject to the so-called *risparmio amministrato* regime according to Article 6 of Italian Legislative Decree 21 November 1997, No. 461 may be required to produce in due time to the Italian authorised financial intermediary appropriate documents which include, *inter alia*, a statement from the competent tax authorities of the country of residence.

In the case of Notes that qualify as atypical securities, based on a very restrictive interpretation, capital gains realised thereon could be treated as proceeds derived under the Notes, to be subject to the 26 per cent. withholding tax mentioned under paragraph “Atypical Securities”, above.

Tax Monitoring

Pursuant to Italian Law Decree 28 June 1990, No. 167, converted by Law 4 August 1990, No. 227, as amended (“**Decree No. 167**”), individuals, non-commercial institutions and non-commercial partnerships

resident in Italy who, at the end of the fiscal year, hold investments abroad or have foreign financial assets (including Notes held abroad and/or Notes issued by a non-Italian resident Issuer) must, in certain circumstances, disclose the aforesaid and related transfers to, from and occurred abroad, to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time prescribed for the income tax return). This obligation does not exist in case the financial assets are given in administration or management to Italian banks, SIMs, fiduciary companies or other professional intermediaries, indicated in Article 1 of Decree No. 167, or if one of such intermediaries intervenes, also as a counterpart, in their transfer, provided that income deriving from such financial assets is collected through the intervention of such an intermediary.

Inheritance and Gift Taxes

Transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation of Italian residents and of non-Italian residents, but in such latter case limited to assets held within the Italian territory (which, for presumption of law, includes bonds issued by Italian resident issuers), are generally taxed in Italy as follows:

- (i) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding €1,000,000 for each beneficiary;
- (ii) transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding €100,000 for each beneficiary;
- (iii) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift; and
- (iv) any other transfer is subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the beneficiary has a serious disability recognised by law, inheritance and gift taxes apply on its portion of the net asset value exceeding €1,500,000.

Transfer Tax

Article 37 of Law Decree No. 248 of 31 December 2007, converted into Law 28 February 2008, No. 31 abolished the Italian transfer tax previously applicable on certain transfers of securities, provided for by Royal Decree 30 December 1923, No. 3278 as amended and supplemented by the Legislative Decree 21 November 1997, No. 435.

Following the repeal of the Italian transfer tax, as from 31 December 2007 contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds (*atti pubblici e scritture private autenticate*) executed in Italy are subject to fixed registration tax at rate of €200; (ii) private deeds (*scritture private autenticate*) are subject to registration tax at rate of €200 only in case of use or voluntary registration.

Stamp Tax

Article 19 of Decree 201 has introduced a stamp tax at proportional rates on periodical bank statements (*estratti conto*) sent by banks and financial intermediaries regarding, with certain exceptions (e.g. investments in pension funds), all financial instruments deposited in Italy. The stamp tax is collected by banks and other financial intermediaries. By operation of law, the bank statement is deemed as sent to the investor at least once a year. The stamp tax applies at a rate of 0.2 per cent. and, as of 2014, it cannot exceed €14,000 for taxpayers different from individuals. In particular, it is applied, on a yearly basis, on the market value of the financial instruments, or, lacking such value, on the nominal or reimbursement value of such instruments.

Implementation in Italy of the Savings Directive

Italy has implemented the Savings Directive through Legislative Decree 18 April 2005, No. 84 (“**Decree 84**”). Under Decree 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and which are resident for tax purposes in another Member State, Italian qualified paying agents shall report to the Italian tax authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

With reference to the definition of interest subject to the above described regime, Article 2, paragraph 1, lett. a, of Decree 84 provides that it includes, *inter alia*: “interest paid or credited, on accounts arisen from receivables of whatever nature, secured or not by mortgage (...), in particular interest and any other proceed, arising from public bonds and other bonds”.

Prospective investors resident in a Member State of the EU should consult their own legal or tax advisers regarding the consequences of the Savings Directive in their particular circumstances.

Taxation in The Netherlands

General

The following is a general summary of certain material Netherlands tax consequences of the acquisition, holding and disposal of the Notes. This summary does not purport to describe all possible tax considerations or consequences that may be relevant to a holder or prospective holder of Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as trusts or similar arrangements) may be subject to special rules. In view of its general nature, this summary should be treated with corresponding caution. Holders or prospective holders of Notes should consult with their own tax advisers with regard to the tax consequences of investing in the Notes in their particular circumstances. The discussion below is included for general information purposes only.

Except as otherwise indicated, this summary only addresses Netherlands national tax legislation and published regulations, whereby The Netherlands means the part of the Kingdom of The Netherlands located in Europe, as in effect on the Base Prospectus and as interpreted in published case law until this date, without prejudice to any amendment introduced at a later date and implemented with or without retroactive effect.

Please note that with the exception of the section on withholding tax below, this summary does not describe The Netherlands tax consequences for:

- (i) holders of Notes if such holders, and in the case of individuals, his/her partner or certain of their relatives by blood or marriage in the direct line (including foster children), have a substantial interest or deemed substantial interest in an Issuer within the meaning of The Netherlands Income Tax Act 2001 (in Dutch: “*Wet inkomstenbelasting 2001*”). Generally speaking, a holder of securities in a company is considered to hold a substantial interest in such company, if such holder alone or, in the case of individuals, together with his/her partner (as defined in The Netherlands Income Tax Act 2001), directly or indirectly, holds (i) an interest of 5% or more of the total issued and outstanding capital of that company or of 5% or more of the issued and outstanding capital of a certain class of shares of that company; or (ii) holds rights to acquire, directly or indirectly, such interest; or (iii) holds certain profit sharing rights in that company that relate to 5% or more of the company’s annual profits and/or to 5% or more of the company’s liquidation proceeds. A deemed substantial interest may arise if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis;

- (ii) pension funds, investment institutions (in Dutch: “*fiscale beleggingsinstellingen*”), exempt investment institutions (in Dutch: “*vrijgestelde beleggingsinstellingen*”) (as defined in The Netherlands Corporate Income Tax Act 1969 (in Dutch: “*Wet op de vennootschapsbelasting 1969*”)) and other entities that are in whole or in part, not subject to or exempt from Netherlands corporate income tax;
- (iii) holders of Notes who are individuals and receive or have received the Notes as employment income, deemed employment income or receive benefits from the Notes as a remuneration or deemed remuneration for activities performed by such holders or certain individuals related to such holders (as defined in The Netherlands Income Tax Act 2001).

Withholding tax

All payments of principal or interest made by ENEL N.V. under the Notes may be made free of withholding or deduction of, for, or on account of, any taxes of whatever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein, unless the Notes qualify as equity of ENEL N.V. for Netherlands tax purposes.

Taxes on income and capital gains

Netherlands Resident Entities

Generally speaking, if the holder of the Notes is an entity that is a resident or deemed to be resident of The Netherlands for Netherlands corporate income tax purposes (a “**Netherlands Resident Entity**”), any payment under the Notes or any gain or loss realised on the disposal or deemed disposal of the Notes is subject to Netherlands corporate income tax at a rate of 20% with respect to taxable profits up to €200,000 and 25% with respect to taxable profits in excess of that amount.

Netherlands Resident Individuals

If a holder of the Notes is an individual, resident or deemed to be resident of The Netherlands for Netherlands income tax purposes (a “**Netherlands Resident Individual**”), any payment under the Notes or any gain or loss realised on the disposal or deemed disposal of the Notes is taxable at the progressive income tax rates (with a maximum of 52%), if:

- (i) the Notes are attributable to an enterprise (in Dutch: “*onderneming*”) from which the holder of the Notes derives a share of the profit, whether as an entrepreneur (in Dutch: “*ondernemer*”) or as a person who has a co-entitlement to the net worth (in Dutch: “*mede-gerechtigde tot het vermogen*”) of such enterprise without being a shareholder (as defined in The Netherlands Income Tax Act 2001); or
- (ii) the holder of the Notes is considered to perform activities with respect to the Notes that go beyond ordinary asset management (in Dutch: “*normaal, actief vermogensbeheer*”) or derives benefits from the Notes that are taxable as benefits from other activities (in Dutch: “*resultaat uit overige werkzaamheden*”).

Income from savings and investments

If the above mentioned conditions (i) and (ii) do not apply to the individual holder of the Notes, such holder will be taxed annually on a deemed return of 4% of his/her net investment assets for the year at an income tax rate of 30%. The net investment assets for the year (in Dutch: “*rendementsgrondslag*”) are the fair market value of the investment assets less the allowable liabilities on 1 January of the relevant calendar year, to the extent that a certain threshold (in Dutch: “*heffingsvrij vermogen*”) is exceeded. The Notes are included as investment assets. Actual income gains or losses in respect of the Notes are as such not subject to Netherlands income tax.

A law has been enacted in the Netherlands, pursuant to which, beginning on 1 January 2017, the taxation of income from savings and investments will be amended and the deemed return will no longer be fixed at 4 % but instead a variable return between 2.9% and 5.5% (depending on the amount of such holder's net investments assets for the year) will be applied.

Non-residents of The Netherlands

A holder of Notes that is neither a Netherlands Resident Entity nor a Netherlands Resident Individual will not be subject to Netherlands taxes on income or capital gains in respect of any payment under the Notes or in respect of any gain or loss realised on the disposal or deemed disposal of the Notes, provided that:

- (i) such holder does not have an interest in an enterprise or deemed enterprise (as defined in The Netherlands Income Tax Act 2001 and The Netherlands Corporate Income Tax Act 1969) which, in whole or in part, is either effectively managed in The Netherlands or carried on through a permanent establishment, a deemed permanent establishment or a permanent representative in The Netherlands and to which enterprise or part of an enterprise the Notes are attributable; and
- (ii) in the event the holder is an individual, such holder does not carry out any activities in The Netherlands with respect to the Notes that go beyond ordinary asset management and does not derive benefits from the Notes that are taxable as benefits from other activities in The Netherlands.

Gift and inheritance taxes

Residents of The Netherlands

Gift or inheritance taxes (in Dutch: "*schenk- en erfbelasting*") will arise in The Netherlands with respect to a transfer (or deemed transfer) of the Notes by way of a gift by, or on the death of, a holder of such Notes who is resident or deemed resident of The Netherlands at the time of the gift or his/her death.

Non-residents of The Netherlands

No Netherlands gift or inheritance taxes will arise with respect to the transfer of Notes by way of gift by, or on the death of, a holder of Notes who is neither resident nor deemed to be resident in The Netherlands, unless:

- (i) in the case of a gift of Notes by an individual who at the date of the gift was neither resident nor deemed to be resident in The Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in The Netherlands; or
- (ii) the transfer is otherwise construed as a gift or inheritance made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in The Netherlands.

For purposes of Netherlands gift and inheritance taxes, among others, a person that holds The Netherlands nationality will be deemed to be resident in The Netherlands if such person has been resident in The Netherlands at any time during the ten years preceding the date of the gift or his/her death. Additionally, for purposes of Netherlands gift tax, among others, a person not holding The Netherlands nationality will be deemed to be resident in The Netherlands if such person has been resident in The Netherlands at any time during the twelve months preceding the date of the gift. Applicable tax treaties may override deemed residency.

Value added tax ("VAT")

No Netherlands VAT will be payable by the holders of the Notes on (i) any payment in consideration for the issue of the Notes or (ii) the payment of interest or principal by ENEL N.V. under the notes.

Other taxes and duties

No Netherlands registration tax, stamp duty or any other similar documentary tax or duty will be payable by the holders of the Notes in respect of (i) the issue of the Notes or (ii) the payment of interest or principal by ENEL N.V. under the Notes.

Residency

A holder of Notes will not become, and will not be deemed to be, resident of The Netherlands for Netherlands tax purposes by reason only of the execution, performance, delivery and/or enforcement of the Notes.

U.S. Taxation

The applicable Final Terms relating to any Tranche of Notes, all or a portion of which are to be offered or sold to, or for the account or benefit of, a U.S. person will set forth information regarding the United States Federal income tax treatment of any such Notes. U.S. persons considering the purchase of Notes should consult their own tax advisers concerning the application of United States Federal income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of Notes arising under the laws of any other taxing jurisdictions.

FATCA Withholding

Pursuant to certain provisions of U.S. law, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“foreign passthru payments”) to persons that fail to meet certain certification, reporting, or related requirements. The Issuers believe that they are not foreign financial institutions for these purposes. A number of jurisdictions (including Italy and The Netherlands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of these rules to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, is not clear at this time. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE AND SELLING AND TRANSFER RESTRICTIONS

The Dealers have in an amended and restated programme agreement (as amended or supplemented from time to time, the “**Programme Agreement**”) dated 5 October 2016 agreed with the Issuers and the Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “Form of the Notes” and “Terms and Conditions of the Notes”. In the Programme Agreement, the Issuers and the Guarantor have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), and the regulations promulgated thereunder.

Bearer Notes, other than Bearer Notes with an initial maturity of one year or less, will be issued in accordance with the provisions of U.S. Treas. Reg. § 1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the “**TEFRA C Rules**”), or in accordance with the provisions of U.S. Treas. Reg. § 1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the “**TEFRA D Rules**”), as specified in the Final Terms. Terms used in this paragraph have the meanings given to them by the Code and regulations thereunder, including the TEFRA C Rules and TEFRA D Rules.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the S Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the completion of the distribution of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an applicable exemption from registration under the Securities Act.

Each Dealer has agreed that it will have in effect, in connection with the offer and sale of the Notes in bearer form during any restricted period under the United States Internal Revenue Code of 1986, as amended

relating thereto, procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling the Notes are aware that the Notes cannot be offered or sold during such restricted periods to a U.S. person or a person within the United States.

European Economic Area — Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes contemplated by this Base Prospectus to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined pursuant to the Prospectus Directive;
- (b) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) per Member State subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuers, the Guarantor or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU to the extent implemented in the Relevant Member State).

United Kingdom

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantor; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

France

Each of the Dealers, the Issuers and the Guarantor has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and it has not distributed or caused to be

distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), (b) qualified investors (*investisseurs qualifiés*), and/or (c) a limited circle of investors (*cercle restreint*) acting for their own account, all as defined in, and in accordance with, articles L.411-1, L.411-2, D.411-1 and D.411-4 of the French *Code monétaire et financier*.

The Netherlands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not make an offer of Notes which are outside the scope of the approval of this Base Prospectus, as completed by the Final Terms relating thereto, to the public in The Netherlands in reliance on Article 3(2) of the Prospectus Directive (as defined above under “European Economic Area — Public Offer Selling Restriction under the Prospectus Directive” above) unless (i) such offer is made exclusively to persons or entities which are qualified investors as defined in the Prospectus Directive or (ii) standard exemption wording and a logo are disclosed as required by Section 5:20(5) of the Dutch Financial Supervision Act, provided that no such offer of Notes shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Zero Coupon Notes (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the relevant Issuer or a member of Euronext Amsterdam N.V. in accordance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations (which include registration requirements). Such restrictions do not apply (a) to the initial issue of Zero Coupon Notes to the first holders thereof, (b) to a transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (c) to a transfer and acceptance of Zero Coupon Notes in definitive form within, from or into The Netherlands if all Zero Coupon Notes of any particular Series or Tranche are issued outside The Netherlands and are not distributed within The Netherlands in the course of their initial distribution or immediately thereafter. For the purposes of this paragraph, “Zero Coupon Notes” are Notes that are in bearer form and that constitute a claim for a fixed sum against the relevant Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) pursuant to Italian securities legislation. Accordingly, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to any Notes be distributed in the Republic of Italy, except, in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver any Note or distribute any copies of this Base Prospectus and/or any other document relating to the Notes in the Republic of Italy except:

- (i) to qualified investors (*investitori qualificati*), pursuant to Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the “**Regulation No. 11971**”), and as defined in Article 26, first paragraph, letter d) of CONSOB Regulation No. 16190 of 29 October 2007, as amended (the “**Regulation No. 16190**”) implementing Article 100 of the Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”); or

- (ii) in other circumstances which are exempted from the rules on public offerings, as provided under the Financial Services Act and Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy must:

- (a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, Regulation No. 16190, Legislative Decree No. 385 of 1 September 1993 (the “**Banking Act**”) (in each case, as amended) and any other applicable laws or regulation; and
- (b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Provisions relating to the secondary market in the Republic of Italy

Please note that in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. For these purposes, a public offer occurs also where the Notes which are initially offered and placed in Italy or abroad to qualified investors only but in the following 12 months are “systematically” distributed on the secondary market in Italy. Where no exemption from the rules on public offerings applies, failure to comply with the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971 may result in the purchasers of Notes who are acting outside of the course of their business or profession being entitled to declare such purchase void and to claim damages from any authorised person at whose premises the Notes were purchased (soggetti abilitati presso cui è avvenuta la vendita).

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act no. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”) and each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to agree that it has not, directly or indirectly, offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuers, the Guarantor nor any of the other Dealers shall have any responsibility therefor.

None of the Issuers, the Guarantor nor the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the relevant Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

These selling restrictions may be modified by the agreement of the relevant Issuer, the Guarantor and the Dealers following a change in a relevant law or regulation. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Base Prospectus.

Transfer Restrictions

Regulation S Global Notes

Each purchaser of an interest in Notes outside the United States pursuant to Regulation S or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or vice versa, will be deemed to have acknowledged, represented and agreed as follows:

- (i) It is, or at the time Notes are purchased will be, the beneficial owner of such Notes and (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.
- (ii) It understands that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except (a) in accordance with Rule 144A under the Securities Act to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or the account of a QIB or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any state of the United States.
- (iii) It acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the relevant Issuer:

“THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE OFFERING AND THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART.”

- (iv) The relevant Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the relevant Issuer.

No sale of Legended Notes in the United States to any one purchaser will be for less than U.S.\$100,000 (or its foreign currency equivalent) principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each

person for whom it is acting must purchase at least U.S.\$100,000 (or its foreign currency equivalent) of Registered Notes.

GENERAL INFORMATION

Authorisations

Authorisation – ENEL

The establishment of the Programme of ENEL and ENEL Finance International S.A. (now ENEL N.V.), the increase in size and update of the Programme and the related documents by ENEL and the giving of the Guarantee have been duly authorised by resolutions of the Board of Directors of ENEL dated 29 September 2005, 9 April 2007, 3 February 2011, 20 October 2011, 13 November 2012 and 10 July 2014.

The update of the Programme and the related documents by ENEL and the giving of the Guarantee have been duly authorised by a resolution of the Board of Directors of ENEL dated 20 September 2016.

Each issue of Notes by ENEL under the Programme will be authorised by the competent corporate bodies in accordance with applicable laws and the relevant provisions of its by-laws.

Authorisation – ENEL N.V.

The entry into of the Programme and the related documents by ENEL N.V. has been duly authorised by a resolution of the managing board of ENEL N.V. dated 4 February 2011 and a resolution of the sole shareholder of ENEL N.V. dated 4 February 2011 and the increase in size of the Programme has been duly authorised by a resolution of the managing board of ENEL N.V. and a resolution of the shareholder of ENEL N.V., dated 20 October 2011 and a resolution of the managing board of ENEL N.V. adopted on 19 December 2012 and a resolution of the shareholder of ENEL N.V. dated 19 December 2012.

The update of the Programme and the related documents by ENEL N.V. have been duly authorised by a resolution of the managing board of ENEL N.V. adopted on 27 September 2016 and a resolution of the sole shareholder of ENEL N.V. dated 3 October 2016.

Each issue of Notes by ENEL N.V. under the Programme will be authorised by the competent bodies in accordance with applicable laws and the relevant provisions of its articles of association.

Listing of Notes on the Irish Stock Exchange

This Base Prospectus has been approved by the Central Bank. Application has been made to the Irish Stock Exchange for Notes issued under the Programme to be admitted to the Official List and to trading on its regulated market. The Irish Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

Walkers Listing Services Limited is acting solely in its capacity as listing agent for the Issuers in connection with the Programme and is not itself seeking admission of the Notes issued under the Programme to the Official List or trading on the regulated market for the purposes of the Prospectus Directive.

Documents Available

For so long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available for inspection in hard copy, without charge, from the registered office of the relevant Issuer or the Guarantor and from the specified office of the Paying Agent for the time being in Ireland (being Deutsche International Corporate Services (Ireland) Limited, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland):

- (i) the articles of association and by-laws (with an English translation thereof) of each of ENEL and ENEL N.V.;
- (ii) the Agency Agreement, the Deed of Guarantee, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;
- (iii) the most recently published audited annual financial statements and annual reports of each of ENEL and ENEL N.V. and the most recently published interim financial statements (if any) of each of ENEL and ENEL N.V. (in each case with an English translation thereof as soon as such translation is available). ENEL currently prepares the six-month interim and full year financial statements on both a consolidated and unconsolidated basis, whilst the first and third quarter financial statements are prepared only on a consolidated basis; ENEL N.V. currently prepares the six-month interim and full year financial statements;
- (iv) a copy of this Base Prospectus, together with any supplement to this Base Prospectus, and the documents incorporated by reference herein, free of charge; and
- (v) any future offering circulars, prospectuses, information memoranda and supplements including Final Terms (save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the relevant Issuer or the Guarantor and the Paying Agent as to its holding of Notes and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference.

Clearing Systems

The Notes in bearer form have been, and the Notes in registered form will be (if they are to be listed on the Irish Stock Exchange), accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium, the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Material and Significant Change

There has been no material adverse change in the financial position or prospects of ENEL N.V., ENEL or ENEL and its subsidiaries taken as a whole since 31 December 2015. There has been no significant change in the financial or trading position of ENEL, ENEL N.V. or ENEL and its subsidiaries taken as a whole since 30 June 2016.

Litigation

Except as set out on page 135 of this Base Prospectus under “Description of ENEL – Litigation” and in the documents incorporated by reference herein, none of the Issuers, the Guarantor nor any subsidiary of ENEL is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuers, the Guarantor or any subsidiary of ENEL is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of any of the Issuers or the Guarantor.

Auditors

The Auditors of ENEL are EY S.p.A. (“EY”), whose registered office is at Via Po, 32, 00198, Rome, Italy. EY is an accounting firm registered with CONSOB (the Italian stock market regulator). EY has audited ENEL’s accounts, prepared in accordance with International Financial Reporting Standards adopted in the EU and the Italian regulations implementing Article 9 of Legislation Decree No. 38/05, without qualification, in accordance with auditing standards recommended by CONSOB for the financial year ended 31 December 2015 and 31 December 2014. The auditors of ENEL are independent accountants in respect of ENEL.

The independent auditor of ENEL N.V. is Ernst & Young Accountants LLP. Ernst & Young Accountants LLP is an audit firm for which the auditors are registered with the NBA.

Ernst & Young Accountants LLP was appointed as independent auditor of ENEL N.V. on 29 July 2011. Ernst & Young Accountants LLP has no interest in ENEL N.V.

Post-issuance information

Neither of the Issuers, nor the Guarantor, intends to provide any post-issuance information in relation to any issues of Notes.

Dealers transacting with the Issuers or the Guarantor

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in financing, investment banking and/or commercial banking transactions with, and may perform services to the Issuers, the Guarantor and their affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuers or the Guarantor and their respective affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuers or the Guarantor, or the Issuers’ or the Guarantor’s affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuers or the Guarantor routinely hedge their credit exposure to the Issuers or the Guarantor consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish

or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

For the purpose of this paragraph the term “affiliates” include also parent companies.

Foreign languages used in the Base Prospectus

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

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PAYING AGENT AND TRANSFER AGENT

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Eastpoint Business Park
Dublin 3
Ireland

IRISH LISTING AGENT

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To ENEL – Società per Azioni as to Italian law and Italian tax law

To ENEL FINANCE INTERNATIONAL N.V. as to Dutch law

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Banco Santander, S.A.
Ciudad Grupo Santander
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United Kingdom

BNP Paribas
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Citigroup Global Markets Limited
Citigroup Centre
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Canary Wharf
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Crédit Agricole Corporate and Investment Bank
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United Kingdom

Goldman Sachs International
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London EC4A 2BB
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United Kingdom

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