

*Half-year Financial Report
at June 30, 2008*



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Enel SpA

Sales

Enel Servizio Elettrico
Enel Energia
Enel.si
Vallenergie

Generation and Energy Management

Enel Produzione
Enel Trade
Enel Trade Hungary
Enel Trade Romania
Nuove Energie
Hydro Dolomiti Enel

Infrastructure and Networks

Enel Distribuzione
Enel Rete Gas
Enel Sole
Deval

Engineering and Innovation

Enel Produzione

Iberia and Latin America

Endesa
Enel Latin America
Enel Panama
Enel Fortuna
Inelec
Enel Unión Fenosa Renovables

International

Slovenské elektrárne
Enel Maritza East 3
Enel Maritza East 4
Enel Operations Bulgaria
Enel North America
Electrica Muntenia Sud
Enel Distributie Banat
Enel Distributie Dobrogea
Enel Energie
Blue Line
Global Power Investment
Enel Romania
Enel Servicii Comune
RusEnergosbyt
SeverEnergia
OGK-5
Enel France
Enel Erelis
Enelco
International Windpower
Wind Parks of Thrace
International Wind Parks of Thrace
Hydro Constructional
International Wind Parks of Crete
Marcinelle Energie

Services and Other Activities

Enel Servizi
Sfera
Enelpower
Enel.NewHydro
Enel.Factor
Enel.Re

In December 2007 the Enel Group launched its new organizational structure, with the creation of the new “Iberia and Latin America” and “Engineering and Innovation” Divisions alongside the Sales, Generation and Energy Management, Infrastructure and Networks and International Divisions and the “Parent Company” and “Services and Other Activities” areas.

The Sales Division operates in the end-user market for electrical power and gas, developing an integrated package of products and services for the various customer segments and ensuring that commercial services meet quality standards.

The Generation and Energy Management Division is responsible for generating power at competitive costs while safeguarding the environment.

The mission of the Infrastructure and Networks Division is to distribute electricity and gas in Italy, optimizing the management of Enel’s networks and ensuring the efficient operation of measurement systems and compliance with technical service quality standards.

The Engineering and Innovation Division is charged with managing the engineering processes associated with the development and construction of generation facilities on behalf of the Group, ensuring achievement of the quality, temporal and financial objectives set for it. In addition, it is responsible for coordinating and supplementing Group research activities, ensuring the scouting, development and leveraging of innovation opportunities in all Group business areas, with a special focus on the development of major environmental initiatives.

The International Division’s mission is to support Enel’s international growth strategy, consolidate the management and integration of foreign operations (with the exception of the Spanish, Portuguese and Latin American markets), seeking out opportunities for acquisitions in the electricity and gas markets.

The Iberia and Latin America Division focuses on developing Enel’s presence and coordinating its operations in the electricity and gas markets of Spain, Portugal and Latin America, formulating growth strategies in the related regional markets.

The activities of the operational Divisions are supported by the “Parent Company” and “Services and Other Activities” areas, which aim to leverage Group synergies and optimize the management of services supporting Enel’s core business.

Corporate boards

Board of Directors

Chairman

Piero Gnudi

Chief Executive Officer
and General Manager

Fulvio Conti

Directors

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

Secretary

Claudio Sartorelli

Board of Auditors

Chairman

Franco Fontana

Auditors

**Carlo Conte
Gennaro Mariconda**

Alternate auditors

**Giancarlo Giordano
Paolo Sbordonì**

Independent auditors

KPMG SpA

Powers

Board of Directors

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

Chairman of the Board of Directors

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

Chief Executive Officer

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

Summary of results

The figures in this Half-year Financial Report concerning the 2nd Quarters of 2007 and 2008 have not undergone a full or limited audit.

Performance and financial position

2nd Quarter		Millions of euro	1st Half	
2008	2007		2008	2007
14,234	9,129	Revenues	29,316	18,857
3,960	2,130	Gross operating margin	7,405	4,462
2,948	1,425	Operating income	5,285	3,134
2,070	1,061	Net income before minority interests	3,273	2,048
1,847	1,039	Group net income	2,851	1,982
		Group net income per share in circulation at period-end (euro)	0.46	0.32
		Net capital employed	76,380	79,580 ⁽¹⁾
		Net financial debt	51,291	55,791 ⁽¹⁾
		Shareholders' equity (including minority interests)	25,089	23,789 ⁽¹⁾
		Group shareholders' equity per share in circulation at period-end (euro)	3.35	3.17 ⁽¹⁾
		Cash flows from operating activities	3,785	2,638
		Capital expenditure on tangible and intangible assets	2,593	1,520

(1) At December 31, 2007.

Revenues in the 1st Half of 2008 amounted to €29,316 million, an increase of €10,459 million (up 55.5%) compared with the 1st Half of 2007. The rise is essentially attributable to the increased revenues earned abroad, due both to the new acquisitions and to generation and distribution operations, as well as to increased revenues from the electricity generation and sales companies operating in the domestic market.

The *gross operating margin* in the 1st Half of 2008 amounted to €7,405 million, an increase of €2,943 million (up 66.0%) on the year-earlier period, largely thanks to the general increase posted by all the operational Divisions, partially offset by the decrease registered by the "Services and Other Activities" area.

Operating income in the 1st Half of 2008 came to €5,285 million, up 68.6% on the €3,134 million in the 1st Half of 2007, mainly due to the results of the recent acquisitions, partially offset by the effects of the disposal of the Viesgo Group to E.On.

Group net income in the 1st Half of 2008 totaled €2,851 million, compared with €1,982 million in the first six months of the previous year, an increase of 43.8%. This performance reflects both the positive effects (€806 million) of the adjustment of deferred taxation following the realignment of the differences between the statutory and tax values of property, plant and equipment of Enel Produzione, carried out by way of payment of the specific tax envisaged in the 2008 Finance Act, and the negative effects (€251 million) of the increase in the corporate income tax rate (IRES) established with Decree Law 112/08 for companies operating in the production and sale of electricity and gas.

Net capital employed, including net assets held for sale amounting to €885 million at June 30, 2008, amounted to €76,380 million, and was financed by shareholders' equity of €25,089 million and net financial debt of €51,291 million.

Net financial debt came to €51,291 million at June 30, 2008, down €4,500 million on December 31, 2007. The decrease is largely attributable to the benefits from the sale of the assets of Endesa Europa and the Viesgo Group to E.On, partially offset by resources used to complete acquisitions in the 1st Half of 2008. At June 30, 2008, the debt/equity ratio was 2.04 (2.35 at December 31, 2007).

Capital expenditure amounted to €2,593 million in the 1st Half of 2008, an increase of €1,073 million on the year-earlier period. The increase is mainly attributable to greater investments by the Iberia and Latin America and International Divisions in the total amount of €1,026 million.

Results by Division

Millions of euro	2nd Quarter					
	Revenues		Gross operating margin		Operating income	
	2008	2007	2008	2007	2008	2007
Sales	4,731	5,003	102	46	15	(57)
Generation and Energy Management	5,292	3,740	1,314	924	1,094	691
Engineering and Innovation	231	197	1	2	-	1
Infrastructure and Networks	1,633	1,360	1,041	877	796	665
Iberia and Latin America	4,343	317	1,219	98	905	69
International	1,076	680	291	212	169	109
Parent Company	173	239	(29)	(54)	(30)	(58)
Services and Other Activities	288	274	25	33	3	13
Eliminations and adjustments	(3,533)	(2,681)	(4)	(8)	(4)	(8)
Total	14,234	9,129	3,960	2,130	2,948	1,425

Millions of euro	1st Half					
	Revenues		Gross operating margin		Operating income	
	2008	2007	2008	2007	2008	2007
Sales	11,139	10,620	291	115	149	(23)
Generation and Energy Management	10,865	7,710	2,021	1,905	1,583	1,441
Engineering and Innovation	540	381	5	4	4	3
Infrastructure and Networks	3,302	2,741	2,008	1,782	1,539	1,362
Iberia and Latin America	8,361	614	2,436	185	1,637	127
International	2,020	1,442	580	444	355	246
Parent Company	337	449	(21)	(65)	(24)	(73)
Services and Other Activities	554	546	81	97	38	56
Eliminations and adjustments	(7,802)	(5,646)	4	(5)	4	(5)
Total	29,316	18,857	7,405	4,462	5,285	3,134

	Employees (no.)	
	at June 30, 2008	at Dec. 31, 2007
Sales	4,585	4,772
Generation and Energy Management	8,206	8,432
Engineering and Innovation	952	881
Infrastructure and Networks	22,048	22,710
Iberia and Latin America ⁽¹⁾	18,254	20,226
International	17,446	11,528
Parent Company	714	728
Services and Other Activities	4,507	4,223
Total	76,712	73,500

(1) Of which 122 and 2,614 in units classified as "Held for sale" at June 30, 2008 and December 31, 2007, respectively.

2nd Quarter						1st Half					
Italy	Abroad	Total	Italy	Abroad	Total	Italy	Abroad	Total	Italy	Abroad	Total
2008			2007			2008			2007		
23.4	35.2	58.6	23.7	8.5	32.2	46.4	70.1	116.5	46.0	17.8	63.8
64.2	33.0	97.2	65.7	3.0	68.7	128.5	67.3	195.8	128.6	6.2	134.8
32.6	32.8	65.4	34.5	6.6	41.1	68.9	66.9	135.8	69.9	14.4	84.3
1.1	0.5	1.6	0.6	-	0.6	3.3	1.2	4.5	2.4	-	2.4
0.6	0.3	0.9	0.5	-	0.5	2.1	0.4	2.5	1.8	-	1.8
Employees at period-end (no.) ⁽³⁾						41,012	35,700	76,712	41,746	31,754	73,500 ⁽⁴⁾

(1) The figure for 2007 has been updated to reflect a more accurate calculation of quantities transported.

(2) Excluding sales to resellers.

(3) Of which 122 and 2,614 in units classified as "Held for sale" at June 30, 2008 and December 31, 2007, respectively.

(4) At December 31, 2007.

Net electricity generated by Enel in the 1st Half of 2008 increased by 52.7 TWh (up 82.6%) as a result of greater output abroad (up 52.3 TWh, of which 49.2 TWh from the consolidation of Endesa and 2.8 TWh from OGK-5), in addition to increased generation in Italy (up 0.4 TWh).

Electricity transported on the Enel distribution network came to 195.8 TWh in the 1st Half of 2008, an increase of 61.0 TWh (up 45.3%), mainly due to an increase in power transported abroad (up 61.1 TWh, of which 60.4 TWh attributable to the consolidation of Endesa).

Electricity sold by Enel rose by 51.5 TWh (up 61.1%), with total sales of 135.8 TWh in the 1st Half of 2008. The increase is largely attributable to increased sales abroad (up 52.5 TWh, of which 52.4 TWh from the consolidation of Endesa).

Gas sales to end users came to 4.5 billion cubic meters in the 1st Half of 2008, with volumes increasing both in Italy (up 37.5%) and abroad thanks to the consolidation of Endesa.

At June 30, 2008 Enel Group *employees* numbered 76,712, a net increase of 3,212 due to the change in the scope of consolidation (bringing a total of 3,850 employees) with the acquisition abroad of Electrica Muntenia Sud and OGK-5 and the disposal of Viesgo and Endesa Europa to E.On. Part of the change was offset by the net balance between new hires and terminations (a decrease of 638).

Significant events in the 1st Half of 2008

Acquisition of OGK-5

On March 6, 2008, the number of shares (as verified by the competent bodies) tendered to Enel, acting through its subsidiary Enel Investment Holding (EIH), amounted to 8,012,088,702, equal to 22.65% of the share capital of OGK-5. These shares, together with the 37.15% of OGK-5 already held by EIH before the public tender offer, therefore gave EIH a total holding of 59.8% in the company. The price offered in the bid was 4.4275 rubles per share, for a total of about €993 million. Subsequently, negotiations were undertaken with two international financial organizations (the European Bank for Reconstruction and Development and the International Finance Corporation) for the sale to these organizations of a maximum of about 7% of the share capital of OGK-5 held by EIH, at a price equal to that paid in the public tender offer.

Following the negotiations, on June 25, 2008, EIH sold the European Bank for Reconstruction and Development a minority stake of about 4.1% in OGK-5 for some €175 million. Following the transaction, EIH's interest in OGK-5 is equal to 55.7%.

Sale of Endesa and Enel assets under the agreement with E.On

On March 18, 2008, Enel, Acciona and E.On reached an agreement to modify part of the assets held by Endesa to be sold to E.On under the contract of April 2, 2007. Specifically, the thermal power stations in Spain at Foix (fuel oil, with an installed capacity of 520 MW which includes a project under development for the construction of an 800 MW combined cycle plant) and Besos 3 (combined cycle, with an installed capacity of 388 MW) were replaced by the thermal plant at Tarragona (combined cycle, with an installed capacity of 395 MW).

Following the notification of the valuation of the Endesa and Enel assets to be sold to E.On by the banks engaged to conduct the appraisal, on March 28, 2008, the board of directors of E.On formally notified the company's intention to acquire the assets.

Having obtained the necessary administrative authorizations, on June 26, 2008 the sale to E.On of the assets of both the Endesa and Enel Group was finalized. The assets were identified by the parties by common consent. The parties have further agreed not to undertake the planned sale to E.On of the drawing rights for electricity generated by the Endesa nuclear power stations in Spain (450 MW for 10 years), as originally envisaged in the agreement of April 2, 2007.

The total value of the transaction amounts to about €11.5 billion, including the debt (about €1.8 billion) transferred with the companies that have been sold and net of minority interests. In particular:

- > the 100% equity investment of Endesa in Endesa Europa has been sold to E.On for €7,126 million, with an additional €1,159 million for the balance of the net intragroup financial position. The price is subject to adjustment following the detailed calculation of debt at the sale date;

- > the sale of the thermal power stations of Tarragona and Los Barrios has been finalized for €769 million;
- > the assets of the Enel Group in respect of Viesgo have been sold to E.ON for €702.5 million.

Taking account of Enel's share from the proceeds of the sale of the Endesa Europa assets and the additional assets, as well as the related debt, the above transaction has enabled Enel to reduce its consolidated net financial debt compared with December 31, 2007 by about €8.4 billion, considering the debt (about €1.6 billion) attributable to the assets sold.

Agreement with the Region of Liguria

On March 21, 2008, Enel and the Region of Liguria signed a protocol of understanding regarding joint initiatives for the development of renewable energy resources in the port and airport area of Genoa. The protocol will run until November 30, 2012, unless the parties decide to extend or renew it. With this initiative, Enel and the Region of Liguria agree to define the operational and financial tools necessary to develop wind and photovoltaic systems for the generation of electricity with a total capacity of about 22 MW.

Cooperation agreement with EGAS

On April 9, 2008, Enel and the Egyptian Natural Gas Holding Company (EGAS) signed a cooperation agreement for the joint development of the upstream gas sector, focusing on liquefied gas and the sale of natural gas. Under the terms of the accord, Enel will also share its international experience with EGAS to assess investment opportunities to improve the efficiency of Egyptian generation plants.

Agreement with Dolomiti Energia

On April 24, 2008, in implementation of the memorandum of understanding signed on November 13, 2007, Enel Produzione and Dolomiti Energia signed an investment agreement to jointly develop the hydroelectric power sector in the Autonomous Province of Trento. Under the agreement, Enel Produzione will sell to Dolomiti Energia 51% of a newly incorporated company named Hydro Dolomiti Enel, a company established on May 12, 2008. The price for the 51% stake in Hydro Dolomiti Enel was provisionally set at €562.7 million and will be paid in full at the time of the sale, net of the corresponding share of the net financial position of the operations contributed, as well as the estimated cash flows for the unit between January 1, 2008 and the effective date of the transfer of the operations. This amount will later be adjusted based on the mechanism established in the accord.

Upon finalization, the agreement will also give Dolomiti Energia a call option to acquire an additional interest in Hydro Dolomiti Enel from Enel Produzione to bring its stake up to a maximum of 60%. The option is to be exercised by December 31, 2020, subject to the condition that the duration of the concessions for the major hydroelectric derivations held by the unit being contributed is extended by at least five years.

Acquisition of Electrica Muntenia Sud (EMS)

On April 25, 2008, as part of the privatization of Electrica Muntenia Sud and in accordance with the privatization contract signed on June 11, 2007, Enel acquired 50% of EMS from Electrica for €395 million. At the same time, the shareholders' meeting of EMS approved a capital increase that was subscribed by Enel in the amount of €425 million. Following the decision of EMS's minority shareholder to exercise the right to subscribe a *pro rata* share of the capital increase, Enel's final stake came to 64.4% of EMS.

At the same time as the acquisition of EMS, in performance of the privatization contract, Enel granted Electrica a three-year put option giving the latter the right to sell a minimum of 13.6% of the EMS it still holds, as well as all other shares not sold to EMS employees as part of the mechanism giving them the right to subscribe up to 10% of the company's share capital on the occasion of the privatization. Consequently, the shares subject to the option could vary from a minimum of about 13.6% to a maximum of 23.6% (if no employee should take up the right to subscribe the shares).

Agreements signed in China for the reduction of greenhouse gases

On May 5, 2008, Enel signed two cooperation agreements in Beijing for the abatement of greenhouse gas emissions. The first agreement consists of a memorandum of understanding between Enel, the Ministry of Science and Technology of the People's Republic of China and the Italy's Ministry for the Environment. The accord will enable Enel to collaborate on research and development activities to promote the use of clean coal technologies in China, leveraging the experience gained in Italy at the Torrefaldaliga Nord plant and the demonstration projects now under way on the implementation of CO₂ capture and sequestration techniques. The second agreement is a contract between Enel and the Wuhan Iron & Steel Group for the acquisition of emissions permits originated through the implementation of five energy efficiency projects that will reduce CO₂ emissions by 11.45 million metric tons between 2008 and 2012.

Strategic agreement with Sharp for the development of photovoltaic systems

On May 15, 2008, Enel and Sharp Corporation signed an agreement to form a strategic partnership in the photovoltaic sector. The memorandum of understanding provides for Enel and Sharp to carry out a detailed analysis for the construction in Italy of a plant for the integrated manufacture of photovoltaic panels using Sharp's exclusive triple-junction thin-film technology. Sharp and Enel will develop and build photovoltaic fields with a total capacity of 161 MW by the end of 2011.

On June 4, 2008, Enel received €1,025 million from Weather Investments II S.à.r.l. (Weather II, a holding company controlled by the Egyptian businessman Naguib Sawiris) as the second and final installment (equal to €962 million) of the price for the sale of 26.1% held by Enel in Weather Investments SpA (Weather). The installment included interest earned at market rates (€63 million). With the payment, Enel completed its exit from the telecommunications market. Upon receipt of the funds, Enel released the pledge (without voting rights) of 26.1% of Weather as collateral.

Acquisition of wind projects in France

On June 13, 2008, Enel, acting through its subsidiary Enel Erelis, completed the acquisition for about €14 million of new wind projects in France at various stages of development totaling 120 MW, some of which will enter service as early as 2009.

Agreement with Termoelectrica and E.On for the construction of a plant in Romania

On June 18, 2008, the state-owned Romanian company Termoelectrica and a consortium formed by the German company E.On Kraftwerke and Enel signed a memorandum of understanding to start work on a new 800 MW coal-fired plant at Braila, an existing Romanian power plant, which will use the most advanced technologies and will fully comply with the environmental standards established by the European Union. Under the terms of the memorandum, Termoelectrica will contribute the assets of the existing Braila plant, while the consortium formed by E.On and Enel will contribute capital for the investment; the consortium will have a majority of the shares in the joint venture.

Acquisition of Marcinelle Energie

On June 30, 2008, Enel, acting through its subsidiary Enel Investment Holding, acquired 80% of Marcinelle Energie, a special purpose company that is developing a 420 MW combined cycle gas turbine plant gas in the Wallonia region of Belgium, from the Duferco steel group. Enel will pay Duferco a total of €32 million (not including some €4 million provided for in the contract addendum) for the stake, of which €19.2 million have already been paid, with the remaining €12.8 million to be settled in two installments in 2009 and 2010. At the same time, Enel granted Duferco a put option for the remaining 20% of Marcinelle Energie. The option can be exercised for a period of six years starting one year after operations begin at the power plant. The strike price takes accounts of the valuation of the company and financial parameters, capital increases by the minority shareholder and dividends distributed to the latter.

Construction work, which will be performed by Enel Produzione SpA, will be completed by the start of 2011, with a total estimated investment of about

€290 million. Once fully operational, the plant will generate about 2.5 TWh of electricity a year on the most competitive terms while complying with stringent environmental standards. The power will serve the Belgian domestic market.

Reference scenario

Enel and the financial markets

In the 1st Half of 2008 the performance of share prices on international markets continued to display uncertainty owing to the sharp deterioration in macroeconomic conditions in the United States and the global tensions triggered by the US sub-prime mortgage crisis.

The financial turbulence, which first emerged last August, had a major impact on the real economies of the advanced countries, whereas the impact on the emerging and developing economies was more attenuated.

The greatest risks for the world economy are associated with the build-up of inflationary pressures and the potential worsening of the slowdown in the US economy. While the continual increases in prices, especially for energy and raw materials, reflect the positive growth prospects for the emerging economies, they are also fostering signs of recession in the advanced economies and fueling inflation, thereby affecting monetary policies.

The continuing uncertainty, the heightened perception of the risk of equity markets and the adverse economic conditions also impacted the utilities sector, whose benchmark index (FTSE Electricity) has fallen by about 18% since the start of the year.

The main factors affecting the sector, in addition to the general conditions discussed above, can be summarized as follows:

- > the increase in the price of commodities has only been partially reflected in higher energy prices owing to market dynamics;
- > investors' perception of the risk of externalities that might limit profit growth has risen (especially in the countries of Central and Southern Europe);
- > the perception of risk associated with greater recourse to debt by the main sector operators following the consolidation under way in the various geographical areas has increased.

After falling further in the 1st Quarter of 2008 in conjunction with the accentuation of financial strains and the weakening of international economic conditions, share prices in Italy recovered partially in reflection of the improvement in world financial conditions. Nevertheless, in the first six months of the year, the benchmark index of the Italian Stock Exchange (Mibtel) lost 23%.

In this environment, Enel shares were also affected by the adverse impact of the economic situation, closing the 1st Half of the year at €6.039, a decline of about 26%, with a total shareholder return equal to a negative 40%.

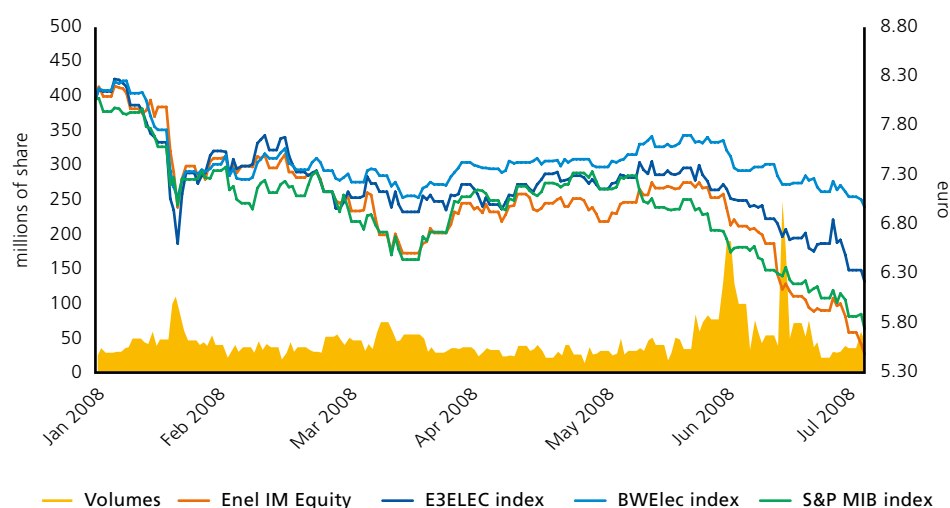
On June 26, 2008, shareholders were paid a dividend of €0.29 per share, which together with the interim dividend of €0.20 per share paid on November 21, 2007, brought the total return on the stock to more than 6.0% (calculated on the basis of the average price in December 2007), one of the highest in the industry. Average daily trading volume on the electronic stock market of Borsa Italiana was more than 47 million shares, in line with volumes in the 1st Half of 2007.

At the date this report was prepared, the share capital of Enel SpA came to €6,185,727,733. On the basis of the register of shareholders and other information available at that date, the shareholders of Enel were as follows: the Ministry for the Economy and Finance with 21.1%, Cassa Depositi e Prestiti with 10.1% and others with 68.8%.

For further information we invite you to visit the Investor Relations section of our corporate website (http://www.enel.it/azienda/en/investor_relations), which contains: financial data, presentations, on-line updates on the share price; information on the composition of corporate bodies and the regulations of shareholders' meetings; and periodic updates on corporate governance issues.

We have also created contact centers for private investors (which can be reached by phone at +39 (06) 8305 4000 or by e-mail at azionisti.retail@enel.it) and for institutional investors (phone: +39 (06) 8305 7008, e-mail: investor.relations@enel.it).

Performance of Enel share price and the S&P MIB, FTSE Electricity E300 and BWElec indices (daily trading volume/listed price) – January 2008 to July 15, 2008

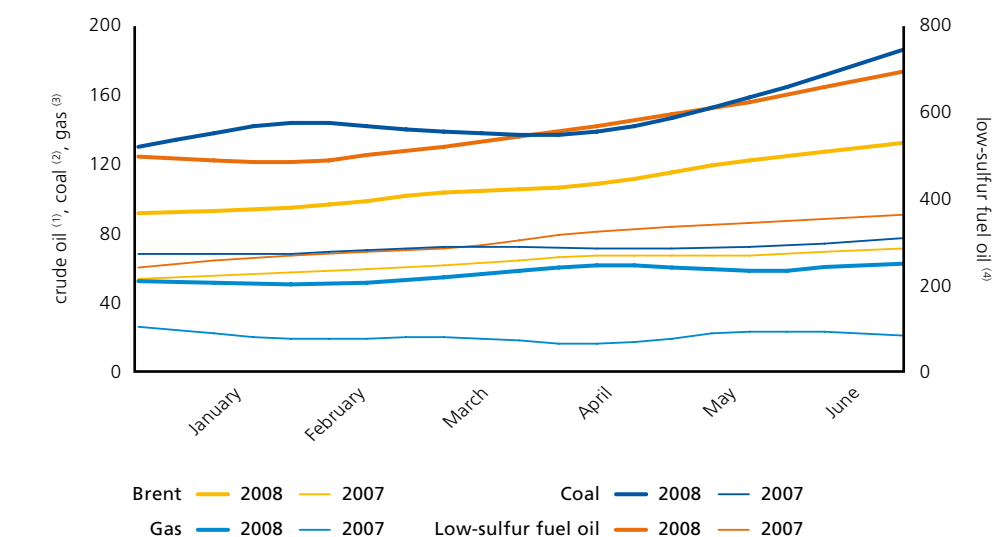


Developments in the main market indicators

21

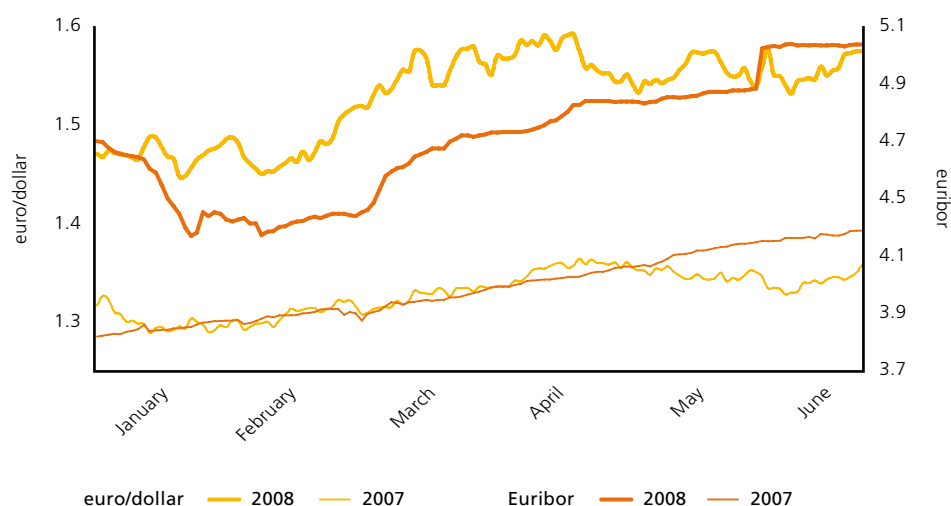
The following charts report developments in the main market indicators in the two reference periods.

Fuel prices



- (1) Brent index (\$/bbl).
 (2) API#2 index (\$/t CIF ara).
 (3) Belgium Zeebrugge index (GB pence/therm).
 (4) Platt's CIF Med index (\$/t).

Prices in the fuel market showed a general rising trend over the two period under examination. Crude oil prices rose by 72.4%, with the average for Brent rising from \$63.3 a barrel in the 1st Half of 2007 to \$109.1 in the 1st Half of this year. Coal prices rose to an average of \$149.5 a metric ton, up 108.2% on the 1st Half of 2007 (\$71.8 a metric ton). The average price of natural gas (Belgium Zeebrugge index) rose from 21.5 pence/therm to 51.5 pence/therm, an increase of 139.5%. Finally, the average price of low-sulfur fuel oil increased by 85.0%, from \$305.9 a metric ton in the 1st Half of 2007 to \$565.8 a metric ton in the 1st Half of 2008.



Money markets in the 1st Half of 2008 and 2007 showed a substantial strengthening of the euro against the dollar and a broad rise in interest rates. Specifically, the euro/dollar exchange rate went from an average of 1.33 in the 1st Half of 2007 to 1.53 in the 1st Half of 2008, an appreciation of 15.0%. 6-month Euribor rose from an average of 4.07% in the 1st Half of 2007 to 4.71% in the 1st Half of 2008.

Italy

The electricity market

DOMESTIC ELECTRICITY GENERATION AND DEMAND

2nd Quarter				Millions of kWh	1st Half			
2008	2007	Change			2008	2007	Change	
Gross electricity generation:								
60,923	62,156	(1,233)	-2.0%	- thermal	130,655	128,770	1,885	1.5%
13,134	11,621	1,513	13.0%	- hydroelectric	21,461	19,768	1,693	8.6%
2,850	2,140	710	33.2%	- geothermal and other resources	5,922	4,719	1,203	25.5%
76,907	75,917	990	1.3%	Total gross electricity generation	158,038	153,257	4,781	3.1%
(2,942)	(2,971)	29	1.0%	Auxiliary services consumption	(6,193)	(6,097)	(96)	-1.6%
73,965	72,946	1,019	1.4%	Net electricity generation	151,845	147,160	4,685	3.2%
10,114	12,216	(2,102)	-17.2%	Net electricity imports	20,493	25,344	(4,851)	-19.1%
84,079	85,162	(1,083)	-1.3%	Electricity delivered to the network	172,338	172,504	(166)	-0.1%
(1,908)	(1,858)	(50)	-2.7%	Consumption for pumping	(3,711)	(3,817)	106	2.8%
82,171	83,304	(1,133)	-1.4%	Electricity demand	168,627	168,687	(60)	-

Source: Terna - Rete Elettrica Nazionale (monthly report – June 2008).

- > Domestic *electricity demand* in the 2nd Quarter of 2008 decreased by 1.4% compared with the year-earlier period, reaching 82.2 billion kWh, while in the 1st Half of 2008 it was equal to 168.6 billion kWh, virtually unchanged on the 1st Half of 2007. Of the total in the 1st Half of 2008, 87.8% was met by net domestic electricity generation for consumption (85.0% in the year-earlier period), with the remaining 12.2% being met by net electricity imports (15.0% in the 1st Half of 2007);
- > *net electricity imports* in the 1st Half of 2008 fell by 4.9 billion kWh, mainly as a result of the narrowing of the differential between electricity prices in the other European countries and the domestic market;
- > *gross electricity generation* increased by 3.1%, mainly as a result of lower imports. In the 1st Half of 2008, all generation sources expanded, with an increase of 1.9 billion kWh in thermal generation, 1.7 billion kWh in hydroelectric generation and 1.2 billion kWh in generation from geothermal and other resources.

The gas market

DOMESTIC GAS DEMAND

2nd Quarter				Billions of cubic meters	1st Half			
2008	2007	Change			2008	2007	Change	
3.7	2.9	0.8	27.6%	Residential and commercial	17.3	15.0	2.3	15.3%
4.7	4.8	(0.1)	-2.1%	Industrial	10.4	10.3	0.1	1.0%
8.1	8.1	-	-	Thermal	17.1	16.2	0.9	5.6%
0.6	0.6	-	-	Other ⁽¹⁾	1.0	1.0	-	-
17.1	16.4	0.7	4.3%	Total	45.8	42.5	3.3	7.8%

(1) Includes other consumption and losses.

Source: Enel based on data from Ministry for Productive Activities and Snam Rete Gas.

Demand for natural gas in Italy rose by 7.8% in the 1st Half (and by 4.3% in the 2nd Quarter). The rise is mainly attributable to consumption by residential and commercial users, which increased as a result of colder weather in 2008.

Regulatory and rate issues

Long-term electricity import contracts

Enel has a contract for the import of electricity with Atel (on the Swiss border, expiring on December 31, 2011). The power imported under the contract with Atel is sold to the Single Buyer at a set price and is used to supply the enhanced protection market.

For 2008, with a decree of December 18, 2007, the Minister for Economic Development confirmed the capacity reserve on the Italian-Swiss border with regard to the contract with Atel and set a price of €68/MWh for the 1st Quarter of 2008, to be updated for subsequent quarters in accordance with the criteria set by the Authority for Electricity and Gas, which confirmed the procedures in force for 2007 with Resolution no. 329/07. The price for the 2nd Quarter of 2008 was set at €70.09/MWh, while that for the 3rd Quarter was set at €74.53/MWh.

Quality standards

The Authority for Electricity and Gas published a consultation document on the quality of commercial sales services for electricity and gas. The proposal contains new, more stringent quality standards that sellers must comply with in their dealings with end users and distributors in their relations with sellers. The Authority also proposes to publish comparative information on the performance of sellers in meeting quality standards.

Electricity

Liberalization of electricity sales

Pursuant to Decree Law 73/07 (subsequently ratified with Law 125/07, which came into force on August 15, 2007), Enel Distribuzione and Deval no longer directly provide service to the customers of the former regulated market. Supply to customers that do not exercise the option to receive service on the free market and that are eligible for enhanced protection will be handled by a special-purpose company. Accordingly, since January 1, 2008, operations have begun at Enel Servizio Elettrico, which provides electricity to customers eligible for the enhanced protection mechanism and connected to Enel Distribuzione's networks, and at Vallenergie, which supplies enhanced protection customers connected to Deval's networks. These companies obtain power from the Single Buyer in order to serve these customers.

The decree of the Minister for Economic Development of November 23, 2007, and the subsequent decree of February 8, 2008, set out provisions governing the procedures for allocating safeguard services through auction. In particular, as from May 1, 2008, the safeguard services supplier is selected through auctions held on a geographical basis (the Authority has identified six geographical areas) at a price established by the auction. Initially, the auctions covered the period from May 1 to December 31, 2008; thereafter, they will cover two-year periods. Until May 1, 2008, safeguard services continued to be managed by the distribution companies or associated companies, to which the CIP 6 and physical import rights for customers eligible for the safeguard market have also been transferred. On February 22, 2008, the Single Buyer published the results of the auctions to select the safeguard service providers for the May 1 - December 31, 2008 period. For areas d) Tuscany, Umbria, Marche and Sardinia, e) Lazio, Abruzzo and Molise and f) Campania, Puglia, Basilicata, Calabria and Sicily, the safeguard provider will be Enel Energia, which bid a premium of €5/MWh on the Power Exchange price. The Authority for Electricity and Gas also adopted a number of measures to complete the regulatory framework for the retail network. In particular, with the Resolution ARG/elt (general regulatory activities/electricity sector) no. 4/08, the Authority introduced rules governing the managing of delinquent end users to safeguard the interests of the sales companies by permitting the suspension of supply to delinquent customers in the free market as well. In addition, the resolution allows operators to assign their receivables in respect of the last two unpaid invoices of the customer to a new seller (in the event of customer switching on the free market or assignment to a new safeguard provider following future auctions pursuant to the decrees of the Ministry for Economic Development discussed above).

With Resolution ARG/elt no. 42/08 the Authority introduced new rules for switching in order to establish uniform procedures for all parties operating in the new

market environment and to define the information operators will have to provide to each other.

The Authority also reformed the rules governing load profiling for customers without hourly meters in order to determine the cost of electricity purchasing and ancillary services for such customers. Until March 31, 2008, for the purposes of determining such costs, for customers without hourly profiling (i.e. all low-voltage customers), the same conventional drawing profile was attributed to all sellers. Resolution no. 278/07 established that as from April 1, 2008, withdrawal points with an installed capacity of more than 55 kW would be treated on an hourly basis, with the gradual extension of time bands (F1, F2, F3) to withdrawal points under 55 kW. This makes it possible to assign each customer a load profile (and thus a cost) that is more consistent with actual consumption, eliminating the weaknesses of the previous regulations by linking the cost of electricity purchases by suppliers to the actual load profile of their customers.

With Resolution ARG/elt no. 56/08, the Authority established mandatory hourly pricing in the enhanced protection market. However, the Resolution also allows customers in the enhanced protection market with meters capable of measuring usage by time band to temporarily choose between hourly pricing with multiple time bands or a single price. The length of the transition period will differ by type of customers and capacity: until December 31, 2008 for non-residential customers with committed capacity of more than 15 kW; until March 31, 2009 for non-residential customers with committed capacity of less than 15 kW; and until December 31, 2009 for residential customers.

Enel Energia has appealed the portion of Resolution ARG/elt no. 56/08 establishing the transition period in which low-voltage customers in the enhanced protection market can choose between the two rate structures. This option creates the risk that many customers in the free market, especially small enterprises that use electricity at peak times, could return to the enhanced protection market.

Rates and rate updates

With Resolution no. 352/07, the Authority established the pricing terms for the provision of the enhanced protection service for the 1st Quarter of 2008, increasing the average charge to end users by about 2.4% above that set for the preceding quarter. Specifically, the Authority raised the rate component covering the cost of electricity provisioning by €5.1/MWh (up 5.3%) and lowered the UC1 component for rate deficits for previous years by €1.2/MWh. Subsequently, with Resolutions ARG/elt no. 37/08 and no. 38/08, the Authority set rates for the enhanced protection service for the 2nd Quarter of 2008, increasing the charge to end users by an average of about 3.19% compared with the previous quarter. Specifically, the Authority raised the PED component by an average of 6.7% and the UC1 component by €2.5/MWh.

With Resolutions ARG/elt no. 85/08 and no. 86/08 the Authority set rates for the enhanced protection service for the 3rd Quarter of 2008, increasing rates by 4.32% for residential customers (consumption of 2,700 kWh and committed capacity of 3 kW) and 6.4% for small enterprises (consumption of 6,000 kWh and committed capacity of 6 kW).

More specifically, the Authority increased the PED component for these customer categories by €6.78/MWh (up 6.4%) and €12.5/MWh (up 12%) respectively, while holding the A components (system costs) and the UC1 component unchanged. With Resolution ARG/elt no. 78/08 of June 17, 2008, the Authority resumed the 2005 and 2006 equalization processes suspended with Resolution no. 168/07 following errors reported by Terna in determining the amount of electricity for the

regulated market, specifying the deadlines for issuing all equalization amounts for 2005 and 80% of those for 2006. Enel Servizio Elettrico received the amount due on June 30, 2008.

With Resolution no. 25/08 the Authority established a compensation mechanism for 2008 for companies selling electricity under the enhanced protection system to recover cost and revenue imbalances exceeding 5%.

"Social rates" decree

An interministerial decree was issued on December 28, 2007 establishing the criteria and procedures for applying the new social rates for underprivileged residential customers or residential customers with "life-saving" electronic medical equipment. The income threshold for underprivileged residential customers to participate in the system was set at €7,500 based on the Financial Situation Indicator. The compensation system will be managed by municipal governments, which must evaluate and grant applications from customers who satisfy the requirements. The Authority has opened a consultation to establish the implementing procedures for that portion of the decree. The increased costs resulting from the compensation mechanism will be covered by a specific rate component applicable to all users.

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

The decree of the Minister for Economic Development of December 15, 2007 confirmed for 2008 the sale of CIP 6 energy on the Power Exchange by the ESO and the *pro rata* assignment of such energy to those requesting it, using contracts for differences, based on average annual electricity consumption. The decree sets a price of €68/MWh for the 1st Quarter of 2008 with a total quantity assigned of 4,900 MW, of which 75% to the free and safeguard markets (1,148 MW to Enel Energia) and the remaining portion to the Single Buyer for supplying customers in the enhanced protection market. With Resolution no. 311/07, the Authority confirmed that the procedures in effect in 2007 for updating the price will also apply in 2008. For the 2nd Quarter of 2008, the CIP 6 price was set at €68.23/MWh, while that for the 3rd Quarter of 2008 was set at €68.77/MWh.

Inquiries and fact-finding investigations

With ruling no. 321/08 of February 13, 2008, the Lombardy Regional Administrative Court granted Enel's appeal and voided Resolution no. 66/07, with which the Authority for Electricity and Gas had fined Enel Distribuzione €11.7 million for its alleged failure to comply with the provisions of Resolution no. 55/00 concerning invoice transparency. In its ruling, the Court said there was no requirement to publish information on free payment options in invoices and absolved Enel Distribuzione of any charges of misconduct. On the basis of the ruling, Enel asked the Authority to reimburse the fine paid, while on June 3, 2008, the Authority appealed the Court's ruling.

With Resolution no. 177/07 the Authority for Electricity and Gas initiated a fact-finding investigation of a number of irregularities found in the quantification of electricity drawn from the national transmission network in 2005, 2006 and the first few months of 2007. The deadline for the completion of the investigation was initially set for October 31, 2007, but was extended to June 30, 2008, with Resolution no. 336/07. The findings of the investigation have not yet been announced by the Authority.

As regards the proceeding initiated by the Competition Authority for abuse of a dominant position (Enel Distribuzione allegedly made the conclusion of new electricity supply contracts conditional upon payment by the new customers of the arrears of previous customers), on January 22, 2008, Enel SpA and Enel

Distribuzione presented the final report on the undertakings made and the measures adopted. Following a further request for clarification and information from the Competition Authority, the measures were supplemented with the addition of information in invoices on the rapid repayment procedure. With a measure of March 11, 2008, the Competition Authority determined that the notice in the invoice was sufficient to discharge the disclosure obligation.

On February 21, 2008, the Competition Authority opened investigation PS/91 concerning improper commercial practices against four Enel Group companies: Enel SpA, Enel Energia SpA, Enel Servizio Elettrico SpA and Enel Distribuzione SpA. The proceeding regards the transfer of customers from the enhanced protection system to Enel Energia SpA through the activation of connections that customers had not requested as well as the use of an advertising campaign that allegedly obscured the distinction between the enhanced protection market and the free market. On March 28, 2008, Enel submitted a number of undertakings to the Competition Authority that would eliminate the alleged anticompetitive practices in order to obtain the closure of the proceeding without a finding of any infraction. On March 18, 2008, another proceeding (PS/1) was initiated with regard to allegedly improper commercial practices on the part of Enel Energia SpA and eight non-Group companies. The practices regard the transparency of the notes to the offers "EnergiaSicura", "EnergiaPura Casa", "EnergiaPura Bioraria" and "EnergiaSicura Gas". As regards the "EnergiaPura Bioraria" promotion in particular, the Competition Authority argues that there is a lack of clarity concerning the increased charges for electricity use during the daytime.

The above proceedings are scheduled to be completed by August 21 and October 14, 2008, respectively.

Gas

Rates and rate updates

With Resolutions no. 346/07 and ARG/gas no. 39/08, the Authority for Electricity and Gas updated the rates for natural gas supplies for the 1st and 2nd Quarters of 2008 in accordance with the method introduced in Resolution no. 134/06, raising the raw materials component (CCI) by 7.2% and 4.2%, respectively, compared with the previous quarter due to the increase in the international price for oil products. With Resolution no. 84/08 the Authority updated the rates for natural gas supplies for the 3rd Quarter of 2008 in accordance with the method introduced in Resolution no. 79/07, raising the raw materials component by 11% compared with the previous quarter. Since the start of the year, the Authority has increased the rate by 37% owing to the increase in the international price for oil products.

Resolution no. 79/07 also introduced a temporary surcharge for the raw materials component to cover the increased sourcing costs incurred by operators.

Resolution ARG/gas no. 52/08 extended the surcharge until September 30, 2008 (from the original expiry date of June 30, 2008).

Resolution no. 89/08 completed the process of renegotiation, on the basis of the criteria established in Resolution no. 79/07, of the natural gas contracts signed under the provisions of Resolution no. 248/04, which was subsequently voided by the administrative courts.

Supplier of last resort

With Resolution no. 243/07, the Authority published the ranking of bids, which identifies Enel Energia as supplier of last resort for the 2007-2008 gas year for a maximum quantity of gas totaling 30 million cubic meters in the Emilia Romagna,

Liguria, Tuscany, Umbria, Marche and upper Lazio macro-area.

With Resolution ARG/gas no. 39/08 the Authority established a surcharge on the wholesaler price in order to establish a fund to cover the charges associated with providing supplier-of-last-resort services.

Generation and Energy Management Division

“Ancillary Services Market” (ASM)

With Resolution no. 308/07 the Authority for Electricity and Gas approved Terna’s proposal concerning the new competitive procedures for concluding forward contracts on the ASM related to 2008. In February and March 2008, Terna concluded contracts for the 2nd Quarter of 2008, for which Enel was awarded a number of products. In implementation of Resolution no. 165/06, the Authority has set up a working group consisting of institutional representatives and market operators to prepare an overall reform of the ASM starting from 2009 in order to contain the cost of ancillary services for end users.

Single Buyer Auctions

Between September and December 2007, the Single Buyer held auctions for bilateral contracts with base-load profiles (that is, with a constant profile across all the hours in a year) in order to cover requirements for each year of the three-year period from 2008 through 2010. Enel Produzione was allocated 260 MW for 2008, 550 MW for 2009 and 515 MW for 2010.

Between April and June 2008, the Single Buyer held monthly auctions for contracts for differences to hedge fluctuations in spot prices over the rest of the year. Enel was awarded an average of an additional 350 MW equivalent.

Temporary measures concerning the reduction of gas consumption

On March 12, 2008, the requirement to maximize gas imports as from November 5, 2007, in compliance with the decree of the Ministry for Economic Development of August 30, 2007, was revoked.

CIP 6 charges, revision of avoided fuel cost (AFC)

On January 22, 2008, the Council of State granted the appeal of the Authority for Electricity and Gas to restore Resolution no. 249/06, with which the Authority had introduced a new mechanism for updating the avoided fuel cost (AFC) paid to CIP 6 plants that significantly reduced the remuneration of such plants. Following appeals by a number of operators, the resolution was voided by the Regional Administrative Court. The Authority has issued a consultation document containing a revision for 2008 of the updating formula in line with the updating of the CCI component of the natural gas rate charged to end users.

LNG regasification rates – third regulatory period

Resolution ARG/gas no. 92/08 sets the rates for regasification services for 2008-2012. In order to encourage the construction of new regasification capacity, the Authority increased the remuneration of new investments and a guarantee mechanism that ensures the recovery of 64% of operating expenses costs by regasifiers for 20 years (the mechanism does not apply to terminals benefiting from the 80% exemption under Law 239/04).

In addition, the Resolution also set the annual productivity gain (X-factor) for new terminals at 0%.

As regards the 2005-2007 emissions period, Enel Produzione covered the residual deficit by acquiring allowances for 4.6 million metric tons in the 1st Quarter of 2008. With regard to the national allocation plan for the 2008-2012 period, on February 20, 2008 the National Committee for the management and implementation of Directive 2003/87/EC, composed of representatives of the Ministry for the Environment and the Ministry for Economic Development, announced the final allocation of emissions allowances, pursuant to Article 8, paragraph 2, of Legislative Decree 216 of April 4, 2006. The overall cap on the annual CO₂ allowances amounts to 201.63 million metric tons. The thermal segment was allocated annual CO₂ allowances of 85.29 million metric tons, excluding the reserve for new entrants. The final decision provides for the differentiated use of CERs and ERUs (credits from the CDM – clean development mechanism – and JI – joint implementation – which allow the calculation of reductions in CO₂ emissions from projects carried out in foreign countries for the purpose of meeting the Kyoto Protocol obligations) for operators in the various segments. Specifically, thermal generation benefits from higher percentage limitations (19.3%) than the average required by the EU (14.99%).

The final decision allocates Enel an annual CO₂ allowance of about 33.6 million metric tons for the 2008-2012 period for existing plants, to which should be added further allowances from the reserve earmarked for new entrants, estimated at about 3 million metric tons a year. In light of these allocations, Enel forecasts a CO₂ allowance deficit of 10 million metric tons per year for the 2008-2012 period which will, in any event, be covered by existing supply strategies.

As regards the 2008-2012 national allocation plan, in the 1st Half of 2008 emissions by Enel Produzione came to 21.3 million metric tons. Considering allowances allocated under the national allocation plan, calculated on a *pro rata* basis, of 22.2 million metric tons for the period, at June 30, 2008, there was a surplus of 0.9 million metric tons.

Support for electricity generation from renewables

The 2008 Finance Act provided for an annual increase of 0.75% for the years 2008 to 2013 in the requirement to generate/import electricity from renewable sources. As a result, the obligation for 2008 amounts to 3.8% of the conventional electricity generated/imported in the preceding year. On March 5, 2008, the Electricity Services Operator (ESO) announced the reference price for green certificates in 2008: €112.88/MWh (net of VAT), equal to the difference between the initial reference price and the annual average sale price of electricity in 2007, as established by the Authority for Electricity and Gas in implementation of Article 13, paragraph 3, of Legislative Decree 387/03.

In implementation of Article 7 of Legislative Decree 387/03, on April 11, 2008, the Minister for Economic Development, in agreement with the Minister for the Environment, issued a ministerial decree that establishes the criteria and procedures for encouraging the generation of electricity using thermal solar systems. The decree provides for the application of a fixed incentive rate on top of the sale price of the electricity generated. The additional component decreases as the share of output not attributable to solar power increases. The decree also allows, within specified limits, the cumulation of the incentive component and public capital grants or interest rate subsidies. For Enel, the new measure could be applied for the hybrid plant to be built at Priolo (Siracusa) using an innovative solar technology developed by Enea, integrated with one of the two existing combined cycle units, which will use the steam produced by the solar power system.

Gas exchange and the daily balancing market

The Authority for Electricity and Gas recently took steps to implement the provisions of Resolution no. 22/04 concerning the development of an organized capacity and gas market in Italy. With its consultation document no. 10/08 of April 2008, the Authority proposed the introduction of a daily balancing market, while on June 19, 2008 it published another consultation document (no. 21/08) concerning the establishment of a gas exchange. The latter market would be implemented in stages as from 2009, at least a year ahead of the planned implementation of the balancing market.

Essential plant for the security of the electrical system

On July 23, 2008, the Authority published Resolution no. 97/08 requiring generation plants in Sicily and Sardinia to be entered in the list of plants essential for the security of the electrical system. The rules provide for such plants to be subject to administered operation in certain periods of the year in an amount that depends on the security requirements of the system. Enel has decided to appeal the resolution.

Inquiries and fact-finding investigations

With Resolution VIS (supervision, inquiries, proceedings and sanctions) no. 41/08 of April 15, 2008, the Authority for Electricity and Gas initiated a fact-finding investigation to ascertain the causes of irregular developments in unregistered gas in the 2004-2006 period, seeking information from transport companies and persons involved in gas metering.

Infrastructure and Networks Division

Energy efficiency

On July 3, 2008, Legislative Decree 115 implementing Directive 2006/32/EC on energy end-use efficiency and energy services was published in the *Gazzetta Ufficiale*. The Directive repeals Directive 93/76/EEC and provides for, among other things, the extension of the obligations incumbent on electricity and gas distributors to retail energy sales companies, in compliance with the principle of conformity with the general objectives and existing requirements.

The decree of December 21, 2007, revised and updated the July 2004 decrees on energy efficiency. In particular, it raised the targets to be achieved in 2008 and 2009 and set new energy saving targets for 2010-2012 for both electricity and gas distributors. The overall target for Enel for 2008 was set at 1.2 million tons of oil equivalent (toe), equal to 53% of the total requirement, of which 1,043.2 ktoe to Enel Distribuzione and Deval and 126.7 ktoe to Enel Rete Gas (redetermination of the specific objectives with Resolution EEN no. 8/08 of July 11, 2008). With Resolution no. 345/07, the Authority confirmed the rate contribution of €100/toe for the achievement of the 2008 targets.

Electricity

Administrative and accounting unbundling

With Resolution no. 11/07, the Authority for Electricity and Gas approved the integrated text of measures regarding administrative and accounting unbundling for companies operating in the electricity and gas industry and the related publication and notification requirements.

The measure amends the previous rules governing administrative and accounting

unbundling (Resolutions nos. 310/01 and 311/01), establishing rules for functional separation in order to ensure, among other things, the independence of the management that operates essential infrastructures. Specifically, it provides for the functional separation of the distribution of electricity and gas, with very tight restrictions that raise corporate governance issues.

The Authority, with Resolution no. 253/07 of October 4, 2007, amending Resolution no. 11/07, safeguarded the decision-making autonomy of the distribution company from the vertically integrated corporation in its operating, management and network development decisions, albeit leaving the holding company and, hence, shareholders the possibility of control over such activities. Publication by the Authority of the guidelines for operators concerning accounting schedules and actions to be taken is pending.

Distribution rates: new regulatory period

With Resolution no. 348/07, the Authority, following a consultation begun in August, set the new transmission, distribution and metering rates for the 2008-2011 regulatory period.

The weighted average cost of capital (WACC) for distribution services was increased from 6.8% for the second regulatory period to 7%, while that for metering services was reduced from 8.4% to 7.2% in relation to the consolidation of the regulated nature of the sector.

The X-factor, applied only to the rate component covering operating costs, was set at 1.9% for distribution services and at 5% for metering, so as to allow the higher efficiency gains achieved by the companies during the second regulatory period to be passed on to the end user within eight and six years, respectively. The rules envisage incentives, using differentiated WACCs (up 2%) and for a minimum of eight years, for specific types of investments in the distribution network, such as those relating to the construction of new transformer stations, investments in replacing existing transformers in MV/LV transformer substations with new low-loss transformers, and smart grids.

The Authority has also established that the electricity withdrawals to power auxiliary generation services, including withdrawals of pumping stations, in the event the capacity withdrawn does not exceed 10% of that declared, are exempt from payment of transport costs, system charges and other fees paid by end users.

Pending a complete review of the regulations on the delivery of connection services, the Authority has also reorganized the rules concerning prices for connection to the electricity networks, applying a price cap to connection contributions and fixed fees.

With Resolution no. 333/07, the Authority established new rules concerning the quality of electricity services for the 2008-2011 regulatory period. Specifically, with regard to service continuity, it introduced rules governing the annual average number of long and short interruptions and confirmed those relating to the cumulative duration of interruptions.

With Resolution ARG/elt no. 30/08 of March 13, 2008, the Authority set out the new procedure for calculating equalization payments. More specifically, as regards the equalization of commercial costs in the distribution segment, the Authority established that equalization will apply to imbalances between revenues and costs exceeding 5%. As regards equalization of metering, the revenues to be equalized will also reflect depreciation on digital meters in addition to the return on capital employed, as in the second regulatory period, thereby ensuring recognition of investments for the companies that actually carried them out.

Inquiries and fact-finding investigations

With Resolution VIS no. 12/08 the Authority for Electricity and Gas initiated a formal inquiry into Enel Distribuzione concerning delays in connecting generation plants to networks. The inquiry was begun following the closure, with Resolution VIS no. 8/08, of the fact-finding investigation into the provision of grid connection services for generation plants by distribution companies, which, on the basis of reports from operators and sector associations, found delays by Enel Distribuzione in sending quotes and executing works for connecting new generation plants. The inquiry is scheduled to be completed in October 2008.

Gas

Natural gas distribution concessions

Decree Law 159/07, ratified by Law 222/07, the accompanying decree for tax aspects of the 2008 Finance Act, provided that, within three months of the date of entry into force of the ratification law, the Minister for Economic Development and the Minister for Regional Affairs and Local Government, would establish the criteria for the tender and for evaluating bids for awarding gas distribution concessions. The ministers are also required to determine the minimum geographical areas for the tenders, starting with rates, and to develop measures to encourage aggregation. The 2008 Finance Act (Law 244/07), amending the tax decree as to the expiry of current concessions, provides that the new tender would be called within two years of the identification of the relevant geographical area, which must be completed within one year of the entry into force of the ratification law.

The Authority for Electricity and Gas has initiated a proceeding to develop proposals for the determination of the geographical areas by the Ministry for Economic Development and for the recognition of the adjustment of concession fees envisaged in the 2008 Finance Act.

Service quality in gas distribution and metering

The Authority published the second consultation concerning the quality of gas distribution and metering services in the third regulatory period (2009-2012). The consultation confirmed the proposals set out in the first consultation concerning convergence of quality standards with the electricity sector and the transition from a voluntary system to a mandatory system (with incentives and penalties) for the achievement of security and quality objectives.

With Resolution no. 51/08 the Authority established incentives, as from June 1, 2008, for end users to request checks of meters that have been in service for more than 25 years. Enel has developed a plan for the replacement of old meters that brings forward the incentives introduced by the Authority.

International

Regulatory and rate issues

Iberia and Latin America Division

Spain

Electrical systems in extra-peninsular and island territories

Article 12 of the electrical system Law establishes that electricity distribution in extra-peninsular and island territories will be governed by specific regulations

that take account of their location. In this regard, on December 19, 2003 Royal Decree 1747/03 was enacted, governing extra-peninsular and island electrical system, while on March 30, 2006, the ministerial orders implementing the decree were published.

Royal Decree 1747/03 governs, *inter alia*, the remuneration of extra-peninsular generation, envisaging the coverage of costs incurred and remuneration of capital employed with a compensation mechanism.

Financing the deficit of regulated activities

Royal Decree Law 5/05 establishes that where the revenues of the electrical system generated in the regulated market are not sufficient to cover costs of activities in that system, the deficit must be financed by the main companies that operate in the market on the basis of percentages set in the Decree Law. In the case of Endesa, the largest market operator, the percentage is set at 44.16%.

Resolutions of the Ministry of Industry of April 19 and May 29, 2007

With regard to the Resolution of the Ministry of Industry of April 19, 2007, concerning virtual power plant auctions to be held on a quarterly basis, on June 10, 2008, the fifth auction was held for a total virtual capacity of about 2,224 MWq (quarterly equivalent MW) divided into 2,000 MWq of base load power and 224 MWq of peak load power with delivery as from July 2008. Endesa participates in the auction with 50% of the total power to be awarded.

With regard to the Resolution of the Ministry of Industry of May 29, 2007, concerning auctions called CESUR (*Compra de electricidad para el suministro ultimo recurso*), in June the fifth auction was held. Five Spanish distribution companies and one Portuguese company were awarded electricity equivalent to 1,800 MW for the quarterly product and 900 MW for the half-year product. As regards purchase obligations, in the fifth auction Endesa was assigned a purchase obligation of 29% of all the power auctioned.

Decree Law 11/07

On December 7, 2007 the Spanish government issued an urgent decree to prevent market distortion and discrimination between energy trading mechanisms. To this end, for the period from 2008 to 2012, the measure reduces the remuneration of generation activity in reflection of the internalization of the value of the CO₂ allowances granted free of charge under the national allocation plan. Subsequent measures will specify the detailed procedures.

Ministerial Order 3860/07

On December 29, 2007, the government published Ministerial Order 3860/07 concerning electricity rates for 2008 and a number of significant aspects of the Spanish electricity market, including the *ex ante* specification of the maximum rate deficit for 2008 at about €4.75 billion (with a ceiling for the 1st Quarter of 2008 of €1.2 billion). In addition the measure established an annual premium of €8,750/MW to be paid for 10 years to coal-fired plants that have invested in desulfurizers. Other provisions updated the rate and the premium for certain plants operating under the special regime. As regards rates, and in line with previous measures, as from July 1, 2008, the high-voltage rate will be eliminated.

Royal Decree 222/08

On February 15, 2008, the Ministry of Industry published Royal Decree 222 concerning the new 2009-2012 regulatory period for distribution activities. The

measures governs the new method for calculating distribution revenues in relation to achievements in terms of new investments, service quality and the reduction of grid losses. The decree also increased (with retroactive effect) a number of parameters of rates for renewable electricity.

Ministerial Order 694/08

On March 15, 2008, the rules for the auctions to allocate *ex-ante* rate deficit coverage rights in order to finance *ex ante* the deficit recognized in 2007 and subsequent years were published. The auctions will award the right to receive a monthly payment determined on the basis of the revenues of the electrical system. Following the voidance of the first auction for the excessive volatility of the bids, on June 12, 2008, a second auction was held, allocating deficit rights in the amount of €1.3 billion.

Ministerial Order 1857/08

The measure of June 26, 2008, updates electricity rates as from July. Final rates were increased by an average of 5.6%, while the *ex ante* deficit for April 1 - September 30, 2008 was recognized at €2.7 billion.

Emissions trading

In the 1st Half of 2008, the estimated emissions produced by Endesa amounted to about 17.4 million metric tons. Allowances granted under the national allocation plan, calculated on a *pro rata* basis for the period, amounted to 12.5 million metric tons. The resulting deficit of about 4.9 million metric tons is entirely covered through the Emissions Trading Scheme mechanisms.

Chile

Rate updates

Chile's regulator approved the most recent update of rates for the period from May 2008 to October 31, 2008. Nodal prices indexed to average system costs will fall by 5.2% for the SIC market (the largest of the four markets into which the country is divided) and 6.2% for the SING market (the second largest in terms of installed capacity).

Renewables incentive law

On April 1, 2008, the law for the promotion of renewables on the basis of an Italian-model green certificates system received final approval. As from January 1, 2010 and until 2014, 5% of electricity sold to distribution companies or end users must be certified as having been generated from unconventional renewable resources (ERNC). The proportion increases by half a percentage point a year from 2015 to 2024, to reach 10%. Failure to meet the requirements will be sanctioned with penalties. The power generated by hydroelectric facilities of up to 40 MW will be fully included in the ERNC percentage up to 20 MW and in a decreasing percentage from 20 to 40 MW.

Colombia

Resolution 31/07

In May 2008 the first auction for the sale of base load power for delivery between December 1, 2012 and November 30, 2013, was held. The plants supplying base load power include three new facilities.

France

Regulatory and rate issues

On February 22, 2008, despite the decision of the Constitutional Council of November 30, 2007, according to which new customers would not be entitled to the “return rate” (the “TARTAM”, under which customers on the free market can return to purchase electricity under the regulated regime at a premium of about 20% over the historic rate), an amendment to the housing law granted entitlement to the rate regime for new connections until 2010.

In the 1st Quarter of 2008, the *Commission de régulation de l'énergie* (CRE) organized a consultation on network rates that provides for an extension of the regulatory asset base. On June 12, 2008 the Parliament, supported by the government, voted to renew the “TARTAM” until 2010; the final text must still be approved by the Senate. In the 1st Half of the year consultations were held to prepare regulations for the “post-TARTAM” period, but the framework is not yet complete.

Unbundling

Following the enactment of the law of November 2006, legal unbundling of distributors came into effect as from July 1, 2007. In reality, the EdF distributor was established as a separate entity in January 2008. Customers who did not elect the free market receive electricity from the sales company (article 23 of the law) and no competition is envisaged in this segment. Suppliers of last resort will be selected through auctions.

Slovakia

Must-run plants

Under the system for the compensation of costs for the operation of two thermal plants that, in compliance with the “general economic interest” clause of the Slovakian Energy Act (Law 658/04), are required to guarantee availability of capacity and electricity, Slovenské elektrárne (SE) submitted a proposal to URSO concerning costs forecast for 2008 for the ENO plant (Nováky). The EVO plant (Vojany) is no longer considered a must-run facility as from 2008. In addition, in 2008 SE will receive the remainder of the system costs reimbursement for 2005. Finally, URSO also agreed to recognize the €30 million revaluation in 2006 of the assets of ENO and EVO, to be compensated in 2009-2010.

Emissions trading

The Slovakian Ministry for the Environment published a list with the reallocation of emissions allowances by operator, complying with the European Commission decision granting additional allocations totaling 1.78 million metric tons of CO₂ a year, assigning SE an average of about 5.2 million metric tons of CO₂ a year. The official publication of the definitive national allocation plan for 2008-2012 is expected shortly. In the 1st Half of 2008, SE produced an estimated 1.95 million metric tons of emissions, while the allowances assigned by the allocation plan, calculated on a *pro rata* basis for the period, amounted to 2.6 million metric tons.

New market rules

On July 4, 2007, the Slovakian government approved a decision concerning the new market rules as a consequence of the liberalization on July 1, 2007. In

particular, the measure calls for the application, beginning on January 1, 2008, of a surcharge equal to the rate component paid by end users to cover the system services (about €10/MWh in 2007) on the electricity generated in Slovakia and exported.

Energy Act

On April 1, 2008, the law was approved, incorporating most of the comments submitted by SE. On April 14, 2008 URSO, as provided for in the Energy Act, issued draft secondary rules governing auctions for discussion. SE submitted comments on the draft, noting that the procedure eliminates the free sale of electricity, de facto producing a regulated price. The final auction rules are expected to be issued at the start of November.

Decommissioning fund

On May 21, 2008, the government's solution for financing the decommissioning fund for nuclear activities was approved. The mechanism regards the coverage both of future costs and of the existing shortfall in the amount of about 71 billion Slovak koruna (about €2.3 billion). The rate levy to cover the shortfall has been set at about 90 koruna/MWh (€2.8/MWh) from 2008 to 2015. SE's contribution from 2007 to 2015 is about 22 billion koruna (about €0.7 billion).

Regulatory strategy

In April 2008 URSO published its new regulatory strategy. The main features are as follows:

- > the regulatory period for the determination of distribution rates will cover three years (2009-2011);
- > the method used to determine rates will include an efficiency factor (JPI-x);
- > prices for households will remain regulated in the medium term;
- > URSO will establish the rules for electricity auctions;
- > must-run plants that use local lignite will still be necessary in the coming years;
- > financial support will be provided for electricity generated from renewables (RES) and co-generation plants (CHP) using both the rate system and public funding. URSO will be issuing instructions to implement the strategy, especially the must-run system and distribution rates.

Economic interest law

On July 2, 2008, the Slovakian government published a law safeguarding electricity supply for residential customers and small enterprises. The law provides for 6 TWh of electricity sold by generators to these customers to be sold at regulated prices as from 2009 and until the ratio between average spending on electricity and household income reaches the EU average.

On July 3, 2008, the Slovakian Ministry for the Economy published the implementing decree, specifying that the July 2 measure provides for the regulation of electricity prices for SE only. More specifically, the 6 TWh of regulated electricity is to be used to meet consumption by:

- > residential customers without electrical heating with annual consumption of up to 5,000 kWh;
- > residential customers with electrical heating with annual consumption of up to 20,000 kWh;
- > small enterprises with annual consumption of up to 30,000 kWh.

SE is assessing the possibility of lodging an appeal, which must be submitted within 15 business days of publication.

Bulgaria

Emissions trading

On October 26, 2007, the European Commission issued its decision on Bulgaria's allowance allocation plan for 2008-2012, requiring a reduction of about 37.4%. It also published its decision on allocations for 2007 (the year Bulgaria joined the European Union), which requires a cut of about 20%. Enel Maritza East 3 submitted its comments to the Ministry for the Environment in support of the request for additional allowances.

In April 2008, allowances were allocated under the 2007 allocation plan in an amount in line with actual emissions, with Enel Maritza East 3 being allocated 4.8 million metric tons. The Bulgarian government is still waiting to complete the final version of the 2008-2012 allocation plan. Overall, it is expected that the impact of the final allocation will be essentially neutral.

Romania

End-user rates

On June 30, 2008, the new end-user rates were published, with the following increases:

- > for residential customers, the 4.4% increase will be applied in all eight regions;
- > for non-residential customers, the increase will be determined on a regional basis. In the regions where Enel is present, the increases are as follows: Banat and Dobrogea 5.4%; Muntenia Sud 6.5%.

Distribution rates are unchanged, whereas that for ancillary services have been raised by 1 RON/MWh.

Renewable energy law

In April 2008, the Senate voted to approve a new law in support of electricity generation from renewable resources. After assessment by a technical commission (the industry commission), the law must be approved by the lower house (expected by the end of the year). The new law strengthens the existing mechanisms in place to support renewables (green certificates).

Russia

Regulatory and rate issues

As part of the gradual opening of the market established by the Russian government, the liberalized share of electricity will be sold through an organized day-ahead market with prices reflecting the position of the generating company in the grid (nodal pricing). As from 2008, the portion of power generation still sold under the administered price system has shifted from a cost-plus mechanism to an annual indexation mechanism. The indexation mechanism published by the Federal Tariff Office in December 2006 provides for fuel costs to be updated on the basis of price indicators for each fuel type, while other costs will be updated on the basis of Russian inflation. The rates for 2008, which were published in December 2007, are in line with this approach. In May 2008 the indices for updating rates for 2009 were published.

The Russian market also provides for the explicit remuneration of generation capacity. As with electricity, capacity payments will be changed from an administered rate system to a market mechanism, with a graduated transition. After a number of delays, the launch of the capacity market was established with Decree 476 of June 28, 2008. The unregulated sale of capacity will begin in the 2nd Half of 2008,

with volumes in line with the share of liberalized electricity. Full implementation of the new rules is planned for 2009. The decree calls for the Ministry of Energy to draft rules for the long-term capacity market (starting in 2011).

The liberalization of the gas market, which began in November 2006, envisages the gradual convergence of regulated gas prices to the level of the European net-back price. In May 2008, the government announced that convergence could be postponed from 2011 until after 2014. Heating rates continue to be set using a cost-plus mechanism that does not ensure the profitability of the business.

As from January 9, 2008, free prices on the wholesale electricity market are subject to a price cap in the event of excessive price increases. The measure, which was originally scheduled to expire on March 31, 2008, was recently renewed until the end of December 2008 by the Administrator of Trading System.

On May 7, 2008, the Ministry for Economic Development and Trade published its forecasts for price and rate increases in 2008-2011: regulated rates for residential customers are expected to rise by 25% by 2009, while average rates for all end users are projected to rise by 19%.

Finally, the government adopted Decree 459 on June 19, 2008. The decree amends Decree 109 of 2004 ("Foundations of the formation of electricity and heating prices in the Russian Federation"), providing for the introduction of long-term rate regulation for network services based on the remuneration of invested capital (network rates are currently set on a cost-plus basis). The new rate mechanism will be introduced gradually, with the launch of pilot projects for a number of distribution companies in July 2008, while full implementation will not take place before 2010. The Federal Tariff Office approved the methodology with Resolution no. 231 of June 26, 2008.

Greece

Emissions trading

On April 22, 2008, Greece was declared in breach of the limits imposed by the United Nations concerning the Kyoto Protocol and was therefore excluded from the emissions allowances market. The measure was adopted because Greece did not report greenhouse gas emissions correctly. Although the Greek government submitted new data, the country was still declared non-compliant.

United States

Production tax credit

On May 30, 2008, the House of Representatives voted to extend the production tax credit for power plants using renewables by three years. The mechanism provides tax incentives for such plants.

Overview of the Group's performance and financial position

Definition of performance indicators

In order to present the results of the Group and analyze its financial structure, Enel has prepared separate reclassified schedules that differ from those envisaged under the IFRS-EU adopted by the Group and presented in the consolidated half-year financial statements. These reclassified schedules, which have not been audited, contain different performance indicators from those obtained directly from the consolidated half-year financial statements, which management feels are useful in monitoring Group performance and representative of the financial performance of the Group's business.

In accordance with recommendation CESR/05-178b published on November 3, 2005, the criteria used to calculate these indicators are described below:

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

Net non-current assets: calculated as the difference between "Non-current assets" and "Non-current liabilities" with the exception of:

- > "Deferred tax assets";
- > "Financial receivables due from other entities", "Other securities designated at fair value through profit or loss" and other minor items reported under "Non-current financial assets";
- > "Long-term loans";
- > "Post-employment and other employee benefits";
- > "Provisions for risks and charges";
- > "Deferred tax liabilities".

Net current assets: calculated as the difference between "Current assets" and "Current liabilities" with the exception of:

- > "Receivables for factoring advances", "Long-term financial receivables (short-term portion)", "Other securities" and other minor items reported under "Current financial assets";
- > "Cash and cash equivalents";
- > "Short-term loans" and the "Current portion of long-term loans", as well as a number of items reported under "Current financial liabilities".

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

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

Net financial debt: a financial structure indicator, determined by “Long-term loans”, the current portion of such loans, “Short-term loans” and as well as a number of items reported under “Current financial liabilities” less “Cash and cash equivalents”, “Current financial assets” and “Non-current financial assets” not previously considered in other balance sheet indicators.

Main changes in the scope of consolidation

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

2007

- > Acquisition, on February 2, 2007, of the entire capital of the Panamanian company Enel Fortuna, giving Enel full control of Fortuna, which is fully consolidated;
- > acquisition of 40% of Artic Russia, the direct parent company of SeverEnergia and the subsequent acquisition by the latter, on April 4, 2007, of a set of assets in the gas sector. As it is subject to joint control, Artic Russia and SeverEnergia are consolidated on a proportionate basis;
- > acquisition, on July 2, 2007, of 90% of Nuove Energie, a company that builds and operates LNG regasification infrastructures;
- > acquisition, on October 5, 2007, following the successful completion of the public tender offer, of 42.08% of Endesa; as from that date, taking account of the previous holding in the company (24.97%), Endesa is consolidated on a proportionate basis as it is under joint control;
- > acquisition, on October 1, 2007, of 100% of three companies (International Windpower, Wind Parks of Thrace and International Wind Parks of Thrace) active in generating electricity from wind power in Greece;
- > acquisition, on October 24, 2007, of 100% of Blue Line, a Romanian company that holds the rights to develop wind power projects in the region of Dobrogea;
- > acquisition, on December 6, 2007, of 100% of Inelec, a company active in hydroelectric generation in Mexico.

2008

- > Acquisition, on March 5, 2008, of 85% of Global Power Investment, a Romanian company active in the generation of electricity;
- > acquisition, on April 25, 2008, of 50% of Electrica Muntenia Sud and the concurrent subscription of a capital increase approved by the company's shareholders. Following the operation, Enel holds 64.4% of the company. As from the conclusion of the changes in the company's governance arrangements needed to define control on June 4, 2008, the company is consolidated on a line-by-line basis, taking account of the shareholding covered by the put option granted to Electrica at the time of the sale, equal to 23.6% at June 30, 2008;
- > acquisition, on May 19, 2008, of 100% of International Wind Parks of Crete and Hydro Constructional, which operate in Greece in the generation of electricity from renewables;
- > conclusion, on May 28, 2008, of the changes in the governance arrangements of OGK-5, which gave Enel full control as from that date. Enel, acting through the subsidiary Enel Investment Holding, had acquired 59.80% of the Russian

company in a series of purchases, of which 22.65% in the public tender completed on March 6, 2008, before selling a minority stake of 4.1% on June 25, 2008. As from May 28, 2008, the company is consolidated on a line-by-line basis;

- > disposal, on June 26, 2008, of the assets specified in the agreements signed between Enel and Acciona on March 26, 2007, and between Enel, Acciona and E.On on April 2, 2007 and March 18, 2008, consisting of:
 - the assets and liabilities held directly or indirectly by Endesa in Italy, France, Poland and Turkey, as well as a number of other assets in Spain (hereinafter “Endesa Europa”);
 - the assets and liabilities in respect of Enel’s equity investments in Enel Viesgo Generación, Enel Viesgo Servicios and Electra de Viesgo Distribución and the equity investments held by them;
- > acquisition, on June 30, 2008, of 80% of Marcinelle Energie, which is building a combined-cycle gas turbine plant in Belgium. The company is consolidated taking account of the put option granted to Duferco at the time of the sale.

The assets sold to E.On were classified as “Net assets held for sale” in the reclassified balance sheet at December 31, 2007. Following the disposal, that item in the reclassified balance sheet at June 30, 2008 reports the assets and liabilities in respect of renewable energy operations held by Endesa, which will be transferred to Acciona Energia, in which Endesa will hold a 49% stake following the transfer. In the reclassified income statement, the income or loss, net of the related tax effect, attributable to the net assets held for sale of Endesa Europa is reported under “Discontinued operations” as those net assets have been acquired for the sole purpose of their resale.

Group performance

2nd Quarter				Millions of euro	1st Half			
2008	2007	Change			2008	2007	Change	
14,234	9,129	5,105	55.9%	Total revenues	29,316	18,857	10,459	55.5%
10,512	6,969	3,543	50.8%	Total costs	21,987	14,365	7,622	53.1%
238	(30)	268	-	Net income/(charges) from commodity risk management	76	(30)	106	-
3,960	2,130	1,830	85.9%	GROSS OPERATING MARGIN	7,405	4,462	2,943	66.0%
1,012	705	307	43.5%	Depreciation, amortization and impairment losses	2,120	1,328	792	59.6%
2,948	1,425	1,523	106.9%	OPERATING INCOME	5,285	3,134	2,151	68.6%
415	651	(236)	-36.3%	Financial income	1,161	839	322	38.4%
1,113	437	676	154.7%	Financial expense	2,607	752	1,855	-
(698)	214	(912)	-	TOTAL FINANCIAL INCOME/(EXPENSE)	(1,446)	87	(1,533)	-
4	(1)	5	-	Share of gains/(losses) on investments accounted for using the equity method	27	1	26	-
2,254	1,638	616	37.6%	INCOME BEFORE TAXES	3,866	3,222	644	20.0%
315	577	(262)	-45.4%	Income taxes	819	1,174	(355)	-30.2%
1,939	1,061	878	82.8%	Net income from continuing operations	3,047	2,048	999	48.8%
131	-	131	-	Net income from discontinued operations	226	-	226	-
2,070	1,061	1,009	95.1%	NET INCOME (Group and minority interests)	3,273	2,048	1,225	59.8%
(223)	(22)	(201)	-	Minority interests	(422)	(66)	(356)	-
1,847	1,039	808	77.8%	GROUP NET INCOME	2,851	1,982	869	43.8%

Revenues

2nd Quarter			Millions of euro	1st Half		
2008	2007	Change		2008	2007	Change
12,611	8,417	4,194	Electricity sales and transport and contributions from Electricity Equalization Fund and similar bodies	25,877	16,940	8,937
628	242	386	Sale and transport of gas to end users	1,707	993	714
995	470	525	Other services, sales and revenues	1,732	924	808
14,234	9,129	5,105	Total	29,316	18,857	10,459

In the 2nd Quarter of 2008, revenues for **electricity sales and transport and contributions from Electricity Equalization Fund and similar bodies** came to €12,611 million, an increase of €4,194 million over the same period of 2007 (up 49.8%). This increase is connected primarily with the following factors:

- > a €3,613 million increase in revenues from foreign operations due essentially to the change in the scope of consolidation, €3,060 million of which related to the consolidation in October 2007 of Endesa, €73 million to the consolidation at the end of May 2008 of OGK-5, and €35 million to the consolidation at the start of June 2008 of Electrica Muntenia Sud. The increase in revenues abroad also reflected the €253 million increase in revenues on international energy trading and €193 million increase in revenues for Slovenské elektrárne as a result of growth in sales volumes and an increase in average sales prices;
- > a €312 million increase in revenues for the sale of electricity on the Power Exchange due primarily to the increase in average sales prices, which was partially offset by a reduction in quantities sold, as well as to an increase in sales to the Single Buyer due essentially to the bilateral contracts signed by the power generation companies at the start of 2008;
- > a €266 million increase in contributions by the Electricity Equalization Fund and similar bodies related primarily to regulatory items with the Spanish electrical system connected with generation activities outside of the Iberian peninsula.

In the 1st Half of 2008, revenues for **electricity sales and transport and contribution from Electricity Equalization Fund** came to €25,877 million, up €8,937 million over the same period of 2007 (up 52.8%).

This increase is connected primarily with the following factors:

- > a €6,869 million increase in revenues from foreign operations due essentially to the change in the scope of consolidation in the amount of €6,050 million, €5,936 million of which related to Endesa. The change for the period also reflected the €425 million increase in revenues on international energy trading and €310 million increase in revenues for Slovenské elektrárne as a result of factors described above for the quarter;
- > a €695 million increase in the sale and transport of electricity in Italy, €651 million of which on the free market, following an increase in quantities sold and in average sales prices;
- > a €530 million increase as a result of the greater revenues from sales on the Power Exchange and to the Single Buyer as mentioned above in relation to the quarterly numbers;
- > a €376 million increase in revenues from sales to wholesalers due to the combined effect of an increase in volumes sold to resellers and to the rise in average sales prices;

- > a €489 million increase in contributions by the Electricity Equalization Fund and similar bodies related the consolidation of Endesa.

Revenues from the **sale and transport of gas to end users** rose by €386 million in the 2nd Quarter (up 159.5%) and €714 million for the 1st Half (up 71.9%). The increase for the quarter includes €192 million for the consolidation of Endesa (€402 million for the 1st Half) and €194 million for the increase in revenues on the domestic market related both to the more favorable weather conditions and to the increase in number of customers served (€312 million for the 1st Half).

Other services, sales and revenues for the 2nd Quarter came to €995 million, up €525 million or 111.7% from the same period of the prior year, while the figure came to €1,732 million for the 1st Half of the year, up €808 million or 87.4%.

The changes were due to the following factors:

- > a €362 million increase in revenues for the 2nd Quarter (€577 million for the 1st Half) related primarily to the connection contributions, lease payments, and other contributions related to the Endesa consolidation;
- > a €99 million increase in sales of fuel for trading in the 2nd Quarter (€151 million for the 1st Half) due primarily to the €64 million increase in revenues from fuel for trading for the Spanish companies (€154 million for the 1st Half).

Costs

2nd Quarter			Millions of euro	1st Half		
2008	2007	Change		2008	2007	Change
5,694	4,165	1,529	Electricity purchases	11,890	8,606	3,284
1,629	802	827	Consumption of fuel for electricity generation	3,206	1,584	1,622
651	217	434	Fuel for trading and natural gas for sales to end users	1,537	719	818
184	139	45	Materials	344	275	69
975	759	216	Personnel	1,933	1,484	449
1,112	1,066	46	Services, leases and rentals	2,696	2,001	695
3	4	(1)	Charges for CO ₂ emissions	54	(1)	55
585	85	500	Other operating expenses	906	196	710
(321)	(268)	(53)	Capitalized costs	(579)	(499)	(80)
10,512	6,969	3,543	Total	21,987	14,365	7,622

Costs for **electricity purchases** increased by €1,529 million (up 36.7%) in the 2nd Quarter of 2008, and by €3,284 million (up 38.2%) for the 1st Half of 2008. This increase is connected primarily with the greater purchases by the foreign companies, €862 million of which related to Endesa in the 2nd Quarter (€1,620 million for the first six months), as well as with the combined effect of the increase in quantities purchased for the domestic free market and in average sales prices.

Costs for the **consumption of fuel for electricity generation** for the 2nd Quarter of 2008 came to €1,629 million, up €827 million from the same period of the previous year (up 103.1%) due primarily to the consolidation of Endesa (€686 million) and an increase in costs on the domestic market due to the increase in average fuel prices, which was partially offset by a decline in thermal power generation. For the first six months of 2008, these costs totaled €3,206 million, up €1,622 million or 102.4% due essentially to the Endesa consolidation (€1,304

million) and the combined effect of a decline in thermal generation and the trend in prices as described above.

Costs for the purchase of **fuels for trading and natural gas for sales to end users** came to €651 million in the 2nd Quarter, up €434 million or 200.0%, and to €1,537 million for the first six months, up €818 million or 113.8%. These changes were essentially the result of the greater volume of gas purchases for sales to end users during the period, as well as of the consolidation of Endesa (€144 million for the 2nd Quarter and €300 million for the first six months).

Personnel costs for the 2nd Quarter of 2008 totaled €975 million, an increase of €216 million (up 28.5%) due primarily to the change in the scope of consolidation. Personnel costs for the first six months of 2008 totaled €1,933 million, up €449 million on the year-earlier period (up 30.3%). Excluding the effect of the change in the scope of consolidation, the cost of labor fell by €99 million or 6.7% on a decline in the average workforce of 6.7%.

Although essentially stable for the 2nd Quarter of 2008, costs for **services, leases and rentals** rose by €695 million for the 1st Half of the year (up 34.7%) due primarily to the contribution of Endesa.

Charges for CO₂ emissions for the 2nd Quarter of 2008 came to €3 million, which is essentially unchanged from the prior year, whereas for the first six months they totaled €54 million. The figure for the 1st Half of 2008 is related essentially to the purchases during the period to cover allowance needs resulting from the quantities produced as compared with the quantities allocated by the respective national allocation plans, as well as to the measurement of the allowance deficit at the end of the period at the estimated average provisioning prices at the same date.

Other operating expenses increased by €500 million for the 2nd Quarter and €710 million for the first six months. This change is essentially due to the change in the scope of consolidation with the addition of Endesa (€278 million in the 2nd Quarter and €554 million for the 1st Half of the year) and the decrease of €109 million with the sale to E.On of the assets held by Enel in the Viesgo Group at the end of June 2008.

Net income/(charges) from commodity risk management showed net income of €238 million for the 2nd Quarter of 2008 (compared with a charge of €30 million for the same period of the prior year) and €76 million for the first six months (compared with a charge of €30 million for the 1st Half of 2007). In particular, the net income for the 2nd Quarter of 2008 includes €178 million from the fair value measurement of derivative contracts outstanding at period-end and €60 million in respect of other net income realized during the period. For the 1st Half of 2008, net income on commodity risk management of €76 million was the outcome of income in the amount of €125 million, partially offset by the net charge of €49 million change in respect of fair value measurement.

Depreciation, amortization and impairment losses increased by €307 million (up 43.5%) in the 2nd Quarter and €792 million (up 59.6%) in the 1st Half of 2008 due primarily to the consolidation of Endesa (€285 million for the 2nd Quarter and €568 million for the first six months). In particular, the 1st Quarter

of 2008 includes the €168 million adjustment at the end of the period to the Viesgo assets sold to E.On to their estimated value based on the overall appraisal conducted at the end of March by the investment banks.

Operating income for the 2nd Quarter of 2008 came to €2,948 million, up €1,523 million or 106.9% from the 2nd Quarter of 2007, while the figure came to €5,285 million for the 1st Half of the year, up €2,151 million or 68.6% year on year, benefiting primarily from the income resulting from the recent acquisitions and including the effects of the sale of the Viesgo Group assets to E.On.

Net financial expense increased by a total of €912 million in the 2nd Quarter of 2008 and by €1,533 million in the 1st Half of 2008. This change is essentially due to the increase in average net debt following the acquisitions completed since the 2nd Quarter of 2007.

The performance of **investments accounted for using the equity method** for the 2nd Quarter of 2008 was essentially in line with that of the same period of the previous year. For the 1st Half of the year, it totaled €27 million, up €26 million, and primarily included the effects of the equity-method measurement of OGK-5 until the conclusion, at the end of May 2008, of the governance organization process, which resulted in Enel taking full control of the business as of that date.

Income taxes for the 2nd Quarter of 2008 amounted to €315 million, for an effective tax rate of 14.0%, compared with the rate of 35.2% in the 2nd Quarter of 2007. The tax charge for the 1st Half of 2008 came to an estimated €819 million, equal to 21.2% of taxable income, compared with the 36.4% of the 1st Half of 2007. This performance was essentially due to the effects of the adjustment to deferred taxation following the realignment, with the payment of a specific tax, of the differences between the statutory reporting and tax values of the property, plant and equipment of Enel Produzione generated by off-ledger deductions (Law 244/07) and the effects on deferred taxation from the application to specific Italian companies of the corporate income tax (IRES) surcharge for the energy industry (Decree Law 112/08).

Analysis of the Group's financial position

Millions of euro

	at June 30, 2008	at Dec. 31, 2007	Change
Net non-current assets:			
- property, plant and equipment and intangible assets	60,732	57,374	3,358
- goodwill	24,291	26,274	(1,983)
- equity investments accounted for using the equity method	268	1,972	(1,704)
- other net non-current assets/(liabilities)	(1,970)	(2,063)	93
Total	83,321	83,557	(236)
Net current assets:			
- trade receivables	12,889	11,576	1,313
- inventories	2,248	1,726	522
- net receivables from the Electricity Equalization Fund and similar bodies	670	1,040	(370)
- other net current assets/(liabilities)	(5,155)	(2,566)	(2,589)
- trade payables	(9,045)	(9,622)	577
Total	1,607	2,154	(547)
Gross capital employed	84,928	85,711	(783)
Provisions:			
- post-employment and other employee benefits	(2,927)	(2,920)	(7)
- provisions for risks and charges and net deferred taxes	(6,506)	(7,327)	821
Total	(9,433)	(10,247)	814
Net assets held for sale	885	4,116	(3,231)
Net capital employed	76,380	79,580	(3,200)
Total shareholders' equity	25,089	23,789	1,300
Net financial debt	51,291	55,791	(4,500)

Property, plant and equipment and intangible assets increased by €3,358 million to €60,732 million. This rise was due essentially to capital expenditures for the period in the amount of €2,593 million and to the change in the scope of consolidation following acquisitions in the 1st Half of 2008 concerning, primarily, OGK-5 (€1,844 million) and Electrica Muntenia Sud (€368 million). These increases were partially offset by the depreciation, amortization and impairment losses on those assets in the amount of €1,749 million.

Goodwill totaled €24,291 million, down €1,983 million due primarily to the €4,256 million reduction during the 1st Half of 2008 in the total goodwill related to the Endesa acquisition, €4,162 million of which was related to the completion of the Endesa Europa sale to E.On in June 2008. This decline was partially offset by the change in the scope of consolidation related to acquisitions during the period, essentially OGK-5 (€1,516 million), Electrica Muntenia Sud (€620 million) and Marcinelle Energie (€63 million).

The goodwill resulting from the differences in the 1st Half of 2008 between the costs of the equity investments and the assets acquired net of liabilities assumed was recognized on a provisional basis pending allocation of the differences

pursuant to IFRS 3 – Business combinations. In particular, the provisional goodwill related to the Endesa acquisition was reduced in order to take account of the fair value measurement of the assets related to Endesa Europa, which were sold to E.On on June 26, 2008.

Equity investments accounted for using the equity method came to €268 million, down by €1,704 million from December 31, 2007. In particular, the balance at December 31, 2007, included €1,652 million in respect of the 37.15% stake in OGK-5. The successful outcome of Enel's public tender for the Russian power company and the subsequent completion of the governance reorganization process resulted in Enel taking control of and consolidating the company during the 1st Half of 2008.

Other net non-current assets/(liabilities) at June 30, 2008, showed a net liability of €1,970 million, improving by €93 million from December 31, 2007. This change is due primarily to the following factors:

- > growth of €175 million in non-current financial assets due to an increase in derivative instruments (€199 million), which was partially offset by the decline in the value of investments in other companies measured at fair value (€24 million);
- > the €90 million increase in non-current financial liabilities due to the increase in liabilities for derivative instruments (€203 million), net of the positive effect of the fair value measurement of the put option Enel granted to Acciona as part of the agreement signed on March 26, 2007 (€113 million).

Net current assets came to €1,607 million, a decrease of €547 million from December 31, 2007. This change is due primarily to the following factors:

- > a €1,313 million increase in *trade receivables* due primarily to increase in receivables for the sale of electricity and gas connected with the greater quantities sold on the domestic free market during the 1st Half of 2008;
- > a €522 million increase in *inventories* due mostly to the higher value of fuel inventories connected with both larger quantities on hand and the measurement of such inventories at higher weighted-average prices;
- > a €370 million decrease in *net receivables from the Electricity Equalization Fund and similar bodies* related primarily to the collection of receivables for equalization of electricity purchases for the domestic enhanced protection and safeguard markets (€695 million), which was partially offset by an increase in receivables payable to Endesa by the Spanish electrical system, which include the short-term portion of receivables for electricity generation in extra-peninsular areas (€299 million);
- > an increase of €2,589 million in *other current liabilities less related assets*. This change is due primarily to the following factors:
 - a €1,786 million increase in net income tax liabilities due primarily to the recognition of current taxes for the period, including the tax paid following the realignment of statutory and tax values;
 - a €779 million increase in other net non-financial liabilities related essentially to the increase in payables for the acquisition of equity interests (€491 million), which includes the estimated effects of the recognition and measurement of the put option granted to the minority shareholders in Muntenia Sud (€394 million) and Marcinelle Energie (€29 million);
- > a reduction in *trade payables* in the amount of €577 million, due essentially to a decrease in payables for the purchase of electricity and gas.

Provisions amounted to €9,433 million, down €814 million from December 31, 2007. This change is connected primarily with the following factors:

- > a decline of €1,065 million in net deferred taxes, which primarily includes the recognition on the income statement of taxes for the period related mainly to the release of deferred taxes as a result of the realignment of the statutory and tax values of property, plant and equipment generated by off-ledger deductions and the adjustment resulting from the application of the IRES surcharge for the energy industry to specific Italian companies (Decree Law 112/08);
- > a €244 million increase in provisions for risks and charges, which essentially reflects currency differences due to the strengthening of the Slovak koruna against the euro, net of the greater uses than allocations for the period.

Net assets held for sale amounted to €885 million and regard the net assets to be sold in respect of the renewable energy resources held by Endesa. The change from December 31, 2007, is related to the assets of Endesa Europa and the Viesgo Group sold to E.On in June 2008.

Net capital employed came to €76,380 million at June 30, 2008, and was funded by shareholders' equity attributable to the Group and minority interests in the amount of €25,089 million and net financial debt of €51,291 million. With regard to the latter figure, the debt-to-equity ratio at June 30, 2008, came to 2.04 (compared with 2.35 at December 31, 2007).

Net financial debt

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

Millions of euro	at June 30, 2008	at Dec. 31, 2007	Change
Long-term debt:			
- bank loans	28,478	28,343	135
- bonds	20,416	22,365	(1,949)
- preference shares	970	966	4
- other loans	598	481	117
<i>Long-term debt</i>	<i>50,462</i>	<i>52,155</i>	<i>(1,693)</i>
Long-term financial receivables and securities	(1,270)	(1,339)	69
Net long-term debt	49,192	50,816	(1,624)
Short-term debt:			
Bank loans:			
- short-term portion of long-term debt	497	461	36
- drawings on revolving credit lines	4	20	(16)
- other short-term bank debt	863	1,260	(397)
<i>Short-term bank debt</i>	<i>1,364</i>	<i>1,741</i>	<i>(377)</i>
Bonds (short-term portion)	3,650	2,033	1,617
Other loans (short-term portion)	212	235	(23)
Commercial paper	5,261	3,893	1,368
Other short-term financial payables	322	112	210
<i>Other short-term debt</i>	<i>9,445</i>	<i>6,273</i>	<i>3,172</i>
Long-term financial receivables (short-term portion)	(936)	(1,402)	466
Factoring receivables	(253)	(205)	(48)
Other short-term financial receivables	(159)	(97)	(62)
Cash and cash equivalents	(7,362)	(1,335)	(6,027)
<i>Cash and cash equivalents and short-term financial receivables</i>	<i>(8,710)</i>	<i>(3,039)</i>	<i>(5,671)</i>
Net short-term debt	2,099	4,975	(2,876)
NET FINANCIAL DEBT	51,291	55,791	(4,500)
<i>Financial debt of "Assets held for sale"</i>	<i>211</i>	<i>1,725</i>	<i>(1,514)</i>

Net financial debt was equal to €51,291 million at June 30, 2008, a decline of €4,500 million over December 31, 2007.

This decrease reflects the benefit resulting from the completion of the sale of assets related to Endesa Europa and Viesgo to E.On, in the amount of €6,773 million, which was partially offset by the financing needs generated by the completion of the acquisition of the controlling interest in OGK-5, in the amount of €818 million, as well as by the acquisition of a 64.4% stake in Electrica Muntenia Sud for €827 million.

Net financial debt of assets held for sale at June 30, 2008, totaled €211 million and is related exclusively to the net debt of the Endesa renewable energy assets to be transferred to Acciona Energia. The change for the period, in the amount of €1,514 million, is related essentially to the deconsolidation of debt connected with the assets of Endesa Europa and Viesgo following their sale to E.On.

Net long-term financial debt decreased by €1,624 million as the result of the decrease in gross long-term debt in the amount of €1,693 million, which is essentially related to the short-term portion of the bond issues, net of the decrease in long-term financial receivables of €69 million.

In particular, bank debt in the amount of €28,478 million increased by €135 million, reflecting drawings of €19,180 million on the 36- and 60-month tranches of the €19.2 billion syndicated credit line. Net short-term financial debt, in the amount of €2,099 million at June 30, 2008, decreased by €2,876 million compared with the end of 2007, the net result of €377 million in additional short-term bank debt, €3,172 million in other loans and an increase of €5,671 million in cash and cash equivalents and short-term financial receivables.

In particular, other short-term loans in the amount of €9,445 million include the issues of commercial paper by Enel Finance International, Endesa Internacional BV, and Endesa Capital SA in the amount of €5,261 million, as well as the bonds maturing within one year in the amount of €3,650 million, €1 billion of which related to the public fixed-rate note issued by Enel SpA in 1998 and about €2.5 billion related to bond issued by Endesa.

Cash and cash equivalents and short-term financial receivables amounted to €8,710 million, up €5,671 million due essentially to the cash and cash equivalents related to the completion of the sale of the Endesa and Enel assets to E.On, which was completed at the end of June.

Cash flows

Millions of euro	1st Half		
	2008	2007	Change
Cash and cash equivalents at the start of the period	1,463	572	891
Cash flows from operating activities	3,785	2,638	1,147
Cash flows from investing/disinvesting activities	2,242	(14,084)	16,326
Cash flows from financing activities	(98)	11,490	(11,588)
Effect of exchange rate changes on cash and cash equivalents	2	12	(10)
Cash and cash equivalents at the end of the period ⁽¹⁾	7,394 ⁽²⁾	628	6,766

(1) Of which short-term securities equal to €87 million at June 30, 2008 (€25 million at June 30, 2007).

(2) Of which cash and cash equivalents pertaining to assets held for sale in the amount of €32 million.

Cash flows from operating activities in the 1st Half of 2008 were positive at €3,785 million, up €1,147 million or 43.5% over the same period in the previous year. The improvement in the gross operating margin, which was achieved in part as a result of the Endesa consolidation and including the effect of discontinued operations (in the amount of €241 million), was only partially offset by the change in net current assets.

Cash flows from investing/disinvesting activities in the 1st Half of 2008 generated cash of €2,242 million, whereas in the 1st Half of 2007 they absorbed cash in the amount of €14,084 million.

In particular, investments in property, plant and equipment and intangible assets came to €3,207 million, an increase of €1,687 million due essentially to investments made by newly consolidated companies, as well as to an increase in investments in power plants both in Italy and abroad.

Investments in entities or business units, net of cash and cash equivalents acquired in the amount of €499 million, totaled €1,190 million, down €11,508 million from

the same period of 2007. This includes the acquisition of OGK-5 in the amount of €815 million (net of €3 million in cash at the acquisition date) as the effect of the payment to close the tender offer in the amount of €993 million, net of amounts received for the virtually simultaneous resale of a 4.10% stake in that company for €175 million. The other transactions concluded during the period primarily include the acquisition of a 64.4% stake in Electrica Muntenia Sud for €334 million (net of €493 million in cash at the acquisition date) and an 80% stake in Marcinelle Energie for €21 million (net of €3 million in cash acquired). The 1st Half of 2007 essentially included the acquisition of a 24.97% stake in Endesa for €10,320 million, the acquisition of a 29.99% stake in OGK-5 for €1,340 million, and of SeverEnergia for €674 million.

In the 1st Half of 2008, the disposal of entities or business units, net of cash and cash equivalents sold, generated cash flows of €6,582 million, entirely related to the sale of Endesa Europa to E.On in June 2008 in the amount of €5,880 million (net of €191 million in cash at the date of sale) and the sale of Viesgo in the amount of €702 million.

Cash flows from financing activities absorbed cash in the amount of €98 million, whereas such activities generated cash of €11,490 million for the first six months of 2007. Cash flows for the 1st Half of 2008 were affected by the use of funds connected with the payment of dividends in the amount of €2,004 million, net of the €1,897 million increase in net financial debt and the increase in capital and reserves due to the exercise of stock options in the amount of €9 million.

The *cash flows from operating activities* in the amount of €3,785 million and the *cash flows from investing activities* in the amount of €2,242 million covered financing needs during the period. The surplus increased cash and cash equivalents, which reached €7,394 million at June 30, 2008 (including that pertaining to net assets held for sale in the amount of €32 million), compared with €1,463 million at the end of 2007. This surplus also reflects the effect of exchange rate fluctuations (up €2 million).

Results by Division

The results presented in this report reflect the organizational structure in place since December 2007, which, in addition to the “Sales”, “Generation and Energy Management”, “Infrastructure and Networks” and “International” Divisions, includes two new Divisions: “Iberia and Latin America” and “Engineering and Innovation”.

Each of these Divisions, together with the “Parent Company” and the “Services and Other Activities” areas, was considered by management in assessing Group performance.

For the purposes of providing comparable figures, the data related to the corresponding periods of 2007 have been reallocated to the Divisions on the basis of the new organizational arrangements. For this reason, with respect to the information reported at June 30, 2007 and December 31, 2007, the figures for the new Engineering and Innovation Division have been drawn from the results of the Domestic Generation and Energy Management Division, while the figures for the new Iberia and Latin America Division have been taken from those of the International Division.

Results by Division for the 2nd Quarter of 2008 and 2007

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2ND QUARTER OF 2008 ⁽¹⁾

Millions of euro	Sales	GEM	Eng. & Innov.	Infra. & Net.	Iberia & Latin America	Int'l	Parent Company	Services and Other Activities	Eliminations and adjustments	Total
Revenues from third parties	4,692	3,545	-	505	4,341	1,013	94	27	17	14,234
Revenues from other segments	39	1,747	231	1,128	2	63	79	261	(3,550)	-
Total revenues	4,731	5,292	231	1,633	4,343	1,076	173	288	(3,533)	14,234
Net income/(charges) from commodity risk management	99	161	-	-	17	(39)	-	-	-	238
Gross operating margin	102	1,314	1	1,041	1,219	291	(29)	25	(4)	3,960
Depreciation, amortization and impairment losses	87	220	1	245	314	122	1	22	-	1,012
Operating income	15	1,094	-	796	905	169	(30)	3	(4)	2,948
Net financial income/(expense) and income/(expense) from equity investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	(694)
Income taxes	-	-	-	-	-	-	-	-	-	315
Net income from continuing operations	-	-	-	-	-	-	-	-	-	1,939
Net income from discontinued operations	-	-	-	-	-	-	-	-	-	131
Net income (Group and minority interests)	-	-	-	-	-	-	-	-	-	2,070

2ND QUARTER OF 2007 ⁽¹⁾

Millions of euro	Sales	GEM	Eng. & Innov.	Infra. & Net.	Iberia & Latin America	Int'l	Parent Company	Services and Other Activities	Eliminations and adjustments	Total
Revenues from third parties	4,993	2,721	-	137	315	667	175	32	89	9,129
Revenues from other segments	10	1,019	197	1,223	2	13	64	242	(2,770)	-
Total revenues	5,003	3,740	197	1,360	317	680	239	274	(2,681)	9,129
Net income/(charges) from commodity risk management	(30)	21	-	-	2	(23)	-	-	-	(30)
Gross operating margin	46	924	2	877	98	212	(54)	33	(8)	2,130
Depreciation, amortization and impairment losses	103	233	1	212	29	103	4	20	-	705
Operating income	(57)	691	1	665	69	109	(58)	13	(8)	1,425
Net financial income/(expense) and income/(expense) from equity investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	213
Income taxes	-	-	-	-	-	-	-	-	-	577
Net income (Group and minority interests)	-	-	-	-	-	-	-	-	-	1,061

(1) Segment revenues in the above tables 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.

54 Results by Division for the 1st Half of 2008 and 2007

1ST HALF OF 2008 ⁽¹⁾

Millions of euro	Sales	GEM	Eng. & Innov.	Infra. & Net.	Iberia & Latin America	Int'l	Parent Company	Services and Other Activities	Eliminations and adjustments	Total
Revenues from third parties	11,060	6,900	-	862	8,355	1,898	185	66	(10)	29,316
Revenues from other segments	79	3,965	540	2,440	6	122	152	488	(7,792)	-
Total revenues	11,139	10,865	540	3,302	8,361	2,020	337	554	(7,802)	29,316
Net income/(charges) from commodity risk management	167	(54)	-	-	17	(54)	-	-	-	76
Gross operating margin	291	2,021	5	2,008	2,436	580	(21)	81	4	7,405
Depreciation, amortization and impairment losses	142	438	1	469	799	225	3	43	-	2,120
Operating income	149	1,583	4	1,539	1,637	355	(24)	38	4	5,285
Net financial income/(expense) and income/(expense) from equity investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	(1,419)
Income taxes	-	-	-	-	-	-	-	-	-	819
Net income from continuing operations	-	-	-	-	-	-	-	-	-	3,047
Net income from discontinued operations	-	-	-	-	-	-	-	-	-	226
Net income (Group and minority interests)	-	-	-	-	-	-	-	-	-	3,273
Operating assets	8,332	17,483	271	19,704	50,143 ⁽²⁾	13,967	1,395	2,458	(5,554)	108,199
Operating liabilities	5,579	4,056	336	5,901	9,828 ⁽³⁾	4,494	1,231	1,389	(4,286)	28,528
Capital expenditure	22	527	-	672	949	390	5	28	-	2,593

1ST HALF OF 2007 ⁽¹⁾

Millions of euro	Sales	GEM	Eng. & Innov.	Infra. & Net.	Iberia & Latin America	Int'l	Parent Company	Services and Other Activities	Eliminations and adjustments	Total
Revenues from third parties	10,598	5,509	-	335	611	1,412	333	87	(28)	18,857
Revenues from other segments	22	2,201	381	2,406	3	30	116	459	(5,618)	-
Total revenues	10,620	7,710	381	2,741	614	1,442	449	546	(5,646)	18,857
Net income/(charges) from commodity risk management	(81)	70	-	-	3	(22)	-	-	-	(30)
Gross operating margin	115	1,905	4	1,782	185	444	(65)	97	(5)	4,462
Depreciation, amortization and impairment losses	138	464	1	420	58	198	8	41	-	1,328
Operating income	(23)	1,441	3	1,362	127	246	(73)	56	(5)	3,134
Net financial income/(expense) and income/(expense) from equity investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	88
Income taxes	-	-	-	-	-	-	-	-	-	1,174
Net income (Group and minority interests)	-	-	-	-	-	-	-	-	-	2,048
Operating assets ⁽⁴⁾	8,269	17,835	120	17,611	59,113 ⁽²⁾	8,385	1,228	1,609	(3,929)	110,241
Operating liabilities ⁽⁴⁾	6,138	4,807	307	4,319	9,897 ⁽³⁾	3,712	1,221	1,354	(3,083)	28,672
Capital expenditure	17	489	-	665	170	143	11	25	-	1,520

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

(2) Of which €1,417 million at June 30, 2008 (€8,792 million at December 31, 2007) regarding units classified as "Held for sale".

(3) Of which €288 million at June 30, 2008 (€2,147 million at December 31, 2007) regarding units classified as "Held for sale".

(4) At December 31, 2007.

The following table reconciles segment assets and liabilities and the consolidated figures. 55

Millions of euro

	at June 30, 2008	at Dec. 31, 2007
Total assets	127,064	123,748
Financial assets, cash and cash equivalents	13,250	8,234
Tax assets	5,615	5,273
Segment assets	108,199	110,241
- of which:		
Sales	8,332	8,269
Generation and Energy Management	17,483	17,835
Engineering and Innovation	271	120
Infrastructure and Networks	19,704	17,611
Iberia and Latin America ⁽¹⁾	50,143	59,113
International	13,967	8,385
Parent Company	1,395	1,228
Services and other Activities	2,458	1,609
Eliminations and adjustments	(5,554)	(3,929)
Total liabilities	101,975	99,959
Loans and financial liabilities	66,080	65,299
Tax liabilities	7,367	5,988
Segment liabilities	28,528	28,672
- of which:		
Sales	5,579	6,138
Generation and Energy Management	4,056	4,807
Engineering and Innovation	336	307
Infrastructure and Networks	5,901	4,319
Iberia and Latin America ⁽²⁾	9,828	9,897
International	4,494	3,712
Parent Company	1,231	1,221
Services and Other Activities	1,389	1,354
Eliminations and adjustments	(4,286)	(3,083)

(1) Of which €1,417 million at June 30, 2008 (€8,792 million at December 31, 2007) regarding units classified as "Held for sale".

(2) Of which €288 million at June 30, 2008 (€2,147 million at December 31, 2007) regarding units classified as "Held for sale".

Sales

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

- > Enel Servizio Elettrico and Vallenergie (the operations of the latter are limited to the Valle d'Aosta region) for the sale of electricity on the enhanced protection market;
- > Enel Energia for the sale of electricity on the free and safeguard markets and the sale of natural gas to end users;
- > Enel.si, which is responsible for engineering and franchising.

Operations

ELECTRICITY SALES

2nd Quarter				Millions of kWh	1st Half			
2008	2007	Change			2008	2007	Change	
Free market:								
7,249	4,264	2,985	70.0%	- mass-market customers	13,625	7,468	6,157	82.4%
6,248	5,828	420	7.2%	- business customers ⁽¹⁾	12,134	10,915	1,219	11.2%
13,497	10,092	3,405	33.7%	Total for free market	25,759	18,383	7,376	40.1%
19,091	24,447	(5,356)	-21.9%	Enhanced protection and safeguard markets ⁽²⁾	43,148	51,540	(8,392)	-16.3%
32,588	34,539	(1,951)	-5.6%	Total	68,907	69,923	(1,016)	-1.5%

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

(2) Sales on the safeguard market are included in the free market beginning on May 1, 2008 (for a total of 1,024 million kWh).

Electricity sold on the free market in the 1st Half of 2008 came to 25.8 TWh, for an increase of 7.4 TWh year on year due primarily to the increase in market liberalization, which led, conversely, to a decrease in the volume of energy sold on the enhanced protection and safeguard markets (down 8.4 TWh). In the 2nd Quarter, the decrease in quantities sold on the regulated markets as compared with the 1st Quarter of 2008 reflects the allocation of a number of safeguard market customers to other suppliers through auctions held on a geographical basis beginning on May 1, 2008.

NATURAL GAS SALES

2nd Quarter				Millions of m ³	1st Half			
2008	2007	Change			2008	2007	Change	
393	252	141	56.0%	Mass-market customers ⁽¹⁾	1,843	1,472	371	25.2%
660	375	285	76.0%	Business customers	1,442	915	527	57.6%
1,053	627	426	67.9%	Total	3,285	2,387	898	37.6%

(1) Includes residential customers and microbusinesses.

Gas sales for the 1st Half of 2008 totaled 3,285 million cubic meters, an increase of 898 million cubic meters from the same period of 2007, whereas sales increased for the 2nd Quarter by 426 million cubic meters. Contributing to this performance was the increase in both mass-market and business customers, as well as the favorable weather conditions seen in the first few months of 2008, with temperatures that were substantially lower than during the same period of 2007.

2nd Quarter			Millions of euro	1st Half		
2008	2007	Change		2008	2007	Change
4,731	5,003	(272)	Revenues	11,139	10,620	519
99	(30)	129	Net income/(charges) from commodity risk management	167	(81)	248
102	46	56	Gross operating margin	291	115	176
15	(57)	72	Operating income	149	(23)	172
			Operating assets	8,332	8,269 ⁽¹⁾	63
			Operating liabilities	5,579	6,138 ⁽¹⁾	(559)
			Employees at period-end (no.)	4,585	4,772 ⁽¹⁾	(187)
			Capital expenditure	22	17	5

(1) At December 31, 2007.

Performance in the 2nd Quarter

Total *revenues* came to €4,731 million for the 2nd Quarter of 2008, down €272 million or 5.4% from the 2nd Quarter of 2007 due primarily to the following factors:

- > a €507 million decrease in revenues from the sale of electricity related essentially to the decline in revenues on the enhanced protection and safeguard markets as a result of both the ongoing market liberalization and the transfer of a number of customers beginning on May 1, 2008, following the auction of safeguard services, which more than offset the increase in revenues on the free market;
- > a €197 million increase in revenues from the sale of natural gas due primarily to an increase in the number of customers and in quantities sold (up 426 million cubic meters).

Total *gross operating margin* came to €102 million, increasing by €56 million compared with the €46 million posted in the 2nd Quarter of 2007. This increase is due to the following factors:

- > a €42 million increase in the margin on energy sales on the regulated markets, due primarily to the redetermination of sales prices by the Authority for Electricity and Gas;
- > a €20 million increase in margins on the free market, essentially related to the higher volumes sold, as well as to the favorable effect of commodity risk management;
- > a €15 million increase in margins on natural gas sales to end users due primarily to the increase in quantities sold;
- > a €3 million rise in other operating expenses related primarily to the sales unit dedicated to managing electricity and gas customers on the free market, as well as other prior-year items with a negative impact of €18 million.

Total *operating income* came to €15 million, increasing by €72 million year on year. This performance was affected by the €16 million decrease in depreciation, amortization and impairment losses, related primarily to the higher level of impairment losses on trade receivables in the 2nd Quarter of 2007.

Performance in the 1st Half

Total *revenues* in the 1st Half of 2008 came to €11,139 million, up €519 million or 4.9% over the same period of 2007, due primarily to the following factors:

- > a €337 million increase in revenues from the sale of natural gas due primarily to an increase in the number of customers and in quantities sold (up 898 million cubic meters), which were affected by favorable weather conditions in the 1st Quarter of 2008 in particular;
- > a €141 million increase in revenues from the sale of electricity, with the effect of an increase in quantities sold on the free market and in average sales prices more than compensating for the decrease in sales on the enhanced protection and safeguard markets, the latter of which was penalized by the transfer of a number of customers on May 1, 2008.

The *gross operating margin* came to €291 million, up €176 million from the €115 million posted in the 1st Half of 2007. This increase is due primarily to the following factors:

- > a €115 million increase in the margin on energy sales on the regulated markets, due primarily to the redetermination of sales prices by the Authority, which led to an increase in the margin of €68 million, as well as to the recognition in 2007 of charges related to the fines levied under Resolution no. 66/07 in the amount of €12 million, the net positive effect of prior-year items related to electricity sales and purchases in the amount of €16 million, and the containment of other operating expenses;
- > an €82 million increase in the margin from electricity sales on the free market, essentially related to the higher volumes sold, as well as to the favorable effect of commodity risk management;
- > a €3 million increase in margins on natural gas sales to end users due primarily to the increase in quantities sold, partially offset by the increase in provisioning costs;
- > a €6 million increase in other operating costs related primarily to the sales unit dedicated to managing electricity and gas customers on the free market, as well as other prior-year items with a negative impact of €18 million.

Total *operating income*, after depreciation, amortization and impairment losses in the amount of €142 million (€138 million for the same period of the previous year), came to €149 million, increasing by €172 million over the 1st Half of 2007.

Capital expenditure

Capital expenditure amounted to €22 million, essentially in line with the same figure for the 1st Half of 2007.

Generation and Energy Management

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

- > the generation and sale of electricity:
 - electricity generation in Italy through Enel Produzione;
 - trading on international and domestic markets, primarily through Enel Trade;
- > the supply and sale of energy products through Enel Trade:
 - provisioning for all of the Group's needs;
 - the sale of natural gas to distributors.

Operations

NET ELECTRICITY GENERATION

2nd Quarter				Millions of kWh	1st Half			
2008	2007	Change			2008	2007	Change	
14,281	15,973	(1,692)	-10.6%	Thermal	30,996	32,107	(1,111)	-3.5%
7,689	6,323	1,366	21.6%	Hydroelectric	12,513	11,070	1,443	13.0%
1,304	1,309	(5)	-0.4%	Geothermal	2,655	2,615	40	1.5%
128	99	29	29.3%	Other resources	274	246	28	11.4%
23,402	23,704	(302)	-1.3%	Total net generation	46,438	46,038	400	0.9%

For the 1st Half of 2008, net electricity generation totaled 46.4 TWh, an increase of 0.9% from the 1st Half of 2007. In particular, hydroelectric production rose by 13.0% (up 1.4 TWh) due to better water availability particularly during the 2nd Quarter of 2008, but this increase was partially offset by a decline in thermal generation.

CONTRIBUTION TO GROSS THERMAL GENERATION

2nd Quarter						Millions of kWh	1st Half					
2008		2007		Change			2008		2007		Change	
472	3.1%	620	3.7%	(148)	-23.9%	High-sulfur fuel oil (S>0.25%)	1,268	3.8%	1,214	3.6%	54	4.4%
380	2.5%	444	2.6%	(64)	-14.4%	Low-sulfur fuel oil (S<0.25%)	1,552	4.7%	2,155	6.3%	(603)	-28.0%
852	5.6%	1,064	6.3%	(212)	-19.9%	Total fuel oil	2,820	8.5%	3,369	9.9%	(549)	-16.3%
7,239	47.7%	8,687	51.2%	(1,448)	-16.7%	Natural gas	14,887	45.1%	15,624	45.7%	(737)	-4.7%
7,019	46.2%	7,115	41.9%	(96)	-1.3%	Coal	15,135	45.9%	15,064	44.0%	71	0.5%
82	0.5%	97	0.6%	(15)	-15.5%	Other fuels	161	0.5%	150	0.4%	11	7.3%
15,192	100.0%	16,963	100.0%	(1,771)	-10.4%	Total	33,003	100.0%	34,207	100.0%	(1,204)	-3.5%

During the two periods in question, the fuel mix used in thermal generation saw a decrease in the use of fuel oil and natural gas, while coal generation remained essentially unchanged.

Nonetheless, gross thermal generation posted a generalized decline of 3.5% during the 1st Half of 2008 (down 10.4% in the 2nd Quarter of 2008), due primarily to lower operating levels required for the traditional oil/gas plants, whose lower output was partially offset by the significant increase in generation at combined-cycle plants, thanks in part to the re-start of unit 6 at Termini Imerese, where

expansion work had made the plant unavailable during the 1st Half of 2007. Coal generation remained virtually unchanged given that the greater availability of the Fusina and Brindisi Sud plants, which were involved in transformation work during the 1st Half of 2007, offset the lower level of operations at smaller capacity plants.

Performance

2nd Quarter			Millions of euro	1st Half		
2008	2007	Change		2008	2007	Change
5,292	3,740	1,552	Revenues	10,865	7,710	3,155
161	21	140	Net income/(charges) from commodity risk management	(54)	70	(124)
1,314	924	390	Gross operating margin	2,021	1,905	116
1,094	691	403	Operating income	1,583	1,441	142
			Operating assets	17,483	17,835 ⁽¹⁾	(352)
			Operating liabilities	4,056	4,807 ⁽¹⁾	(751)
			Employees at period-end (no.)	8,206	8,432 ⁽¹⁾	(226)
			Capital expenditure	527	489	38

(1) At December 31, 2007.

Performance in the 2nd Quarter

Revenues in the 2nd Quarter of 2008 totaled €5,292 million, up €1,552 million or 41.5% over the 2nd Quarter of 2007 due primarily to the following factors:

- > an €822 million increase in electricity sales on the free market related to the greater quantities sold to the Sales Division (up 4.9 TWh) and the greater volumes sold directly to resellers on the same market (up 4.1 TWh);
- > an increase in revenues of €265 million from electricity sales on the Power Exchange related primarily to an increase in average sales prices, which more than offset the decline in quantities sold;
- > a €231 million increase in revenues from the sale of fuel for trading resulting from the €218 million increase in gas sales and the €13 million increase in sales of other fuels;
- > a €217 million increase in revenues from electricity trading on international markets, reflecting the larger volumes traded (up 0.7 TWh).

The *gross operating margin* came to €1,314 million, increasing by €390 million (up 42.2%) compared with the €924 million posted in the 2nd Quarter of 2007. This increase is essentially due to an improvement in power generation margins related to favorable water availability and the consequent increase in the use of hydroelectric power over thermal power, as well as to the positive change in commodity risk management.

Operating income came to €1,094 million, up €403 million or 58.3% from the 2nd Quarter of 2007. This increase was due primarily to the growth in the gross operating margin, as well as to a reduction in depreciation as a result of the full depreciation of a number of plants (€13 million).

Performance in the 1st Half

Revenues in the 1st Half of 2008 came to €10,865 million, up €3,155 million or 40.9% over the same period of 2007. This increase was due both to a general increase in sales prices across all markets, and to the following factors:

- > a €1,927 million increase in electricity sales on the free market related to the greater quantities sold to the Sales Division (up 14.1 TWh) and the greater volumes sold directly to resellers on the same market (up 5.4 TWh);
- > an increase in revenues of €434 million from electricity sales on the Power Exchange related essentially to the increase in average sales prices, which was partially offset by a decline in quantities sold (down 2.2 TWh);
- > a €418 million increase in revenues from the sale of fuel for trading resulting from the €391 million increase in gas sales due essentially to both the increase in quantities traded (up 0.3 billion cubic meters) and the increase in unit sales prices, as well as from the €27 million increase in sales of other fuels;
- > a €389 million increase in revenues from electricity trading on international markets related to the higher volumes traded (up 1.9 TWh).

The *gross operating margin* came to €2,021 million, up €116 million (6.1%) from the €1,905 million posted in the 1st Half of 2007. This increase is essentially due to an improvement in power generation margins related to the different generation mix, which, in a context of rising fuel and electricity prices, led to a significant increase in hydroelectric generation thanks to favorable water availability in the 2nd Quarter of 2008. Another factor was the positive performance of commodity risk management.

Operating income came to €1,583 million, up €142 million or 9.8% from the 1st Half of 2007. This increase was due primarily to the growth in the gross operating margin, as well as to a reduction in depreciation (€26 million) as a result of the full depreciation of a number of plants.

Capital expenditure

Capital expenditure came to €527 million, €519 million of which for generation plants. The main investments for the 1st Half of 2008 concerned the continuation of projects on thermal plants in the amount of €380 million (including the coal conversion of the Torrevaldaliga Nord plant for €299 million), the refurbishing and repowering of various hydroelectric plants in the amount of €63 million, new drilling and development for geothermal generation plants in the amount of €41 million, and the construction and completion of new wind farms in the amount of €31 million.

Engineering and Innovation

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

Performance

2nd Quarter			Millions of euro	1st Half		
2008	2007	Change		2008	2007	Change
231	197	34	Revenues	540	381	159
1	2	(1)	Gross operating margin	5	4	1
-	1	(1)	Operating income	4	3	1
			Operating assets	271	120 ⁽¹⁾	151
			Operating liabilities	336	307 ⁽¹⁾	29
			Employees at period-end (no.)	952	881 ⁽¹⁾	71

(1) At December 31, 2007.

Performance in the 2nd Quarter

Revenues in the 2nd Quarter of 2008 came to €231 million, up €34 million or 17.3% over the same period of the prior year. This increase is related to the increase in engineering services for companies in the International and Iberia and Latin America Divisions.

The *gross operating margin* came to €1 million for the 2nd Quarter of 2008, a decline of €1 million, which reflects the lower margins realized with the companies of the International and Iberia and Latin America Divisions.

Performance in the 1st Half

Revenues in the 1st Half of 2008 came to €540 million, up €159 million (41.7%) over the same period of the previous year. This increase can be attributed to the improved performance of engineering services:

- > with the Generation and Energy Management Division in the amount of €69 million, which includes a €70 million increase in revenues due to the coal conversion of the Torrevaldaliga Nord plant;
- > with the companies of the Iberia and Latin America and International Divisions in the amount of €90 million, which includes, among others, an increase in revenues related to Enel Viesgo Generación's Algeciras and Puente Nuevo thermal plants in Spain and the Enel Maritza East 3 thermal plant in Bulgaria.

The *gross operating margin* came to €5 million for the 1st Half of 2008, an increase of €1 million, which reflects the increase in engineering activities for the companies of the International and Iberia and Latin America Divisions.

Infrastructure and Networks

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

The activities are carried out by:

- > Enel Distribuzione and Deval (the latter's operations are limited to the Valle d'Aosta region) for the distribution of electricity;
- > Enel Rete Gas for the distribution of gas;
- > Enel Sole for public and artistic lighting.

Operations

TRANSPORT OF ELECTRICITY AND NATURAL GAS

2nd Quarter				1st Half			
2008	2007	Change			2008	2007	Change
64,204	65,742	(1,538)	-2.3%	Electricity transported on Enel's distribution network (millions of kWh) ⁽¹⁾	128,513	128,606	(93) -0.1%
				Gas transported (millions of cubic meters):			
423	315	108	34.3%	For Enel Group companies	1,713	1,510	203 13.4%
132	150	(18)	-12.0%	For third parties	338	327	11 3.4%
555	465	90	19.4%	Total gas transported	2,051	1,837	214 11.6%

(1) The figure for 2007 has been updated based on a more detailed calculation of quantities transported.

The quantities of energy transported remained essentially unchanged, in line with trends in electricity demand on the Italian network.

The increase of about 11.6% in gas transported was due to weather conditions during the first part of 2008, when average temperatures in Italy were lower than in the same period of the previous year.

Performance

2nd Quarter			Millions of euro	1st Half		
2008	2007	Change		2008	2007	Change
Electricity						
1,586	1,312	274	Revenues	3,148	2,572	576
1,028	860	168	Gross operating margin	1,926	1,683	243
807	670	137	Operating income	1,504	1,308	196
Gas						
47	48	(1)	Revenues	154	169	(15)
13	17	(4)	Gross operating margin	82	99	(17)
(11)	(5)	(6)	Operating income	35	54	(19)
Total						
1,633	1,360	273	Revenues	3,302	2,741	561
1,041	877	164	Gross operating margin	2,008	1,782	226
796	665	131	Operating income	1,539	1,362	177
			Operating assets	19,704	17,611 ⁽¹⁾	2,093
			Operating liabilities	5,901	4,319 ⁽¹⁾	1,582
			Employees at period-end (no.)	22,048	22,710 ⁽¹⁾	(662)
			Capital expenditure	672	665	7

(1) At December 31, 2007.

Performance in the 2nd Quarter

Revenues came to €1,633 million in the 2nd Quarter of 2008, up €273 million or 20.1% over the same period of 2007, due to the following factors:

- > a €274 million increase in revenues from the electricity network due, essentially, to the new regulation of electricity transmission services, which, in application of Decree Law 73/07 and the subsequent provisions issued by the Authority for Electricity and Gas, calls for distribution companies to be paid the transport component reflected in rates;
- > a €1 million decrease in revenues from the gas distribution network, given that the increase in quantities transported and in unit transport rates was more than offset by the recognition in the 2nd Quarter of 2007 of prior-year items related to transport for 2004-2006 (€8 million).

The *gross operating margin* totaled €1,041 million and increased by €164 million due to:

- > a €168 million increase in revenues from the electricity network, primarily attributable to a €19 million improvement in the electricity margin, the recalculation of energy items for 2005 and 2006 (€114 million) following the realignment of withdrawal points on the high-voltage network, and a reduction in operating costs;
- > a €4 million decrease in the margin of the gas distribution network due essentially to the same factors mentioned in the section on revenues.

Total *operating income*, after depreciation, amortization and impairment losses in the amount of €245 million (increasing from the €212 million of the 2nd Quarter of 2007 due to the increase in depreciation for the electricity distribution network), came to €796 million, up by €131 million or 19.7% over the same period of 2007.

Performance in the 1st Half

Total *revenues* in the 1st Half of 2008 came to €3,302 million, up €561 million (20.5%) over the same period of 2007, due to the following factors:

- > a €576 million increase in revenues from the electricity network due essentially to the new regulation of electricity transmission services mentioned above in relation to the change in revenues for the 2nd Quarter, as well as to the positive effect of the greater quantities transported (up 2.4 TWh), particularly in the 1st Quarter of 2008;
- > a €15 million decrease in revenues from the gas distribution network due essentially to the recognition in the 1st Half of 2007 of prior-year items related to transport for 2004-2006 (€35 million), which was partially offset by the increase in quantities transported and in unit transport rates for €17 million.

The *gross operating margin* totaled €2,008 million, an increase of €226 million due to:

- > a €243 million increase in revenues from the electricity network primarily attributable to a €67 million improvement in the electricity margin as a result of the greater quantities transported, the recalculation of energy items for 2005 and 2006 as mentioned in relation to the 2nd Quarter (€114 million), and a reduction in operating costs related primarily to human resource management;
- > a €17 million decrease in the margin of the gas distribution network, due primarily to the effect of prior-year items related to transport for 2004, 2005 and 2006 as mentioned in the section on revenues, which was partially offset by an increase in the margin due to the increase in quantities transported.

Total *operating income*, after depreciation, amortization and impairment losses in the amount of €469 million (€420 million for the 1st Half of 2007), came to €1,539 million, an increase of €177 million (up 13.0%) over the same period of 2007.

Capital expenditure

Capital expenditure for the 1st Half of 2008 came to €672 million, which includes €570 million related to work on the electricity distribution network aimed primarily at enhancing service quality and €31 million in investments for the natural gas distribution network.

Iberia and Latin America

The Iberia and Latin America Division focuses on developing Enel's presence and coordinating its operations in the electricity and gas markets of Spain, Portugal and Latin America, formulating growth strategies in the related regional markets. The Division's chief geographical areas of operation are:

- > the Iberian peninsula, where the Division is engaged in power generation (Enel Unión Fenosa Renovables) in Spain;
- > Latin America, where it is engaged in generating power from renewable resources (Enel Latin America, Enel Fortuna, Enel Panama and Inelec).

In 2008, the figures for the Division also include the performance and financial data pertaining to the Endesa Group, which operates in Spain, Portugal and Latin America (especially Chile, Argentina, Colombia, Peru and, to a more limited extent, Brazil) in the generation, distribution and sale of electricity and gas, as well as other activities connected with its core business, as well as that pertaining to Enel Viesgo Generación, Enel Viesgo Servicios, Electra de Viesgo Distribución and the equity investments held by these firms until they were sold to E.On and consequently deconsolidated.

To facilitate a comparative analysis of the two periods, and considering the different period of consolidation for Endesa, the Division results attributable to Endesa are reported separately.

Operations

NET ELECTRICITY GENERATION

2nd Quarter		Millions of kWh			1st Half		
2008	2007	Change			2008	2007	Change
	<i>of which Endesa</i>					<i>of which Endesa</i>	
11,858	11,472	1,157	10,701	Thermal	26,105	25,256	1,982
4,413	4,413	-	4,413	Nuclear	9,472	9,472	-
8,392	7,410	971	7,421	Hydroelectric	15,540	13,461	1,987
598	460	142	456	Wind	1,300	963	327
73	40	32	41	Other resources	148	81	57
25,334	23,795	2,302	23,032	Total net generation	52,565	49,233	4,353

Net generation for the Iberia and Latin America Division in the 1st Half of 2008 totaled 52,565 million kWh, an increase of 48,212 million kWh over the same period of 2007. This increase includes 49,233 million kWh for Endesa, which, in turn, essentially comprises 29,062 million kWh for the Iberian peninsula (of which 15,556 million kWh from thermal generation and 9,472 million kWh from nuclear generation) and 19,872 million kWh for Latin America (of which 10,452 million kWh from hydroelectric generation and 9,412 million kWh from thermal generation).

The change for the period is also attributable to the 203 million kWh increase in hydroelectric power generation in the Republic of Panama, due primarily to the favorable water availability, as well as the 92 million kWh increase in Mexico (related to the Inelec acquisition). These increases were partially offset by the decline in net generation in Spain (1,367 million kWh), due primarily to the stoppage, since January 1, 2008, of the Puente Nuevo plant for refurbishing work, as well as to the less favorable water availability in Spain in the 1st Half of 2008 compared with the same period of the previous year.

2nd Quarter						Millions of kWh		1st Half							
2008			2007			Change		2008			2007			Change	
of which Endesa								of which Endesa							
1,620	9.5%	1,620	-	-	1,620	High-sulfur fuel oil (S>0.50%)	2,997	8.0%	2,997	-	-	2,997			
196	1.1%	196	-	-	196	Low-sulfur fuel oil (S<0.50%)	246	0.7%	246	-	-	246			
1,816	10.6%	1,816	-	-	1,816	Total fuel oil	3,243	8.7%	3,243	-	-	3,243			
5,852	34.2%	5,692	1	0.1%	5,851	Natural gas	10,245	27.4%	10,085	9	0.4%	10,236			
3,452	20.1%	3,192	1,284	99.9%	2,168	Coal	11,355	30.4%	10,572	2,198	99.6%	9,157			
4,592	26.8%	4,592	-	-	4,592	Nuclear fuel	9,869	26.4%	9,869	-	-	9,869			
1,428	8.3%	1,428	-	-	1,428	Other fuels	2,668	7.1%	2,668	-	-	2,668			
17,140	100.0%	16,720	1,285	100.0%	15,855	Total	37,380	100.0%	36,437	2,207	100.0%	35,173			

The fuel mix used in thermal generation in the 1st Quarter of 2008 was heavily influenced by the consolidation of Endesa.

ELECTRICITY SALES TO END USERS

2nd Quarter				Millions of kWh		1st Half			
2008		2007	Change			2008		2007	Change
of which Endesa						of which Endesa			
Free market:									
7,373	7,146	217	7,156	- Iberian peninsula	14,460	14,029	361	14,099	
967	967	-	967	- Latin America	1,978	1,978	-	1,978	
8,340	8,113	217	8,123	Total free market	16,438	16,007	361	16,077	
Regulated market:									
11,853	10,902	998	10,855	- Iberian peninsula	24,952	22,939	2,038	22,914	
6,659	6,659	-	6,659	- Latin America	13,482	13,482	-	13,482	
18,512	17,561	998	17,514	Total regulated market	38,434	36,421	2,038	36,396	
26,852	25,674	1,215	25,637	Total	54,872	52,428	2,399	52,473	
19,226	18,048	1,215	18,011	- of which Iberian peninsula	39,412	36,968	2,399	37,013	
7,626	7,626	-	7,626	- of which Latin America	15,460	15,460	-	15,460	

Electricity sales to end users by the Iberia and Latin America Division in the 1st Half of 2008 totaled 54,872 million kWh, an increase of 52,473 million kWh over the same period of 2007. The contribution of the consolidation of Endesa, equal to 52,428 million kWh, is essentially composed of 36,968 million kWh in sales in the Iberian peninsula (of which 22,939 million kWh on the regulated market and 14,029 million kWh on the free market), and 15,460 million kWh in sales in Latin America (of which 13,482 million kWh on the regulated market and 1,978 million on the free market).

In addition, sales by other Spanish companies increased by 45 million kWh, primarily on the free market.

Performance

2nd Quarter				Millions of euro	1st Half			
2008		2007	Change		2008		2007	Change
	<i>of which Endesa</i>					<i>of which Endesa</i>		
4,343	3,906	317	4,026	Revenues	8,361	7,470	614	7,747
17	8	2	15	Net income/(charges) from commodity risk management	17	6	3	14
1,219	1,258	98	1,121	Gross operating margin	2,436	2,366	185	2,251
905	973	69	836	Operating income	1,637	1,798	127	1,510
				Operating assets ⁽²⁾	50,143		59,113 ^{(1) (2)}	(8,970)
				Operating liabilities ⁽³⁾	9,828		9,897 ^{(1) (3)}	(69)
				Employees at period-end (no.) ⁽⁴⁾	18,254		20,226 ^{(1) (4)}	(1,972)
				Capital expenditure ⁽⁵⁾	949	896	170	779

(1) At December 31, 2007.

(2) Of which €1,417 million at June 30, 2008 (€8,792 million at December 31, 2007) regarding units classified as "Held for sale".

(3) Of which €288 million at June 30, 2008 (€2,147 million at December 31, 2007) regarding units classified as "Held for sale".

(4) Of which 122 at June 30, 2008 (2,614 at December 31, 2007) in units classified as "Held for sale".

(5) Does not include capital expenditure by units classified as "Held for sale" in the amount of €613 million in the 1st Half of 2008 (€0 in the 1st Half of 2007).

Performance in the 2nd Quarter

Revenues in the 2nd Quarter of 2008 grew by €4,026 million, the combined effect of the consolidation of Endesa (up €3,906 million) and greater revenues from the other companies of the Division (up €120 million). More specifically:

- > Endesa revenues in the 2nd Quarter of 2008 came to €3,906 million, €2,400 million of which from the Iberian peninsula and €1,506 million from Latin America. In particular, the revenues for the Iberian peninsula were related to power generation activities in the amount of €1,470 million and to electricity distribution and sales in the amount of €535 million. Revenues in Latin America included €824 million from electricity distribution and sales;
- > the increased revenues achieved by the other companies of the Division reflect greater revenues from fuel trading activities by Enel Viesgo Generación (€55 million) and greater revenues from electricity sales by the Spanish companies (€73 million) connected essentially with the increase in unit sales prices.

The *gross operating margin* totaled €1,219 million, up €1,121 million over the 2nd Quarter of 2007, €1,258 million of which is related to the positive effect of the Endesa consolidation, which was partially offset by a €137 million decrease in the gross operating margin of the other companies of the Division. More specifically:

- > the gross operating margin attributable to the consolidation of Endesa for the 2nd Quarter of 2008 of €1,258 million, included €794 million from the Iberian peninsula and €464 million from Latin America. The gross operating margin for the Iberian peninsula was related primarily to generation activities in the amount of €423 million and to electricity distribution and sales in the amount of €270 million. The gross operating margin in Latin America included €243 million for electricity distribution and sales and €228 million for generation;
- > the gross operating margin of the other companies of the Division declined by €137 million due primarily to the adverse impact (€109 million) of the sale to E.On of the business area comprising the operations of Enel Viesgo Generación, Enel Viesgo Servicios, Electra de Viesgo Distribución and the equity investments of these companies.

Operating income for the 2nd Quarter of 2008 totaled €905 million, up €836 million over the same period of 2007. This performance may essentially be attributed to the acquisition and consolidation of Endesa (€973 million), which was partially offset by a decline in operating income for the other Spanish companies (down €137 million), including the impact of the sale to E.On of Enel Viesgo Generación, Enel Viesgo Servicios, Electra de Viesgo Distribución and the equity investments of these companies.

Operating income attributable to Endesa included €607 million from the Iberian peninsula and €366 million from Latin America. More specifically, operating income for the Iberian peninsula was related essentially to generation activities in the amount of €332 million and to electricity distribution and sales in the amount of €185 million. Operating income in Latin America essentially included €197 million for electricity distribution and sales and €176 million for generation.

Performance in the 1st Half

Revenues in the 1st Half of 2008 grew by €7,747 million, the combined effect of the consolidation of Endesa (up €7,470 million) and the greater revenues from the other companies of the Division (up €277 million). More specifically:

- > Endesa revenues for the 1st Half of 2008 came to €7,470 million, €4,604 million of which from the Iberian peninsula and €2,866 million from Latin America. In particular, the revenues for the Iberian peninsula were related primarily to generation activities in the amount of €2,733 million and to electricity distribution and sales in the amount of €943 million. Revenues in Latin America included €1,636 million for electricity distribution and sales and €1,220 million for generation;
- > the greater revenues for the other companies of the Division reflect the increase in revenues from fuel trading activities by Enel Viesgo Generación (€116 million), greater revenues for electricity sales by the Spanish companies (€124 million) connected essentially with the increase in unit sales prices, and the change in the scope of consolidation related to Inelec and Enel Fortuna for a total of €28 million.

The *gross operating margin* totaled €2,436 million, up €2,251 million over the 1st Half of 2007, €2,366 million of which is related to the positive effect of the Endesa consolidation, which was partially offset by a €115 million decrease in the gross operating margin of the other companies of the Division. More specifically:

- > the gross operating margin attributable to Endesa included €1,453 million from the Iberian peninsula and €913 million from Latin America. The gross operating margin for the Iberian peninsula was related primarily to power generation activities in the amount of €780 million and to electricity distribution and sales in the amount of €497 million. The gross operating margin in Latin America included €504 million for generation and €422 million for electricity distribution and sales;
- > the gross operating margin of the other companies of the Division declined by €115 million due primarily to the adverse impact (€109 million) of the sale to E.On of the business area mentioned above.

Operating income in the 1st Half of 2008 totaled €1,637 million, up €1,510 million over the same period of 2007. This performance may essentially be attributed to the acquisition and consolidation of Endesa (€1,798 million), which was partially offset by a decline in operating income connected with the other Spanish companies (down €288 million), which includes the €168 million adjustment

recognized in the 1st Quarter of 2008 in the value of net assets held for sale of the Viesgo Group (to be sold to E.On) and the loss recognized at the time of the sale in the amount of €109 million.

Operating income attributable to Endesa included €1,085 million from the Iberian peninsula and €713 million from Latin America. More specifically, operating income for the Iberian peninsula was related essentially to generation activities in the amount of €595 million and to electricity distribution and sales in the amount of €331 million. Operating income in Latin America included €401 million for generation and €326 million for electricity distribution and sales.

Capital expenditure

Capital expenditure totaled €949 million, up €779 million over the 1st Half of 2007, €896 million of which is attributable to Endesa. Endesa's capital expenditure is related primarily to work on the electricity distribution network (€453 million), thermal plants (€247 million) and nuclear plants (€45 million). Capital expenditure in the 1st Half of 2008 for the other companies of the Division is essentially related to work on renewable energy plants by Enel Unión Fenosa Renovables.

International

The mission of the International Division is to support Enel's strategies for international growth, as well as to manage and integrate the foreign businesses not included in the Iberia and Latin America Division, monitoring and developing business opportunities that should present themselves on the electricity and gas markets.

The chief geographical areas of operation for this Division are:

- > Central Europe, where the Division is active in energy sales, wind generation and plant development in France (Enel France and Enel Erelis), power generation in Slovakia (Slovenské elektrárne) and development of thermal capacity in Belgium (Marcinelle Energie);
- > Southeastern Europe, with power generation and support activities in Bulgaria (Enel Maritza East 3, Enel Maritza East 4, and Enel Operations Bulgaria) and Romania (Global Power Investment), electricity distribution, sales, and support activities in Romania (Enel Distributie Banat, Enel Distributie Dobrogea, Enel Energie, Electrica Muntenia Sud, Enel Romania, and Enel Servicii Comune), development of thermal plants (Enelco) and management of wind and hydroelectric plants in Greece (International Windpower, Windparks of Thrace, International Windparks of Thrace, International Windparks of Crete and Hydro Constructional) and Romania (Blue Line);
- > Russia, with upstream activities in the gas industry (SeverEnergia), energy trading and sales (RusEnergoSbyt), and power generation and sales (OGK-5) in the Russian Federation;
- > North America, where it is engaged in generating power from renewable resources (Enel North America).

Operations

NET ELECTRICITY GENERATION

2nd Quarter					1st Half				
Millions of kWh									
2008	2007	Change			2008	2007	Change		
4,544	1,533	3,011	-	Thermal	6,267	3,107	3,160	-	
3,515	3,435	80	2.3%	Nuclear	7,820	7,532	288	3.8%	
1,487	1,161	326	28.1%	Hydroelectric	2,898	2,610	288	11.0%	
232	41	191	-	Wind	427	98	329	-	
55	58	(3)	-5.2%	Other resources	116	107	9	8.4%	
9,833	6,228	3,605	57.9%	Total net generation	17,528	13,454	4,074	30.3%	

Net generation for the International Division for the 1st Half of 2008 totaled 17,528 million kWh, an increase of 4,074 million kWh over the same period of 2007. Growth was particularly strong in the 2nd Quarter, at 3,605 million kWh. This performance was due primarily to the change in the scope of consolidation (up 2,878 million kWh for the first six months, 2,783 million kWh of which related to OGK-5, all posted in the 2nd Quarter of 2008), as well as the increased production in Slovakia (514 million kWh, 288 million kWh of which for nuclear power and 217 million kWh for hydroelectric), in Bulgaria for thermal power following the expansion of the Maritza plant (up 367 million kWh), and in North America in the amount of 311 million kWh, primarily due to the start of operations of the Snyder and Smoky Hills wind farms.

2nd Quarter						1st Half					
Millions of kWh						Millions of kWh					
2008		2007		Change		2008		2007		Change	
12	0.1%	-	-	12	-	12	0.1%	-	-	12	-
1,287	14.7%	-	-	1,287	-	1,287	8.3%	-	-	1,287	-
3,676	41.8%	1,770	32.2%	1,906	-	5,684	36.8%	3,579	30.4%	2,105	58.8%
3,811	43.4%	3,735	67.8%	76	2.0%	8,465	54.8%	8,175	69.6%	290	3.5%
8,786	100.0%	5,505	100.0%	3,281	59.6%	15,448	100.0%	11,754	100.0%	3,694	31.4%

Gross thermal generation reflects the consolidation of OGK-5, which generated 2,944 million kWh for the two periods in question, of which 1,645 million kWh from coal, 1,287 million kWh from natural gas, and 12 million kWh from fuel oil. In the mix of fuels used by the other companies of the International Division in thermal generation for the 1st Half of 2008, there was an increase in the consumption of coal by Enel Maritza East 3 as a result of the greater volumes generated, as well as an increase in the use of nuclear fuel by Slovenské elektrárne.

ELECTRICITY SALES

2nd Quarter				Millions of kWh		1st Half		
2008	2007	Change				2008	2007	Change
Free market:								
196	162	34	21.0%	- Romania	348	322	26	8.1%
190	102	88	86.3%	- France	501	184	317	-
4,158	4,137	21	0.5%	- Russia	8,626	9,294	(668)	-7.2%
4,544	4,401	143	3.2%	Total free market	9,475	9,800	(325)	-3.3%
Regulated market:								
1,319	981	338	34.5%	- Romania	2,458	2,090	368	17.6%
46	41	5	12.2%	- Russia	104	95	9	9.5%
1,365	1,022	343	33.6%	Total regulated market	2,562	2,185	377	17.3%
5,909	5,423	486	9.0%	Total	12,037	11,985	52	0.4%
1,515	1,143	372	32.5%	- of which Romania	2,806	2,412	394	16.3%
190	102	88	86.3%	- of which France	501	184	317	-
4,204	4,178	26	0.6%	- of which Russia	8,730	9,389	(659)	-7.0%

Electricity sales by the International Division for the 1st Half of 2008 increased by 52 million kWh, with the increase in the 2nd Quarter of 2008 reaching 486 million kWh. This performance includes 391 million kWh as a result of the consolidation of Electrica Muntenia Sud (342 million kWh of which on the regulated market) and the growth (up 317 million kWh for the six-month period) in sales for Enel France on the French market. These factors were partially offset by lower sales on the Russian market related to the different mix of customers served.

2nd Quarter			Millions of euro	1st Half		
2008	2007	Change		2008	2007	Change
1,076	680	396	Revenues	2,020	1,442	578
(39)	(23)	(16)	Net income/(charges) from commodity risk management	(54)	(22)	(32)
291	212	79	Gross operating margin	580	444	136
169	109	60	Operating income	355	246	109
			Operating assets	13,967	8,385 ⁽¹⁾	5,582
			Operating liabilities	4,494	3,712 ⁽¹⁾	782
			Employees at period-end (no.)	17,446	11,528 ⁽¹⁾	5,918
			Capital expenditure	390	143	247

(1) At December 31, 2007.

The table below shows performance by geographical area.

Millions of euro	Revenues			Gross operating margin			Operating income		
	1st Half			1st Half			1st Half		
	2008	2007	Change	2008	2007	Change	2008	2007	Change
Central Europe	1,184	767	417	450	329	121	286	179	107
Southeastern Europe	390	343	47	95	89	6	58	55	3
Russia	401	298	103	7	4	3	(4)	4	(8)
North America	45	34	11	28	22	6	15	8	7
Total	2,020	1,442	578	580	444	136	355	246	109

Performance in the 2nd Quarter

Revenues in the 2nd Quarter of 2008 grew by €396 million (up 58.2%), going from €680 million to €1,076 million. The increase was mainly related to Slovenské elektrárne (€206 million) and Enel France (€45 million) due to the combined effect of an increase in quantities produced and sold and the favorable trend in sales prices. The 2nd Quarter also benefited from the consolidation of OGK-5 and Electrica Muntenia Sud for a total of €115 million.

The *gross operating margin* reached €291 million, an increase of €79 million (up 37.3%) over the 2nd Quarter of 2007. The increase includes €55 million for the improvement in the electricity margin for Slovenské elektrárne, €17 million for changes in the scope of consolidation (€6 million for OGK-5, €6 million for the Greek companies, and €5 million for Electrica Muntenia Sud), and €10 million for the improvement in the margin of Enel France.

Operating income for the 2nd Quarter of 2008 came to €169 million for an increase of €60 million over the same period of 2007, due to the growth in the gross operating margin, which was partially offset by the increase in depreciation, amortization and impairment losses in the amount of €19 million, €11 million of which related to the change in the scope of consolidation.

Performance in the 1st Half

Revenues for the 1st Half of 2008 grew by €578 million (up 40.1%), going from €1,442 million to €2,020 million. The increase is primarily attributable to the €318

million increase in revenues in Slovakia, which was essentially due to the greater quantities produced and the increase in average sales prices, as well as to the €99 million increase in revenues from electricity sales by Enel France and €124 million for the change in the scope of consolidation (mainly OGK-5 in the amount of €78 million and Electrica Muntenia Sud in the amount of €37 million).

The *gross operating margin* reached €580 million for an increase of €136 million (up 30.6%) over the 1st Half of 2007. The increase is primarily attributable to Slovenské elektrárne in the amount of €81 million, Enel France in the amount of €41 million (due to the greater quantities handled and the favorable trend in market prices), and €17 million for the change in the scope of consolidation (€6 million of which for OGK-5, €6 million for the Greek companies, and €5 million for Electrica Muntenia Sud).

Operating income in the 1st Half of 2008 came to €355 million for an increase of €109 million over the same period of 2007 despite a €27 million increase in depreciation, amortization and impairment losses, of which €14 million for Slovenské elektrárne and €11 million for the change in the scope of consolidation.

Capital expenditure

Capital expenditure totaled €390 million, of which €339 million related to generation plants and €36 million to the electricity distribution network. Expenditure for generation plants included €198 million for work on plants based on geothermal or other renewable resources, primarily concentrated in North America, €91 million for thermal plants in Bulgaria and Russia, and €46 million for nuclear plants in Slovakia.

Capital expenditure for the electricity distribution network took place entirely in Romania.

2nd Quarter			Millions of euro	1st Half		
2008	2007	Change		2008	2007	Change
Parent Company						
173	239	(66)	Revenues	337	449	(112)
(29)	(54)	25	Gross operating margin	(21)	(65)	44
(30)	(58)	28	Operating income	(24)	(73)	49
			Operating assets	1,395	1,228 ⁽¹⁾	167
			Operating liabilities	1,231	1,221 ⁽¹⁾	10
			Employees at period-end (no.)	714	728 ⁽¹⁾	(14)
			Capital expenditure	5	11	(6)
Services and Other Activities						
288	274	14	Revenues	554	546	8
25	33	(8)	Gross operating margin	81	97	(16)
3	13	(10)	Operating income	38	56	(18)
			Operating assets	2,458	1,609 ⁽¹⁾	849
			Operating liabilities	1,389	1,354 ⁽¹⁾	35
			Employees at period-end (no.)	4,507	4,223 ⁽¹⁾	284
			Capital expenditure	28	25	3

(1) At December 31, 2007.

Parent Company

In its capacity as an industrial holding company, Enel SpA defines strategic targets for the Group and coordinates activities of subsidiaries.

In addition, Enel SpA manages central treasury operations and insurance risk coverage, providing assistance and guidelines on organization, personnel management and labor relations, accounting, administrative, fiscal, legal, and corporate matters. Enel also currently holds a contract with Atel for the import of electricity on the Swiss border, whereas the contract with EdF for the French border expired on December 31, 2007.

Performance in the 2nd Quarter

Revenues in the 2nd Quarter of 2008 came to €173 million, down €66 million or 27.6% from the same period of the previous year. This decrease is related primarily to the €71 million reduction in sales on the free market in France following the expiration of the import contract with EdF, which was partially offset by the increase in revenues from the activities conducted by the holding company for the other companies of the Group.

The *gross operating margin* for the 2nd Quarter of 2008 came to a negative €29 million, an improvement of €25 million due primarily to the increase in the electricity margin of €18 million, which benefited from the different mix of sales and sourcing on energy markets.

The *operating loss* came to €30 million, an improvement of €28 million from the 2nd Quarter of 2007 (a loss of €58 million).

Performance in the 1st Half

Revenues in the 1st Half of 2008 came to €337 million, down €112 million or 24.9% from the same period of the previous year. This decrease is related primarily to the reduction in revenues from electricity sales, due essentially to the interruption of sales on the free market in France (down €142 million), which was partially offset by the revenues from the activities conducted by the holding company for the other companies of the Group, as well as to the increase in activities to support international acquisitions and raise the needed financing.

The *gross operating margin* for the 1st Half of 2008 came to a negative €21 million, an improvement of €44 million due primarily to the increase in the electricity margin of €31 million, which benefited from the different mix of sales and sourcing on energy markets and lower charges for green certificates.

The *operating loss* came to €24 million, an improvement of €49 million from the 1st Half of 2007 (a loss of €73 million), including a €5 million decline in depreciation, amortization and impairment losses connected essentially with the sale of software to Enel Servizi as part of the disposal of “purchasing” operations.

Services and Other Activities

The primary purpose of the Services and Other Activities area is to provide competitive services to the companies of the Group, such as real estate and facility management services, IT services, personnel training and administration, general administrative services, and factoring and insurance services. On January 1, 2008, Enel Servizi acquired the “purchasing” units of Enel SpA, Enel Distribuzione and Enel Produzione.

Performance in the 2nd Quarter

Total *revenues* of the Services and Other Activities area in the 2nd Quarter of 2008 came to €288 million, compared with the €274 million of the 2nd Quarter of 2007. The €14 million increase (up 5.1%) essentially reflects the €19 million increase in revenues from staff services (related primarily to the newly acquired “purchasing” operations), which was partially offset by the decline in engineering and construction activities (down €7 million).

The *gross operating margin* for the 2nd Quarter of 2008 totaled €25 million, a decrease of €8 million or 24.2% from the same period of 2007, due primarily to the decline in engineering and construction activities.

Operating income amounted to €3 million in the 2nd Quarter of 2008, down €10 million from the same period of 2007.

Performance in the 1st Half

Revenues for the Services and Other Activities area in the 1st Half of 2008 came to €554 million, compared with the €546 million of the 1st Half of 2007. The €8 million increase (up 1.5%) essentially reflects the €28 million increase in revenues from staff services (related primarily to the newly acquired “purchasing” operations), which was partially offset by the decline in engineering and construction activities (down €13 million) and the lower gains realized on the sale of a portion of the real estate portfolio (down €8 million).

The *gross operating margin* for the 1st Half of 2008 totaled €81 million, a decrease of €16 million or 16.5% on the year-earlier period due essentially to the lower gains on the disposal of real estate and lower margins related to the reduction of engineering and construction activities.

Operating income for the 1st Half of 2008 came to €38 million, down €18 million from the 1st Half of 2007.

Outlook

The integration and organic growth of the new foreign acquisitions are the main strategic priorities that Enel is now pursuing, in addition to looking for targeted growth opportunities in the countries and businesses in which the Group already operates. Enel is continuing its investment program in research and development, renewables and nuclear power, pursuing technological excellence and confirming its attention to environmental issues.

Also continuing are Enel's commercial initiatives to maintain its leadership in the Italian free market, the completion of the reconversion of power plants to clean coal, the strategy to stabilize fuel sourcing and the programs to achieve operational excellence and optimize costs in the various business areas.

The soundness of the fundamentals in the Italian electricity market, together with the expansion of international operations and all the actions undertaken by the operating Divisions, indicate that performance in 2008 will outpace that in the previous year.

In addition, in line with the Group's goal of preserving a stable financial equilibrium, the portfolio optimization initiatives planned for 2008 together with operating cash flow generated by the new acquisitions and the Enel Group as a whole will enable the Group to improve its net financial position significantly.

* * *

Due to the nature of its core business, Enel is exposed to changes in the prices of fuel and electricity, which can significantly influence the outlook for the Group. In order to mitigate this exposure, Enel has adopted formal procedures to measure commodity risk, set maximum acceptable risks, and hedge such risks with a number of techniques, including the use of derivative instruments.

As a result of this hedging, the impact of potentially unfavorable price developments on future cash flows in the coming six months would be offset almost entirely by cash flows in the opposite direction generated by the derivatives portfolio.

Currently, about half of the debt portfolio is not exposed to interest rate risk, given that it is comprised of fixed-rate debt or hedged against interest rate fluctuations with derivatives. As a result, even in the event of a generalized rise of one percentage point in market rates over the next six months, the financial expense incurred by the Group would not increase significantly.

Given the currency mix of the debt portfolio, the foreign currency cash flows generated by ordinary operations and current conditions in the financial markets, no significant impact from changes in exchange rates is expected over the next six months.

By centralizing all funding activities, with the exception of those of the Endesa Group, within the Parent Company, Enel SpA, which ensures adequate coverage of cash needs using committed stand-by or revolving lines of credit and appropriate management of any excess liquidity, in addition to having ample levels of cash and committed lines of credit that are not entirely drawn, liquidity risk over the next six months is insignificant.

As the main operator in the field of generation, transport and distribution of electricity in Italy, Enel provides services to a number of State-controlled companies. In the current regulatory framework, Enel concludes transactions with Terna - Rete Elettrica Nazionale (Terna), the Single Buyer, the Electricity Services Operator, and the Market Operator (each of which is controlled either directly or indirectly by the Ministry for the Economy and Finance).

Fees for the transport of electricity payable to Terna and certain charges paid to the Market Operator are determined by the Authority for Electricity and Gas. Transactions relating to purchases and sales of electricity concluded with the Market Operator on the Power Exchange and with the Single Buyer are settled at market prices.

Companies of the Sales Division acquire electricity from the Single Buyer and settle the contracts for differences related to the allocation of CIP 6 energy with the Electricity Services Operator, in addition to paying Terna fees for the use of the national transmission network. Companies that are a part of the Generation and Energy Management Division, in addition to paying fees for the use of the national transmission network to Terna, carry out electricity transactions with the Market Operator, on the Power Exchange and with the Single Buyer.

Enel also acquires fuel for generation and gas for distribution and sale from Eni, a company controlled by the Ministry for the Economy and Finance.

All transactions with related parties are concluded on normal market terms and conditions.

For more detailed information on transactions with related parties, please see note 35 to the condensed interim consolidated financial statements.

Research and development

During the 1st Half of 2008, efforts to enhance competitiveness and ensure the Group's technological and environmental leadership were expanded with the launch of the Environment and Innovation Project. These new initiatives are aimed at developing and demonstrating innovative technologies in the areas of the capture and sequestration of CO₂, renewable energy sources, distributed power generation, and energy efficiency. With the launch of these activities, research spending during the 1st Half of 2008 reached some €12.7 million (€9.5 million for the 1st Half of 2007) and capital expenditure rose from €1.2 million to €7.7 million. The total expected commitment is for roughly €600 million over the 5 years of the plan (2008-2012).

During the 1st Half of 2008, design and, for many initiatives, experimentation continued. In particular, the detailed engineering for a 12 MW hydrogen-powered thermoelectric unit to be located at Enel's Fusina plant was completed and construction was begun.

In the field of CO₂ capture and sequestration, development and design work began for the construction of a pilot plant for an innovative pressurized oxygen combustion system and the first experimental phase was completed at the test plant. The preliminary design work for a pilot plant with post-combustion capture technology at Enel's Brindisi plant was also completed and the authorization process is under way. Work has also begun on geological analysis to characterize sites in Italy suitable for CO₂ sequestration.

In the field of renewables, the design of the Archimede thermal solar plant was completed and construction began in early 2008. In addition, work continued on an advanced center for the development and experimentation of innovative photovoltaic generation solutions at Enel's Catania facilities.

Another initiative getting under way during the year was the "Green Islands" project, which saw the installation on the island of Capraia of a new bio-oil power plant to replace the existing diesel-powered generation facility. Application has also been made for permits to build a photovoltaic plant.

In parallel with these initiatives, research continued on optimizing power plant operations, with efforts focusing on the development of systems to increase the reliability of plants and optimize their maintenance.

In this regard, a diagnostics system for the gas turbine and steam-cycle system for the Santa Barbara and Termini Imerese plants was developed and work continued on implementing the maintenance information support system for the new coal-fired plant at Torrevaldaliga Nord.

As regards the elimination of pollutants from emissions, activities for the control of trace metals, especially mercury, continued.

With regard to the geothermal zero-emissions project, work was completed on the study into the process of reducing sulfidric acid tail gas from the cooling towers, with the design of an AMIS β plant, which further develops the widely used AMIS technology.

Human resources and organization

Organization

In the 1st Half of 2008, Enel worked to consolidate its new organizational structure, which, over the last year, has been expanded with the addition of two new Divisions, as well as to promote integration following the Group's increased presence abroad.

In such context, within Italy:

- > the organization and macro-processes for the new Engineering and Innovation Division have been designed;
- > as a consequence of the above, the organization and macro-processes of the Generation and Energy Management Division have been redesigned;
- > efforts to optimize the organization of the Sales and Infrastructure and Networks Divisions continued, with the goal of improving the efficiency of the structures and processes related to the various distribution and sales units;
- > following the rationalization of Enel Servizi, which, in 2007, included the corporate reorganization, appointment of a board of directors, and creation of five units of operations, the organization was redesigned for the units Real Estate and Services Management, Administration and ICT.

Internationally, efforts continue to integrate and rationalize the businesses acquired. Of particular note among the efforts focusing on organization is the start of the second phase of the Integration Handbook project aimed at harmonizing Group policies and procedures.

Project Zenith, the group-wide project to pursue excellence in operations, is also continuing and now includes more than 140 important initiatives for improvement. For the project, important communication and promotion efforts have been defined and planned in order to significantly broaden the level of participation and to include the initiatives aimed at improving process quality and efficiency, even when such initiatives do not directly produce a financial benefit.

Following Enel's delisting from the NYSE, steps were taken to revise the management assessment process that was designed for the Sarbanes-Oxley Act, so as to adapt it to Italian investment laws and regulations (Law 262/05).

Development and training

Training and development efforts over the last six months have focused on four areas:

- > the structuring of the leadership model on the basis of expected conduct;
- > implementation of the new performance appraisal system;
- > launch of the new talent management system;
- > planning for Enel's second climate survey.

Designed in 2007, the leadership model indicates the development path for Enel's management style and its corporate culture, and two main actions have been conducted in this regard: a) division of the employee population into segments; b) definition of the expected conduct for each segment with intensive involvement of the line level, in both the preparation (workshops and focus groups) and validation phases (with some 500 people involved both in Italy and

abroad). Training initiatives were also carried out so that the various segments of the population could adopt the model. This included two key initiatives: the Self-Empowerment & Development Strategy (SEEDS) and the "Leadership for Energy: Executive Program". The former was designed for some 800 middle managers within the Group and is based on their performance as assessed during the latest appraisal process. The latter is a course designed in partnership with the Harvard Business School and targets a select number of senior managers. Special-purpose communication initiatives are also planned for the 2nd Half of the year for full dissemination of the model to the various levels of the organization. The new performance appraisal system was also launched during the 1st Half of the year, with the main changes being: a) annual (rather than biannual) appraisals; b) gradual extension to all employees, including office staff; c) assessment of performance quality, not just quantity, based on the system of expected conduct; d) closer connection with compensation; e) reciprocity in the appraiser/appraisee relationship (including self-evaluations); f) the introduction for specific population segments of "360° feedback"; and g) the use of appraisals as the basis for identifying talent at the various levels of the organization. In January, managers directly under the CEO were appraised by way of the 360° feedback process, and these appraisals were connected directly to the 2007 MBO. Also during the first part of the year, a pilot project for office staff of the Sales Division (over 4,000 people) was conducted by way of a traditional "boss/employee" methodology and with the introduction of self-evaluations.

The 1st Half of the year also saw the launch of the new talent management system, which resulted in identifying three distinct sources of talent for which initial training and development efforts have already begun.

Finally, the general design of the second climate survey was developed, with the survey to be carried out by the end of the year. Coming two years after the first survey, this initiative confirms the recurring nature of the tool, although it will now focus on improving performance through local commitment to the actions defined based on the outcome of the survey.

In addition to these initiatives more closely connected with development policies, efforts continue in the areas of technical and managerial training within the Divisions. This currently focuses on managing the organizational changes that have taken place in recent months, both within the individual Divisions and throughout the Group.

Hiring

During the 1st Half of 2008, the Hiring and University Relations unit worked both to promote the hiring of young university and secondary-school graduates who can grow within the organization and to focus a part of its operations internationally, seeking to further contribute to the ongoing process of internationalization.

The recruiting process made use of both domestic and international channels in partnership with an international network of universities, which directly or indirectly provided contacts with some 70 universities throughout Europe. During the 1st Half of 2008, 448 people were hired in Italy, of which more than 22% were recent university graduates (with 32% of these being women) and 57% young secondary-school graduates.

In particular, there was a great deal of emphasis on strengthening the nuclear engineering area, which led to the hiring of 29 people and brought the total number of employees for the unit to 76. Other new hires concerned both areas

of the company's core business and staff functions. The international hiring project "Energy Without Frontiers" also continued during the period, hiring an additional 6 foreign university graduates with technical or financial/economic backgrounds and a professional level of English skills. In addition, through agreements with foreign universities and business schools, 12 non-Italian interns were also taken on. At the same time, efforts were made to further strengthen the Enel brand in high-value segments of the labor market, particularly through partnerships with leading Italian universities (Politecnico di Milano, Bocconi, Luiss) and with employer branding initiatives supplemented by job meetings, on-campus presentations, and targeted recruiting days.

Compensation and incentive systems

The compensation and incentive policies for the 1st Half of 2008 focused on:

- > strengthening integration between the MBO and compensation processes and the performance-evaluation systems;
- > increasing the weight of variable remuneration linked to company performance; and
- > ensuring the selectivity of changes in the fixed component, thereby confirming a merit-based policy aimed at rewarding valued skills within each professional family.

Short-term incentives continued to be based primarily on management by objectives (MBO), involving about 94% of senior management and about 17% of middle management, as well as on a specially designed system of incentives for all sales-related employees. With regard to medium to long-term incentives, a 2008 stock option plan for senior management was also approved by shareholders, while a long-term restricted share unit plan was approved for the Group's management team as a whole.

Labor relations

Electricity area

At the company level, a number of meetings were held with the Italian national and local trade unions concerning the reorganization of the Divisions. In particular, for the Infrastructure and Networks Division, the first stage of the transfer of resources and activities from Enel Servizio Elettrico to Enel Distribuzione was completed, thereby fulfilling the requirements of Law 125/07 and related resolutions of the Authority for Electricity and Gas concerning energy market liberalization and corporate unbundling. The Sales Division also continued talks with the trade unions concerning its reorganization, with a significant rationalization of the territorial and structural organization, and presented the trade unions a performance appraisal plan for all employees of the Division, as well as the "changing by sharing" and "lean transformation" programs currently being conducted within Enel.

The Generation and Energy Management Division concluded talks with national trade unions concerning the organization of the Specialist Assistance unit and the remuneration agreement for the employees of Enel Produzione who are permanently located abroad. The Division also initiated the procedures set out in Article 47 of Law 428/90 for the transfer of the business unit of Enel Produzione to Hydro Dolomiti Enel, part of which will be sold to Dolomiti Energia. Also at the national level, talks began with the trade unions concerning the

new organizational structure for the Division.

In addition, in May 2008, national talks with trade unions concerning the new organization of the ICT unit were concluded. Finally, negotiations continued for the creation of Enel's European works council with a plenary session in February and another in June, as well as the related discussion of the content of the agreement between Enel and the union delegation coordinated by the European federations for the industry.

Gas area

During the 1st Half of 2008, the pay portion of the Italian collective bargaining agreement for the gas and water industries for the 2008-2009 period was renewed, as signed by the trade unions on January 15, 2008.

Also of note, as part of the process of integration that began in 2007 with the opening of the FOPEN pension fund, was the signing of an agreement between Enel Energia and the trade unions for the purpose of harmonizing and gradually aligning the remuneration of employees on gas-industry contracts with combined gas-electrical responsibilities with the provisions of the national collective bargaining agreement for the electrical industry.

Talks with the trade unions, extended both nationally and locally to the offices responsible for the various individual aspects, also concerned the deferred commitments defined during the national talks regarding the new territorial organization of the gas network, which took effect as of January 1, 2008.

Staffing levels

As of June 30, 2008, the Enel Group employed a total of 76,712 people.

The increase in the Group's workforce (3,212 employees) was due primarily to the net effect of the sale and acquisition of foreign companies. In the 1st Half of 2008, the net effect of new hires and terminations of employment was a reduction of 638 employees. Terminations of employment for Italian companies were primarily related to consensual early retirement incentive programs (about 92.5%).

As of June 30, 2008, the number of employees of the Group's foreign subsidiaries was 35,855 (31,906 at December 31, 2007).

Changes in the total number of employees compared with December 31, 2007, are summarized in the table below:

Employees at December 31, 2007 ⁽¹⁾	73,500
Changes in the scope of consolidation:	
- Electrica Muntenia Sud	2,038
- OGK-5	4,285
- Endesa Europa	(1,388)
- Viesgo	(1,049)
- Other	(36)
	3,850
Hirings	1,775
Terminations of employment	(2,413)
Employees at June 30, 2008 ⁽²⁾	76,712

(1) Of which 2,614 in units classified as "Held for sale".

(2) Of which 122 in units classified as "Held for sale".

Condensed interim consolidated financial statements

Consolidated financial statements

Consolidated Income Statement

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Millions of euro	Notes	1st Half			
		2008		2007	
			<i>of which with related parties</i>		<i>of which with related parties</i>
Revenues					
Revenues from sales and services	5.a	28,716	5,388	18,557	4,517
Other revenues	5.b	600		300	11
	<i>[Subtotal]</i>	<i>29,316</i>	<i>5,388</i>	<i>18,857</i>	<i>4,528</i>
Costs					
Raw materials and consumables	6.a	16,930	8,785	11,144	7,229
Services	6.b	2,743	360	2,041	261
Personnel	6.c	1,933		1,484	
Depreciation, amortization and impairment losses	6.d	2,120		1,328	
Other operating expenses	6.e	960	65	195	1
Capitalized costs	6.f	(579)		(499)	
	<i>[Subtotal]</i>	<i>24,107</i>	<i>9,230</i>	<i>15,693</i>	<i>7,491</i>
Net income/(charges) from commodity risk management	7	76	(6)	(30)	(2)
Operating income		5,285		3,134	
Financial income	8	1,161	10	839	11
Financial expense	8	2,607		752	
Share of income/(expense) from equity investments accounted for using the equity method	9	27		1	
Income before taxes		3,866		3,222	
Income taxes	10	819		1,174	
Income from continuing operations		3,047		2,048	
Income from discontinued operations	11	226	(42)	-	
Net income for the year (shareholders of the Parent Company and minority interests)		3,273		2,048	
Attributable to minority interests		422		66	
Attributable to shareholders of the Parent Company		2,851		1,982	
Earnings per share (euro)		0.53		0.33	
Diluted earnings per share (euro) ⁽¹⁾		0.53		0.33	
Earnings from continuing operations per share		0.49		0.33	
Diluted earnings from continuing operations per share ⁽¹⁾		0.49		0.33	
Earnings from discontinued operations per share		0.04		-	
Diluted earnings from discontinued operations per share ⁽¹⁾		0.04		-	

(1) Calculated on the basis of the average number of ordinary shares in the year (6,185,503,033 in the 1st Half of 2008 and 6,181,304,109 in the 1st Half of 2007) adjusted for the diluting effect of outstanding stock options (1 million in the 1st Half of 2008 and 62 million in the 1st Half of 2007).

Consolidated Balance Sheet

Millions of euro	Notes		
ASSETS		at June 30, 2008	at Dec. 31, 2007
		<i>of which with related parties</i>	<i>of which with related parties</i>
Non-current assets			
Property, plant and equipment	12	58,738	55,434
Investment property		35	37
Intangible assets	13	26,250	28,177
Deferred tax assets	14	4,303	3,439
Equity investments accounted for using the equity method	15	268	1,972
Non-current financial assets	16	2,319	2,212
Other non-current assets	17	2,347	2,068
	<i>[Total]</i>	94,260	93,339
Current assets			
Inventories	18	2,248	1,726
Trade receivables	19	12,889	2,263
Tax receivables	20	1,305	1,146
Current financial assets	21	3,241	2,414
Cash and cash equivalents	22	7,275	1,234
Other current assets	23	4,364	19
	<i>[Total]</i>	31,322	22,176
Assets held for sale	24	1,482	8,233
TOTAL ASSETS		127,064	123,748

Millions of euro	Notes				
LIABILITIES AND SHAREHOLDERS' EQUITY		at June 30, 2008		at Dec. 31, 2007	
			<i>of which with related parties</i>	<i>of which with related parties</i>	
Equity attributable to the shareholders of the Parent Company	25				
Share capital		6,186		6,184	
Other reserves		4,777		4,730	
Valuation reserve in respect of assets held for sale		-		35	
Retained earnings (losses carried forward)		6,888		5,942	
Net income for the period ⁽¹⁾		2,851		2,740	
	<i>[Total]</i>	20,702		19,631	
Equity attributable to minority interests		4,387		4,158	
TOTAL SHAREHOLDERS' EQUITY		25,089		23,789	
Non-current liabilities					
Long-term loans	26	50,462		52,155	
Post-employment and other employee benefits		2,927		2,920	
Provisions for risks and charges	27	6,706		6,462	
Deferred tax liabilities	28	4,103		4,304	
Non-current financial liabilities	29	1,761		1,671	
Other non-current liabilities	30	3,606		3,333	
	<i>[Total]</i>	69,565		70,845	
Current liabilities					
Short-term loans	31	6,245		5,285	
Current portion of long-term loans	26	4,359		2,729	
Trade payables		9,045	3,290	9,622	3,897
Income tax payable		2,360		525	
Current financial liabilities	32	2,988		1,561	
Other current liabilities	33	6,816	6	5,275	228
	<i>[Total]</i>	31,813		24,997	
Liabilities held for sale	34	597		4,117	93
TOTAL LIABILITIES		101,975		99,959	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		127,064		123,748	

(1) Net income is reported net of interim dividend equal to €1,237 million for 2007.

Consolidated Statement of Cash Flows

Millions of euro	Notes	1st Half	
		2008	2007
		<i>of which with related parties</i>	<i>of which with related parties</i>
Income for the period (shareholders of the Parent Company and minority interests)		3,273	2,048
Adjustments for:			
Amortization and impairment losses of intangible assets		135	92
Depreciation and impairment losses of property, plant and equipment		1,655	1,109
Exchange rate gains and losses (including cash and cash equivalents)		(365)	(25)
Provisions		412	221
Financial (income)/expense		1,425	378
Income taxes		925	1,174
(Gains)/Losses and other non-monetary items		370	(568)
<i>Cash flows from operating activities before changes in net current assets</i>		<i>7,830</i>	<i>4,429</i>
Increase/(Decrease) in provisions		(654)	(521)
(Increase)/Decrease in inventories		(319)	(70)
(Increase)/Decrease in trade receivables		(903)	301
(Increase)/Decrease in trade payables		30	(94)
(Increase)/Decrease in financial and non-financial assets/liabilities		30	(94)
Increase/(Decrease) in trade payables		(804)	(701)
Interest income and other financial income collected		595	10
Interest expense and other financial expense paid		(1,855)	(600)
Income taxes paid		(135)	(789)
Cash flows from operating activities (a)		3,785	2,638
Investments in property, plant and equipment		(3,070)	(1,422)
Investments in intangible assets		(137)	(98)
Investments in entities (or business units) less cash and cash equivalents acquired		(1,190)	(12,698)
Disposals of entities (or business units) less cash and cash equivalents sold		6,582	-
(Increase)/Decrease in other investing activities		57	134
Cash flows from investing/disinvesting activities (b)		2,242	(14,084)
Financial debt (new long-term borrowing)	26	1,937	8,113
Financial debt (repayments and other changes)		(40)	5,134
Dividends paid	25	(2,004)	(1,798)
Increase in share capital and reserves due to the exercise of stock options	25	9	41
Cash flows from financing activities (c)		(98)	11,490
Impact of exchange rate fluctuations on cash and cash equivalents (d)		2	12
Increase/(Decrease) in cash and cash equivalents (a+b+c+d)		5,931	56
Cash and cash equivalents at the beginning of the period		1,463	572
Cash and cash equivalents at the end of the period		7,394 ^{(1) (2)}	628 ⁽¹⁾

(1) Of which short-term securities equal to €87 million at June 30, 2008 (€25 million at June 30, 2007).

(2) Of which cash and cash equivalents pertaining to assets held for sale in the amount of €32 million.

Statement of Recognized Income and Expenses for the Period

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Millions of euro	Notes	1st Half	
		2008	2007
Effective portion of change in the fair value of cash flow hedges		254	128
Change in the fair value of financial investments available for sale		(29)	128
Exchange rate differences		(319)	44
Net income for the period recognized in equity	25	(94)	300
Net income for the period recognized in income statement		3,273	2,048
Total recognized income and expenses for the period		3,179	2,348
Attributable to:			
- shareholders of the Parent Company		2,898	2,257
- minority interests		281	91

Notes to the financial statements

1. Accounting policies and measurement criteria 95

Enel SpA, which operates in the energy utility sector, has its registered office in Rome, Italy. The Consolidated Half-year Financial Report for the period ended June 30, 2008 comprises the financial statements of the Company, its subsidiaries and joint ventures ("the Group") and the Group's holdings in associated companies. A list of the subsidiaries, associated companies and joint ventures included in the scope of consolidation is reported in the annex. These financial statements were approved for publication by the Board on July 31, 2008.

Compliance with IFRS/IAS

The consolidated half-year financial report of the Group at and for the six months ended at June 30, 2008 has been prepared pursuant to Article 154-ter, paragraph 2, of Legislative Decree 58 of February 24, 1998 as amended by Legislative Decree 195 of November 6, 2007.

The condensed interim consolidated financial statements included in the half-year financial report have been prepared in compliance with the international accounting standards (IFRS/IAS) issued by the International Accounting Standards Board (IASB) recognized in the European Community pursuant to Regulation (EC) no. 1606/2002 and in effect as of the close of the period, as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC) in effect at the same date. Hereinafter, these standards and interpretations are referred to as the "IFRS-EU".

More specifically, the financial statements have been drafted in compliance with IAS 34 – Interim financial reporting.

The accounting standards adopted, the recognition and measurement criteria and the consolidation criteria and methods used for the condensed interim consolidated financial statements at June 30, 2008, are the same as those adopted for the consolidated financial statements at December 31, 2007 (please see the related report for more information). These consolidated half-year financial statements may not include all the information required to be reported in the annual financial statements and must be read together with the financial statements for the period ended December 31, 2007.

The condensed interim consolidated financial statements consist of the Consolidated Balance Sheet, the Consolidated Income Statement, the Consolidated Statement of Cash Flows, the Statement of Recognized Income and Expenses for the Period and the related notes.

Joint ventures

Interests in joint ventures – enterprises in which the Group exercises joint control with other entities – are consolidated using the proportionate method. The Group recognizes its share of the assets, liabilities, revenues and expenses on a line-by-line basis in proportion to the Group's share in the entity from the date on which joint control is acquired until such control ceases. Potential voting rights that are effectively exercisable or convertible are taken into consideration in determining the existence of joint control.

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

Millions of euro	Enel Unión Fenosa Renovables ⁽¹⁾	RusEnergosbyt	Endesa ⁽¹⁾	SeverEnergia
at June 30, 2008				
Percentage of consolidation	50.0%	49.5%	67.05%	40.0%
Non-current assets	397	26	27,018	892
Current assets	90	26	12,193	54
Assets held for sale	-	-	1,482	-
Non-current liabilities	320	6	15,292	198
Current liabilities	96	22	11,005	128
Liabilities held for sale	-	-	597	-
Operating revenues	43	323	7,549	-
Operating costs	24	317	5,751	10

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

2. Risk management

Market risk

As part of its operations, Enel is exposed to different market risks, notably the risk of changes in interest rates, exchange rates and commodity prices.

To contain this exposure within the limits set at the start of the year as part of its risk management policies, Enel enters into derivative contracts using instruments available on the market.

Enel also engages in a marginal amount of proprietary trading in order to maintain a presence in the Group's reference energy commodity markets. These operations consist in taking on limited exposures in energy commodities (oil products, gas, coal and electricity in the main European countries) using financial derivatives and physical contracts traded on regulated and OTC markets, exploiting profit opportunities through arbitrage transactions and on the basis of expected market developments. These operations are conducted within the framework of formal governance rules that establish strict risk limits set at the Group level. Compliance with the limits is verified daily by a unit that is independent of those undertaking the transactions. The risk limits for Enel's proprietary trading are set in terms of Value at Risk over a 1-day time horizon and a confidence level of 95%; the sum of the limits set for 2008 is less than €14 million. Transactions that qualify for hedge accounting are designated as hedging transactions, while those that do not qualify for hedge accounting are classified as trading transactions.

Fair value is determined using the official prices for instruments traded on regulated markets. The fair value of instruments not listed on regulated markets is determined using valuation methods appropriate for each type of financial instrument and market data as of the close of the period (such as interest rates, exchange rates, commodity prices, volatility), discounting expected future cash flows on the basis of the market yield curve at the balance-sheet date and translating amounts in currencies other than the euro using period-end exchange rates provided by the European Central Bank. Where possible, contracts relating to commodities are measured using market prices related to the same instruments on both regulated and other markets. With regard to contracts for

differences (CFDs), since December 31, 2007, measurement has been carried out using forward prices for electricity. Previously, CFDs were measured using a model based on the forward prices of certain oil commodities, estimating developments in prices in the electricity market. The new approach had no significant impact on the income statement given that the model already gave price estimates that were in line with market trends.

The financial assets and liabilities associated with derivative instruments are classified as:

- > cash flow hedge derivatives, related to hedging the risk of changes in the cash flows associated with a number of long-term floating-rate or foreign-currency loans, to certain contracts entered into by Enel in order to stabilize revenues from the sale of electricity (two-way contracts for differences and other energy derivatives) and to hedging the risk of changes in the prices of coal and oil commodities;
- > fair value hedge derivatives, related to hedging the exposure to changes in the fair value of an asset, liability or firm commitment attributable to a particular risk;
- > trading derivatives, related to hedging interest and exchange rate risk and commodity risk but which do not qualify for recognition under IAS 39 as hedges of specific assets, liabilities, commitments or future transactions as well as proprietary trading activities.

The notional value of a derivative is the contractual amount on the basis of which differences are exchanged. This amount can be expressed as a value or a quantity (for example tons, converted into euro by multiplying the notional amount by the agreed price). Amounts denominated in currencies other than the euro are converted into euro at the exchange rate prevailing at the balance-sheet date. The notional amounts of derivatives do not represent amounts exchanged between the parties and therefore are not a measure of the Group's credit risk exposure.

Interest rate risk

Fluctuations in interest rates gives rise to volatility in the fair value of fixed-rate financial assets and liabilities and the future cash flows of floating-rate financial assets and liabilities.

Interest rate risk management is aimed at balancing the structure of the debt, reducing the amount of debt exposed to interest rate fluctuations and minimizing borrowing costs over time, limiting the volatility of results. To this end, various types of derivatives are used, including interest rate swaps and interest rate collars. Interest rate swaps are used to reduce the amount of debt exposed to changes in interest rates and to reduce the volatility of borrowing costs.

In an interest rate swap, Enel enters into an agreement with a counterparty to exchange at specified intervals floating-rate interest flows for fixed-rate interest flows (agreed between the parties), both of which are calculated on the basis of a notional principal amount.

Interest rate collars are used to reduce the impact of potential increases in interest rates on its floating-rate debt. Such contracts are normally used when the fixed interest rate that can be obtained in an interest rate swap is considered too high with respect to Enel's expectations for future interest rate developments. In addition, interest rate collars are also considered appropriate in periods of uncertainty about future interest rate developments, in order to benefit from any decreases in interest rates. In such cases, Enel normally uses zero-cost collars, which do not require the payment of a premium.

All these contracts are agreed with a notional amount and expiry date lower than or equal to that of the underlying financial liability, so that any change in the fair value and/or expected future cash flows is offset by a corresponding change in the fair value and/or the expected future cash flows of the underlying position. Accordingly, the fair value of the financial derivatives generally reflects the estimated amount that Enel would have to pay or receive in order to terminate the contracts at the balance-sheet date.

The amount of floating-rate debt that is not hedged against interest rate risk is the main risk factor that could impact the income statement in the event of an increase in market interest rates.

At June 30, 2008, 65% of net financial debt was floating rate (67% at December 31, 2007). Taking account of cash flow hedges of interest rates considered effective pursuant to the IFRS–EU, 50% of the debt was exposed to interest rate risk at June 30, 2008 (54% at December 31, 2007). An increase of 1 basis point in market interest rates would have a negative impact on the income statement in terms of higher interest expense on the portion of debt not hedged against interest rate risk of about €3 million (€3 million at December 31, 2007). Conversely, an equivalent decline in market interest rates would have a positive impact on the income statement in terms of lower interest expense on the portion of debt not hedged against interest rate risk of about €3 million (€3 million at December 31, 2007).

As regards the potential impact on shareholders' equity of a change in market interest rates, if market interest rates had been 1 basis point higher at June 30, 2008, all other variables being equal, shareholders' equity would have been about €3 million higher as a result of the increase in the fair value of CFH derivatives on interest rates (and therefore of the related equity reserve). Conversely, if interest rates have been 1 basis point lower at that date, all other variables being equal, shareholders' equity would have been €3 million lower as a result of the decrease in the fair value of CFH derivatives on interest rates.

Exchange rate risk

Exchange rate risk is mainly generated with the following transaction categories:

- > debt denominated in currencies other than the functional currency of the respective countries entered into by the holding company or the individual subsidiaries;
- > cash flows in respect of the purchase or sale of fuel or electricity on international markets;
- > revenues of a number of subsidiaries in Latin America that are linked to changes in the US dollar;
- > cash flows in respect of investments in foreign currency, dividends from unconsolidated foreign associates or the purchase or sale of equity investments.

In order to reduce the exchange rate risk on these exposures, Enel uses foreign exchange forward and option contracts in order to hedge cash flows in currencies other than the functional currencies of the various Group entities. Enel also uses cross currency swaps (normally at long term) to stabilize cash flows on bonds paying interest in foreign currency. The buy and sell amounts in such contracts are notional values. Foreign exchange options, which are negotiated on unregulated markets, give Enel the right or the obligation to acquire or sell specified amounts of foreign currency at a specified exchange rate at the end of a given period of time, normally not exceeding one year. The maturity of forward contracts does not normally exceed twelve months.

The Group also seeks to balance inward and outward cash flows in respect of assets and liabilities denominated in foreign currency.

As regards the potential impact on shareholders' equity of a change in market exchange rates, at June 30, 2008, assuming a 10% depreciation of the euro against the other currencies, all other variables being equal, shareholders' equity would have been about €487 million higher (€567 million at December 31, 2007) as a result of the increase in the fair value of CFH derivatives on exchange rates (and therefore of the related equity reserve). Conversely, assuming a 10% appreciation of the euro against the other currencies, all other variables being equal, shareholders' equity would have been €403 million lower (€462 million at December 31, 2007) as a result of the decrease in the fair value of CFH derivatives on exchange rates.

Commodity risk

Various types of derivatives, especially swaps and futures, are used by Enel to reduce the exposure to fluctuations in energy commodity prices and as part of proprietary trading activities.

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

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

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

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

Credit risk

As regards transactions in financial derivatives, Enel manages the related credit risk by operating solely with counterparties considered solvent by the market, i.e. those with high credit standing, and does not have any concentration of credit risk. The credit risk in respect of the derivatives portfolio is considered negligible since transactions are conducted solely with leading Italian and international banks, diversifying the exposure among different institutions.

As part of the activities related to purchasing fuels for thermal generation and the sale and distribution of electricity, the distribution of gas and the sale of gas to eligible customers, Enel grants trade credit to external counterparties. The counterparties selected are carefully monitored through the assessment of the related credit risk and the pledge of suitable guarantees and/or security deposits to ensure adequate protection from default risk.

Enel considers the economic impact in future years of any default by counterparties in its derivatives positions open at the balance-sheet date to be immaterial given the high credit standing of such counterparties, the nature of the instruments (under which only differential flows are exchanged) and the risk diversification achieved by breaking down positions among the various counterparties.

Liquidity risk

Liquidity risk is managed (with the exception of Endesa SA and its subsidiaries) by the Group Treasury unit at Enel SpA, which, operating in part through the Luxembourg company Enel Finance International SA, ensures adequate coverage of cash needs (using lines of credit and issues of bonds and commercial paper) and appropriate management of any excess liquidity. Endesa also has a liquidity policy that envisages the use of committed lines of credit in amounts sufficient to cover cash needs over a time horizon determined on the basis of an analysis of the situation and expectations in the capital market.

At June 30, 2008, the Enel Group (excluding Endesa) had committed lines of credit amounting to €25.6 billion, of which €21.4 billion had been drawn: the amount includes drawings on the original €35 billion line of credit opened to finance the public tender offer for Endesa, which was subsequently reduced to €19.2 billion and was fully drawn at June 30, 2008. At the same date Enel had uncommitted lines of credit amounting to €1.1 billion, of which all was available. In addition, Enel Finance International has an outstanding commercial paper program with a maximum amount of €4 billion, of which about €0.4 billion were available at June 30, 2008.

At June 30, 2008, the Endesa Group had committed lines of credit in the amount of €9.9 billion, of which €2.8 billion had been drawn (the figures for Endesa, for the sole purpose of liquidity risk disclosures, are reported in full rather than on the basis of the percentage of consolidation). At the same date, Endesa had uncommitted credit lines amounting to €0.4 billion, of which €0.1 billion were drawn.

Endesa Internacional BV also has an outstanding commercial paper program with a maximum amount of €2.0 billion, of which about €0.5 billion were available at June 30, 2008. Finally, Endesa Capital SA has an outstanding domestic commercial paper program ("pagarès") with a maximum amount of €2.0 billion, of which about €1.0 billion were available at June 30, 2008.

3. Main changes in the scope of consolidation

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

2007

- > Acquisition, on February 2, 2007, of the entire capital of the Panamanian company Enel Fortuna, giving Enel full control of Fortuna, which is fully consolidated;
- > acquisition of 40% of Artic Russia, the direct parent company of SeverEnergia, and the subsequent acquisition by the latter, on April 4, 2007, of a set of assets in the gas sector. As it is subject to joint control, Artic Russia and SeverEnergia are consolidated on a proportionate basis;
- > acquisition, on July 2, 2007, of 90% of Nuove Energie, a company that builds and operates LNG regasification infrastructures;
- > acquisition, on October 5, 2007, following the successful completion of the public tender offer, of 42.08% of Endesa; as from that date, taking account of the previous holding in the company (24.97%), Endesa is consolidated on a proportionate basis as it is under joint control;

- > acquisition, on October 1, 2007, of 100% of three companies (International Windpower, Wind Parks of Thrace and International Wind Parks of Thrace) active in generating electricity from wind power in Greece;
- > acquisition, on October 24, 2007, of 100% of Blue Line, a Romanian company that holds the rights to develop wind power projects in the region of Dobrogea;
- > acquisition, on December 6, 2007, of 100% of Inelec, a company active in hydroelectric generation in Mexico.

2008

- > Acquisition, on March 5, 2008, of 85% of Global Power Investment, a Romanian company active in the generation of electricity from renewable resources;
- > acquisition, on April 25, 2008, of 50% of Electrica Muntenia Sud and the concurrent subscription of a capital increase approved by the company's shareholders. Following the operation, Enel holds 64.4% of the company. As from the conclusion of the changes in the company's governance arrangements needed to define control on June 4, 2008, the company is consolidated on a line-by-line basis, taking account of the shareholding covered by the put option granted to Electrica at the time of the sale, equal to 23.6% at June 30, 2008;
- > acquisition, on May 19, 2008, of 100% of International Wind Parks of Crete and Hydro Constructional, which operate in Greece in the generation of electricity from renewables;
- > conclusion, on May 28, 2008, of the changes in the governance arrangements of OGK-5, which gave Enel full control as from that date. Enel, acting through the subsidiary Enel Investment Holding, had acquired 59.80% of the Russian company in a series of purchases, of which 22.65% in the public tender completed on March 6, 2008, before selling a minority stake of 4.1% on June 25, 2008. As from May 28, 2008, the company is consolidated on a line-by-line basis;
- > disposal, on June 26, 2008, of the assets specified in the agreements signed between Enel and Acciona on March 26, 2007, and between Enel, Acciona and E.On on March 18, 2008, consisting of:
 - the assets and liabilities held directly or indirectly by Endesa in Italy, France, Poland and Turkey, as well as a number of other assets in Spain (hereinafter "Endesa Europa");
 - the assets and liabilities in respect of Enel's equity investments in Enel Viesgo Generación, Enel Viesgo Servicios and Electra de Viesgo Distribución and the equity investments held by them;
- > acquisition, on June 30, 2008, of 80% of Marcinelle Energie, which is building a combined-cycle gas turbine plant in Belgium. The company is consolidated taking account of the put option granted to Duferco at the time of the sale.

The assets sold to E.On were classified as "Net assets held for sale" and "Liabilities held for sale" in the consolidated balance sheet at December 31, 2007. Following the disposal, that item in the reclassified balance sheet at June 30, 2008 reports the assets and liabilities in respect of renewable energy operations held by Endesa, which will be transferred to Acciona Energia, in which Endesa will hold a 49% stake following the transfer.

In the consolidated half-year income statement, the income or loss, net of the related tax effect, attributable to the net assets held for sale of Endesa Europa

is reported under “discontinued operations” as those net assets have been acquired for the sole purpose of their resale.

As regards the other acquisitions carried out in the 1st Half of 2008, the difference between the cost of the investments and the assets acquired net of the liabilities assumed, as well as contingent liabilities, has initially been recognized on a provisional basis under “Goodwill” pending completion of allocation pursuant to IFRS 3 – Business combinations.

The following table reports the calculation of goodwill for the OGK-5 acquisition.

ACQUISITION OF OGK-5

Millions of euro	
Property, plant and equipment	1,842
Intangible assets	2
Trade receivables and inventories	150
Cash and cash equivalents	3
Other current and non-current assets	139
Total assets	2,136
Trade payables	31
Long- and short-term debt	135
Sundry and minor provisions	736
Other current and non-current liabilities	286
Total liabilities	1,188
Total net assets acquired	948
Goodwill	1,516
Value of the transaction ⁽¹⁾	2,464
CASH FLOW IMPACT ⁽²⁾	818

(1) Including incidental expenses.

(2) Does not include acquisitions of shares in 2007 or cash and cash equivalents at the date control was acquired.

In view of the period of consolidation of OGK-5, the company did not contribute materially to the operating income of the Group for the 1st Half of 2008.

The following table reports the calculation of goodwill for the Electrica Muntenia Sud acquisition. 103

ACQUISITION OF ELECTRICA MUNTENIA SUD

Millions of euro	
Property, plant and equipment	367
Intangible assets	1
Cash and cash equivalents	493
Other current and non-current assets	81
Total assets	942
Trade payables	46
Long and short-term debt	4
Sundry and minor provisions	122
Other current and non-current liabilities	169
Total liabilities	341
Total net assets acquired	601
Goodwill	620
Value of the transaction ⁽¹⁾	1,221
CASH FLOW IMPACT ⁽²⁾	827

(1) Including incidental expenses.

(2) Does not include cash and cash equivalents at the date control was acquired.

The contribution of Electrica Muntenia Sud, consolidated as from June 4, 2008, to Group operating income in the 1st Half of 2008 was €3 million.

The following table reports the main aggregates concerning other acquisitions in the 1st Half of the year, including Marcinelle Energie, International Wind Parks of Crete and Hydro Constructional.

OTHER ACQUISITIONS

Millions of euro	
Property, plant and equipment	19
Intangible assets	4
Cash and cash equivalents	3
Total assets	26
Trade payables	2
Other current and non-current liabilities	2
Total liabilities	4
Total net assets acquired	22
Goodwill	92
Value of the transaction ⁽¹⁾	114
CASH FLOW IMPACT ⁽²⁾	45

(1) Including incidental expenses.

(2) Does not include cash and cash equivalents at the date control was acquired.

The following table reports the main aggregates for the Endesa acquisition following the provisional allocation of the difference between the cost of the investment and the net assets acquired, adjusted to take account of the determination of the fair value of the assets of Endesa Europa, whose price in the sale to E.On is considered representative of their current value at the date Endesa was acquired.

ACQUISITION OF ENDESA

Millions of euro	
Property, plant and equipment	19,983
Intangible assets	335
Trade receivables and inventories	2,780
Cash and cash equivalents	544
Net assets held for sale	7,023
Other current and non-current assets	6,291
Total assets	36,956
Trade payables	2,096
Long- and short-term debt	14,125
Sundry and other provisions	6,310
Other current and non-current liabilities	5,106
Total liabilities	27,637
Total net assets acquired	9,319
Goodwill	20,308
Value of the transaction ⁽¹⁾	29,627

(1) Including incidental expenses.

Note that as regards the acquisition of SeverEnergia in the 1st Half of 2007, the definitive allocation of the cost of the transaction to the assets acquired and the liabilities assumed was completed after the preparation of the consolidated half-year report at June 30, 2007. Had the allocation of the price paid for the acquisition been finalized at June 30, 2007, the revenues and consolidated net income of the Group for the 1st Half of 2007 would not have changed.

4. Segment information

The results presented in this report reflect the organizational structure in place since December 2007, which, in addition to the "Sales", "Generation and Energy Management", "Infrastructure and Networks" and "International" Divisions, includes two new Divisions: "Iberia and Latin America" and "Engineering and Innovation". Each of these Divisions, together with the "Parent Company" and the "Services and Other Activities" areas, was considered by management in assessing Group performance.

For the purposes of providing comparable figures, the data related to the corresponding periods of 2007 have been reallocated to the Divisions on the basis of the new organizational arrangements. For this reason, with respect to the information reported at June 30, 2007 and December 31, 2007, the figures for the new Engineering and Innovation Division have been drawn from the results of the Domestic Generation and Energy Management Division, while the figures for the new Iberia and Latin America Division have been taken from those of the International Division.

Results by Division for the 1st Half of 2008 and 2007

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1ST HALF OF 2008 ⁽¹⁾

Millions of euro	Sales	GEM	Eng. & Innov.	Infra. & Net.	Iberia & Latin America	Int'l Company	Parent and Other	Services and Activities	Eliminations and adjustments	Total
Revenues from third parties	11,060	6,900	-	862	8,355	1,898	185	66	(10)	29,316
Revenues from other segments	79	3,965	540	2,440	6	122	152	488	(7,792)	-
Total revenues	11,139	10,865	540	3,302	8,361	2,020	337	554	(7,802)	29,316
Net income/(charges) from commodity risk management	167	(54)	-	-	17	(54)	-	-	-	76
Gross operating margin	291	2,021	5	2,008	2,436	580	(21)	81	4	7,405
Depreciation, amortization and impairment losses	142	438	1	469	799	225	3	43	-	2,120
Operating income	149	1,583	4	1,539	1,637	355	(24)	38	4	5,285
Net financial income/(expense) and income/(expense) from equity investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	(1,419)
Income taxes	-	-	-	-	-	-	-	-	-	819
Net income from continuing operations	-	-	-	-	-	-	-	-	-	3,047
Net income from discontinued operations	-	-	-	-	-	-	-	-	-	226
Net income (Group and minority interests)	-	-	-	-	-	-	-	-	-	3,273
Operating assets	8,332	17,483	271	19,704	50,143 ⁽²⁾	13,967	1,395	2,458	(5,554)	108,199
Operating liabilities	5,579	4,056	336	5,901	9,828 ⁽³⁾	4,494	1,231	1,389	(4,286)	28,528
Capital expenditure	22	527	-	672	949	390	5	28	-	2,593

1ST HALF OF 2007 ⁽¹⁾

Millions of euro	Sales	GEM	Eng. & Innov.	Infra. & Net.	Iberia & Latin America	Int'l Company	Parent and Other	Services and Activities	Eliminations and adjustments	Total
Revenues from third parties	10,598	5,509	-	335	611	1,412	333	87	(28)	18,857
Revenues from other segments	22	2,201	381	2,406	3	30	116	459	(5,618)	-
Total revenues	10,620	7,710	381	2,741	614	1,442	449	546	(5,646)	18,857
Net income/(charges) from commodity risk management	(81)	70	-	-	3	(22)	-	-	-	(30)
Gross operating margin	115	1,905	4	1,782	185	444	(65)	97	(5)	4,462
Depreciation, amortization and impairment losses	138	464	1	420	58	198	8	41	-	1,328
Operating income	(23)	1,441	3	1,362	127	246	(73)	56	(5)	3,134
Net financial income/(expense) and income/(expense) from equity investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	88
Income taxes	-	-	-	-	-	-	-	-	-	1,174
Net income (Group and minority interests)	-	-	-	-	-	-	-	-	-	2,048
Operating assets ⁽⁴⁾	8,269	17,835	120	17,611	59,113 ⁽²⁾	8,385	1,228	1,609	(3,929)	110,241
Operating liabilities ⁽⁴⁾	6,138	4,807	307	4,319	9,897 ⁽³⁾	3,712	1,221	1,354	(3,083)	28,672
Capital expenditure	17	489	-	665	170	143	11	25	-	1,520

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

(2) Of which €1,417 million at June 30, 2008 (€8,792 million at December 31, 2007) regarding units classified as "Held for sale".

(3) Of which €288 million at June 30, 2008 (€2,147 million at December 31, 2007) regarding units classified as "Held for sale".

(4) At December 31, 2007.

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

Millions of euro

	at June 30, 2008	at Dec. 31, 2007
Total assets	127,064	123,748
Financial assets, cash and cash equivalents	13,250	8,234
Tax assets	5,615	5,273
Segment assets	108,199	110,241
- of which:		
Sales	8,332	8,269
Generation and Energy Management	17,483	17,835
Engineering and Innovation	271	120
Infrastructure and Networks	19,704	17,611
Iberia and Latin America ⁽¹⁾	50,143	59,113
International	13,967	8,385
Parent Company	1,395	1,228
Services and Other Activities	2,458	1,609
Eliminations and adjustments	(5,554)	(3,929)
Total liabilities	101,975	99,959
Loans and financial liabilities	66,080	65,299
Tax liabilities	7,367	5,988
Segment liabilities	28,528	28,672
- of which:		
Sales	5,579	6,138
Generation and Energy Management	4,056	4,807
Engineering and Innovation	336	307
Infrastructure and Networks	5,901	4,319
Iberia and Latin America ⁽²⁾	9,828	9,897
International	4,494	3,712
Parent Company	1,231	1,221
Services and Other Activities	1,389	1,354
Eliminations and adjustments	(4,286)	(3,083)

(1) Of which €1,417 million at June 30, 2008 (€8,792 million at December 31, 2007) regarding units classified as "Held for sale".

(2) Of which €288 million at June 30, 2008 (€2,147 million at December 31, 2007) regarding units classified as "Held for sale".

Information on the Consolidated Income Statement

Revenues

5.a Revenues from sales and services – €28,716 million

Millions of euro	1st Half		
	2008	2007	Change
Revenues from the sale and transport of electricity and contributions from Electricity Equalization Fund and similar bodies	25,877	16,940	8,937
Revenues from the sale and transport of natural gas to end users	1,707	993	714
Revenues from fuel sales	241	112	129
Connection fees for the electricity and gas networks	347	317	30
Revenues for contract work in progress	8	5	3
Other sales and services	536	190	346
Total	28,716	18,557	10,159

“Revenues from the sale and transport of electricity and contributions from Electricity Equalization Fund and similar bodies” primarily include €6,590 million in revenues from the transport and sale of electricity on the domestic regulated market (€6,546 million in the 1st Half of 2007), €5,472 million in revenues from the sale of electricity on the Power Exchange and to other domestic resellers (€4,588 million in the 1st Half of 2007), €3,347 million in revenues from the transport and sale of electricity on the free market (€2,696 million in the 1st Half of 2007), and €9,964 million in revenues from the sale of electricity abroad (€3,095 million in the 1st Half of 2007) of which €5,936 million relate to Endesa.

“Revenues from the sale and transport of natural gas to end users” came to €1,707 in the 1st Half of 2008 and include €1,168 million in revenues from the sale of natural gas in Italy (€841 million in the 1st Half of 2007) and €136 million in revenues from the transport of natural gas in Italy (€147 million in the 1st Half of 2007), in addition to sales of natural gas abroad amounting to €402 million (€5 million in the 1st Half of 2007).

“Revenues from fuel sales” came to €241 million, and include in the 1st Half of 2008 €183 million for the sale of natural gas (€110 million in the 1st Half of 2007) and €58 million for the sale of other fuels (€2 million in the 1st Half of 2007).

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

Millions of euro	1st Half	
	2008	2007
Italy	17,370	15,414
Europe	8,238	2,916
Americas	2,978	143
Middle East	10	5
Other	120	79
Total	28,716	18,557

5.b Other revenues – €600 million

Millions of euro	1st Half		
	2008	2007	Change
Reimbursement of stranded costs for Nigerian gas	75	77	(2)
Grants	91	43	48
Sundry reimbursements	64	45	19
Gains on sale of property, plant and equipment and intangible assets	19	24	(5)
Other revenues	351	111	240
Total	600	300	300

Costs

6.a Raw materials and consumables – €16,930 million

Millions of euro	1st Half		
	2008	2007	Change
Electricity	11,890	8,606	3,284
Fuel and gas	4,696	2,263	2,433
Materials	344	275	69
Total	16,930	11,144	5,786
- of which capitalized	257	254	3

"Electricity" purchases include €3,943 million in purchases from the Single Buyer (€4,397 million in the 1st Half of 2007), €3,056 million in purchases from the Electricity Market Operator (€1,483 million in the 1st Half of 2007), and purchases abroad of €2,705 million (€687 million in the 1st Half of 2007). Purchases of "Fuel and gas" include €2,480 million in natural gas purchases and €2,134 million in the purchase of other fuels.

6.b Services – €2,743 million

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Millions of euro	1st Half		
	2008	2007	Change
Electricity and gas wheeling	1,148	980	168
Maintenance and repairs	349	207	142
Telephone and postal	154	135	19
Communication services	75	33	42
Leases and rentals	247	236	11
Other	770	450	320
Total	2,743	2,041	702

The item includes €806 million attributable to the change in the scope of consolidation between the two periods.

6.c Personnel – €1,933 million

Millions of euro	1st Half		
	2008	2007	Change
Wages and salaries	1,413	1,017	396
Social security contributions	357	328	29
Termination benefits	52	81	(29)
Other costs	111	58	53
Total	1,933	1,484	449
- of which capitalized	322	245	77

“Wages and salaries” include €410 million attributable to the change in the scope of consolidation between the two periods.

6.d Depreciation, amortization and impairment losses – €2,120 million

Millions of euro	1st Half		
	2008	2007	Change
Depreciation	1,653	1,109	544
Amortization	126	92	34
Impairment losses	341	127	214
Total	2,120	1,328	792

“Depreciation” pertained to the acquisitions carried out during the 2nd Half of 2007 and the 1st Half of 2008 totaling €531 million.

“Impairment losses” in the 1st Half of 2008 include €168 million relating to the adjustment of the market value (as calculated in March 2008 by the investment banks engaged for the purpose) of the Viesgo Group assets sold to E.On and €162 million in writedowns of trade receivables (of which €128 million in respect of trade receivables for the sale of electricity and gas in Italy).

6.e Other operating expenses – €960 million

Millions of euro	1st Half		
	2008	2007	Change
Provisions for risks and charges	44	7	37
Purchase of green certificates	3	38	(35)
Charges for CO ₂ emissions	54	(1)	55
Taxes and duties	175	81	94
Losses on disposal of assets	109	-	109
Other	575	70	505
Total	960	195	765

“Charges for CO₂ emissions” largely regard purchases of allowances made during the period to cover the allowance deficit resulting from emissions produced during the year and allowances granted under the respective national allocation plans.

“Losses on disposal of assets” relate entirely to the loss from the sale of the assets of Enel Viesgo Generación, Enel Viesgo Servicios, Electra de Viesgo Distribución and their subsidiaries to E.On.

6.f Capitalized costs – €(579) million

This item includes €322 million in personnel costs and €257 million in materials costs (€245 million and €254 million, respectively, in the 1st Half of 2007).

Net income/(charges) from commodity risk management 111

7. Net income/(charges) from commodity risk management – €76 million

Net income from commodity risk management reflects €125 million in net income realized on positions closed during the period and €49 million in net unrealized charges on open positions in commodity derivatives at June 30, 2008.

Millions of euro	1st Half		
	2008	2007	Change
Income			
Unrealized on contracts for differences	-	2	(2)
Unrealized on other contracts	792	46	746
Total unrealized income	792	48	744
Realized on other contracts	197	24	173
Total realized income	197	24	173
Total income	989	72	917
Charges			
Unrealized on other contracts	(841)	(50)	(791)
Total unrealized charges	(841)	(50)	(791)
Realized on contracts for differences	(22)	(2)	(20)
Realized on other contracts	(50)	(50)	-
Total realized charges	(72)	(52)	(20)
Total charges	(913)	(102)	(811)
NET INCOME/(CHARGES) FROM COMMODITY RISK MANAGEMENT	76	(30)	106
- of which trading/non IFRS-IAS hedge derivatives	99	(51)	150
- of which ineffective portion of CFH	-	-	-

8. Financial income/(expense) – €(1,446) million

Financial expense came to €1,446 million and reflects financial expense of €2,607 million and financial income of €1,161 million.

Millions of euro	1st Half		
	2008	2007	Change
Interest and other income from financial assets (current and non-current):			
- interest income at effective rate on non-current securities and receivables	40	27	13
- financial income on non-current securities at fair value through profit or loss	-	1	(1)
- interest income at effective rate on short-term financial investments	48	57	(9)
Total interest and other income from financial assets	88	85	3
Foreign exchange gains	529	52	477
Income from derivative instruments:			
- income from cash flow hedge derivatives	57	15	42
- income from derivatives at fair value through profit or loss	296	314	(18)
- income from fair value hedge derivatives	1	-	1
Total income from derivative instruments	354	329	25
Income from equity investments:			
- dividends	16	330	(314)
- other income from equity investments	3	-	3
Total income from equity investments	19	330	(311)
Other income:			
- income from fair value hedges (adjustment of hedged item)	38	-	38
- other interest and income	133	43	90
Total other income	171	43	128
TOTAL FINANCIAL INCOME	1,161	839	322

Financial income totaled €1,161 million, an increase of €322 million over the 1st Half of 2007. Specifically, financial income linked to exchange rate differences came to €529 million, an increase of €477 million thanks to the further substantial appreciation of the euro against the other main currencies in 2007 that continued during the 1st Half of 2008.

Income from equity investments amounted to €19 million, down €311 million from the 1st Half of 2007, which included €301 million in dividends distributed by Endesa before the initial consolidation of the company.

Millions of euro	1st Half		
	2008	2007	Change
Interest expense and other charges on financial debt (current and non-current):			
- interest expense on bank loans	614	150	464
- interest expense on bonds	908	196	712
- interest expense on other loans	117	64	53
- other charges on financial debt	3	14	(11)
Total interest expense and other charges on financial debt	1,642	424	1,218
Foreign exchange losses	163	27	136
Expense on derivative instruments:			
- expense on cash flow hedge derivatives	360	38	322
- expense on derivatives at fair value through profit or loss	119	68	51
- expense on fair value hedge derivatives	52	-	52
Total expense on derivative instruments	531	106	425
Accretion of post-employment and other employee benefits	64	53	11
Accretion of other provisions	129	62	67
Charges on equity investments	1	-	1
Other charges	77	80	(3)
TOTAL FINANCIAL EXPENSE	2,607	752	1,855

Financial expense totaled €2,607 million, an increase of €1,855 million on the 1st Half of 2007.

The increase is essentially attributable to the €1,218 million increase in interest expense and other charges on financial debt, reflecting the increase in average debt mainly as a result of the Endesa acquisition and consolidation of its debt.

9. Share of income/(expense) from equity investments accounted for using the equity method – €27 million

Millions of euro	1st Half		
	2008	2007	Change
Income from associates	27	4	23
Expense on associates	-	(3)	3
Total	27	1	26

Income from equity investments accounted for using the equity method reflects, among other things, the positive contribution from OGK-5 (€14 million up until May 28, 2008) and LaGeo (€4 million).

10. Income taxes – €819 million

Millions of euro	1st Half		
	2008	2007	Change
Current taxes	1,458	964	494
Specific tax on gains from realignment	632	-	632
Adjustments for income taxes related to prior years	(14)	(23)	9
Deferred tax liabilities	(430)	91	(521)
Deferred tax assets	(827)	142	(969)
Total	819	1,174	(355)

The tax liability amounted to €819 million, equal to 21.2% of taxable income, compared with 36.4% in the 1st Half of 2007. This reduction in the rate reflects the application of the changes introduced by Law 244/07, which allowed the Group to pay a specific tax to realign the differences between the statutory and tax values of property, plant and equipment of Enel Produzione generated by off-ledger deductions and the application of Decree Law 112/08 which increased the corporate income tax rate (IRES) for companies operating in the energy and hydrocarbon sector. The overall effect on taxes in the 1st Half of 2008 of these new regulatory provisions was a positive €555 million, which was the net result of €806 million in respect of the positive impact of the application of the option envisaged in Law 244/07 less €251 million in respect of the negative impact of the application of Decree Law 112/08.

Income taxes of the foreign companies came to an estimated €502 million (€78 million in the 1st Half of 2007).

11. Income from discontinued operations – €226 million

The item comprises the income, net of the related tax effect and up until their sale, attributable to the assets and liabilities held directly or indirectly by Endesa in Italy, France, Poland and Turkey, as well as a number of other assets in Spain included in the disposals agreed by Enel and Acciona with E.On, as these assets have been acquired solely for the purpose of their resale.

Information on the Consolidated Balance Sheet

Assets

Non-current assets

12. Property, plant and equipment – €58,738 million

The breakdown of property, plant and equipment at June 30, 2008 is as follows:

Millions of euro			
	at June 30, 2008	at Dec. 31, 2007	Change
Land	514	507	7
Buildings	5,235	4,379	856
Plants and machinery	35,972	34,694	1,278
Industrial and commercial equipment	9,115	8,802	313
Mineral assets	125	125	-
Other assets	376	382	(6)
Leased assets	310	315	(5)
Leasehold improvements	53	58	(5)
Assets under construction and advances	7,038	6,172	866
Total	58,738	55,434	3,304

In addition to amortization of €1,612 million, the change during the period relates mainly to capital expenditure (€2,457 million) and the change in the scope of consolidation (totaling €2,228 million).

The change in the scope of consolidation is the result of the following transactions:

- > acquisition of OGK-5 (up €1,842 million);
- > acquisition of Electrica Muntenia Sud (up €367 million);
- > acquisition of International Wind Parks of Crete and Hydro Constructional (up €17 million in total);
- > acquisition of Marcinelle Energie (up €2 million).

Capital expenditure in the 1st Half of 2008 came to €2,457 million, an increase of €1,035 million over the 1st Half of 2007, mainly as a result of the change in the scope of consolidation and increased expenditure largely on generation plants.

The table below summarizes capital expenditure in the 1st Half of 2008 by category:

Millions of euro	1st Half	
	2008	2007
Power plants:		
- thermal	793	498
- hydroelectric	74	82
- geothermal	87	40
- nuclear	79	24
- alternative energy resources	227	71
Total power plants	1,260	715
Electricity distribution network	941	600
Gas distribution network	45	36
Lands and buildings, equipment and other assets	211	71
TOTAL ⁽¹⁾	2,457	1,422

(1) Does not include €613 million of capital investment made in the 1st Half of 2008 in respect of assets classified as "Held for sale".

Capital expenditure on power plants totaled €1,260 million, an increase of €545 million over the prior period. Apart from the effects of Endesa's inclusion in the scope of consolidation, expenditure was mainly concentrated on projects for transforming thermal plants (including Torrevadalia Nord) and on refurbishing and repowering projects for security and environmental purposes.

Investments in the electricity distribution network amounted to €941 million, an increase of €341 on the 1st Half of 2007, mainly attributable to the change in the scope of consolidation.

13. Intangible assets – €26,250 million

The breakdown of intangible assets at June 30, 2008 was as follows:

Millions of euro	at June 30, 2008		Change
	at June 30, 2008	at Dec. 31, 2007	
Development costs	34	34	-
Industrial patents and intellectual property rights	319	315	4
Concessions, licenses, trademarks and similar rights	387	330	57
Mineral assets	724	724	-
Other assets	249	224	25
Assets under development and advances	246	276	(30)
Goodwill	24,291	26,274	(1,983)
Total	26,250	28,177	(1,927)

"Goodwill" came to €24,291 million at June 30, 2008, a decrease of €1,983 million for the period. This change is mainly attributable to the €4,256 million reduction in Endesa's provisional goodwill, recognized following the determination of the fair value of the assets relating to Endesa Europa sold to E.On, partially offset by the provisional recognition of the goodwill related to the acquisitions of OGK-5 (€1,516 million), Electrica Muntenia Sud (€615 million at the acquisition date) and Marcinelle Energie (€63 million).

Other changes essentially regard adjustments at period-end exchange rates.

Millions of euro

	at June 30, 2008	at Dec. 31, 2007	Change
Endesa	20,202	24,458	(4,256)
OGK-5	1,516	-	1,516
Slovenské elektrárne	695	625	70
Enel Energia	579	579	-
Electrica Muntenia Sud	615	-	615
Inelec	93	100	(7)
Enel Unión Fenosa Renovables	87	85	2
Enel North America	72	77	(5)
Marcinelle Energie	63	-	63
International Windpower, Wind Parks of Thrace, International Wind Parks of Thrace, International Wind Parks of Crete and Hydro Constructional	57	42	15
Enel Latin America	55	59	(4)
RusEnergoSbyt	49	50	(1)
Enel Fortuna	46	49	(3)
SeverEnergia	44	44	-
Enel Panama	39	41	(2)
Enel Erelis	28	14	14
Nuove Energie	26	26	-
Enel Maritza East 3	13	13	-
Wisco	5	5	-
Enel Rete Gas	4	4	-
Enel Operation Bulgaria	2	2	-
Blue Line	1	1	-
Total	24,291	26,274	(1,983)

As to the estimated recoverable value of goodwill recognized definitively in the consolidated financial statements at December 31, 2007, the Group did not perform an impairment test of the value in the absence of any new indications that there has been a decline.

14. Deferred tax assets – €4,303 million

Below is a breakdown of the changes in “Deferred tax assets” by type of timing difference and calculated based on the tax rates established by applicable regulations.

Millions of euro

	at June 30, 2008	at Dec. 31, 2007	Change
Nature of the temporary difference:			
- impairment of property, plant and equipment and intangible assets	163	177	(14)
- accruals to provisions for risks and charges and impairment losses with deferred deductibility	2,036	1,970	66
- tax losses carried forward	152	169	(17)
- measurement of financial instruments	649	43	606
- other items	1,303	1,080	223
Total	4,303	3,439	864

Deferred tax assets at June 30, 2008 amounted to €4,303 million, an increase of €864 million compared with December 31, 2007.

The change is attributable largely to the recognition in the Income Statement of the tax for the period, referring mainly to the "Measurement of financial instruments". The raising of the rate of income tax for Italian companies subject to the additional IRES (corporate income tax) contained in the relevant tax legislation accounts for €72 million of the change in the Income Statement. It should also be noted that no deferred tax assets were recorded in relation to the prior tax losses in the amount of €849 million, mainly attributable to the holding companies located in the Netherlands and Luxembourg (€775 million), because the tax laws in force in the countries in question do not treat the expected income (dividends) of the companies as taxable.

15. Equity investments accounted for using the equity method – €268 million

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

Millions of euro	% holding		Acquisitions/ Disposals	Capital increases	Income effect	Other changes	% holding	
	at Dec. 31, 2007						at June 30, 2008	
OGK-5	1,652	37.15%	-	-	14	(1,666)	-	-
LaGeo	67	28.40%	-	14	4	-	85	36.20%
Other	253	-	(3)	-	9	(76)	183	-
Total	1,972	-	(3)	14	27	(1,742)	268	-

The change during the period in "Equity investments accounted for using the equity method" primarily reflects the full consolidation of OGK-5 (a decrease of €1,666 million) due to the completion of the process of reorganizing the company's governance resulting in full control by Enel. This decrease is partially offset by the increase in the stake in LaGeo (up €18 million) from 28.40% to 36.20% through the contribution of goods and services.

16. Non-current financial assets – €2,319 million

Millions of euro			
	at June 30, 2008	at Dec. 31, 2007	Change
Equity investments in other companies	507	531	(24)
Other securities designated at fair value through profit or loss	58	115	(57)
Advances for acquisition of equity investments	89	87	2
Other receivables:			
- financial receivables due from other entities	882	920	(38)
- derivative contracts	447	248	199
- other items	336	311	25
Total other receivables	1,665	1,479	186
TOTAL	2,319	2,212	107

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

Millions of euro	% holding		% holding		
	at June 30, 2008		at Dec. 31, 2007		Change
Terna	276	5.12%	281	5.12%	(5)
Red Electrica de España	38	1.00%	39	1.00%	(1)
Echelon	21	7.36%	42	7.36%	(21)
Tri Alpha Energy	7	4.96%	7	4.96%	-
Other companies	165	-	162	-	3
Total	507		531		(24)

"Other securities designated at fair value through profit or loss" are financial investments in asset management funds.

"Advances for acquisitions of equity investments" refer to advance payments or deposits made for the acquisition of several wind projects in Greece (€49 million) and for Electrica Muntenia Sud (€40 million). The latter figure will be reviewed as part of the adjustment of the acquisition price, which currently cannot be reasonably determined, expected in the 2nd Half of 2008.

The table below reports the carrying amount and the fair value of long-term financial receivables (€1,270 million), including the portion due within twelve months (€936 million included under other short-term financial receivables).

Millions of euro	Carrying amount	Fair value	Carrying amount	Fair value
	at June 30, 2008		at Dec. 31, 2007	
Long-term financial receivables and securities	2,206	2,206	2,741	2,741
Total	2,206	2,206	2,741	2,741

The following table shows the notional values and the fair values of derivative contracts classified under non-current financial assets.

Millions of euro	Notional value		Fair value		Change
	at June 30, 2008	at Dec. 31, 2007	at June 30, 2008	at Dec. 31, 2007	
Cash flow hedge derivatives:					
- interest rates	7,990	6,897	251	146	105
- exchange rates	1,960	1,751	54	96	(42)
- commodities	501	-	140	-	140
Total	10,451	8,648	445	242	203
Fair value hedge derivatives:					
- interest rates	78	204	2	6	(4)
Total	78	204	2	6	(4)
TOTAL	10,529	8,852	447	248	199

The increase in the fair value of derivatives on interest is mostly the result of rising interest rates in the 1st Half of 2008, especially in the medium-term (1 to 6 years) section of the yield curve (specifically, the 2-year euro swap rate was 5.37% at the end of the period, as against 4.54% at the end of 2007, while the 5-year euro swap rate was 5.14% at the end of the period, as against 4.55% at the end of 2007).

The fair value of derivatives on commodities refers to the fair value of €140 million in swaps on oil commodities.

17. Other non-current assets – €2,347 million

Millions of euro

	at June 30, 2008	at Dec. 31, 2007	Change
Receivables from Electricity Equalization Fund and similar bodies	1,426	1,356	70
Receivable from State Decommissioning Fund	395	325	70
Other long-term receivables:			
- loans to employees	69	74	(5)
- net assets of personnel programs	86	82	4
- other receivables	371	231	140
Total other long-term receivables	526	387	139
TOTAL	2,347	2,068	279

The change in "Receivables from Electricity Equalization Fund and similar bodies" essentially refers to the increase in long-term receivables in respect of the reimbursement of increased costs incurred by Endesa for generation in extra-peninsular areas (the Balearic and Canary Islands) equal to €1,174 million at June 30, 2008 (€1,110 million at December 31, 2007).

Current assets

18. Inventories – €2,248 million

Millions of euro

	at June 30, 2008	at Dec. 31, 2007	Change
Raw materials, consumables and supplies:			
- fuel	1,514	1,232	282
- materials, equipment and other inventories	630	387	243
Total	2,144	1,619	525
Buildings available for sale	99	106	(7)
Advances	5	1	4
TOTAL	2,248	1,726	522

Raw materials, consumables and supplies consist of fuel inventories to cover the requirements of the generation companies and trading activities, as well as materials and equipment for plant operation, maintenance and construction. The increase in fuels is largely attributable to the increase in stores and in the valuation of these stores at the highest weighted average prices.

The buildings available for sale are related to remaining units from the Group's real estate portfolio and are primarily civil buildings. The decrease reflects sales made during the period.

19. Trade receivables – €12,889 million

Millions of euro

	at June 30, 2008	at Dec. 31, 2007	Change
Customers:			
- sale and transport of electricity	10,285	10,102	183
- distribution and sale of natural gas	1,676	1,087	589
- other activities	836	351	485
Total	12,797	11,540	1,257
Trade receivables due from associates	1	30	(29)
Receivables for contract work in progress	91	6	85
TOTAL	12,889	11,576	1,313

Trade receivables from customers are recognized net of allowances for doubtful accounts, which at the end of the period came to €553 million, compared with an opening balance of €396 million. The table below shows the changes in these allowances during the period.

Millions of euro

Balance at January 1, 2008	396
Accruals	163
Utilization	(24)
Exchange rate differences	18
Total at June 30, 2008	553

20. Tax receivables – €1,305 million

Tax receivables at June 30, 2008 amounted to €1,305 million (€1,146 million at December 31, 2007) and are mainly made up of indirect tax credits of €389 million (€306 million at December 31, 2007), income tax credits of €345 million (€296 million at December 31, 2007) and credits of €403 million for other taxes and tax surcharges (€288 million at December 31, 2007).

21. Current financial assets – €3,241 million

Millions of euro

	at June 30, 2008	at Dec. 31, 2007	Change
Receivables for factoring advances	253	205	48
Derivative contracts	1,724	463	1,261
Other securities	87	101	(14)
Short-term portion of long-term financial receivables	936	1,402	(466)
Other	241	243	(2)
Total	3,241	2,414	827

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

Millions of euro	Notional value		Fair value		
	at June 30, 2008	at Dec. 31, 2007	at June 30, 2008	at Dec. 31, 2007	Change
Cash flow hedge derivatives:					
- interest rates	303	153	3	-	3
- exchange rates	507	37	26	3	23
- commodities	1,288	676	309	43	266
Total	2,098	866	338	46	292
Fair value hedge derivatives:					
- interest rates	105	121	1	-	1
Total	105	121	1	-	1
Trading derivatives:					
- interest rates	1,695	1,249	27	13	14
- exchange rates	1,183	1,974	31	68	(37)
- commodities	3,198	2,022	1,327	336	991
Total	6,076	5,245	1,385	417	968
TOTAL	8,279	6,232	1,724	463	1,261

Commodity derivatives include:

- > commodity derivatives on fuels with a fair value of €256 million;
- > trading in oil, energy and other commodities with a fair value of €1,327 million;
- > embedded derivatives related to an energy sale contract in Slovakia with a fair value of €53 million.

The "Short-term portion of long-term financial receivables" essentially includes the portion of the financial receivable relating to the deficit of the Spanish electrical system that Endesa had financed in the amount of €932 million (€436 million at December 31, 2007). The change during the period also reflects the receipt of the residual receivable of €962 million arising from the sale of 26.1% of Weather Investments in 2006.

22. Cash and cash equivalents – €7,275 million

Cash and cash equivalents are not restricted by any encumbrances, apart from €86 million primarily in respect of deposits pledged to secure transactions undertaken in America.

23. Other current assets – €4,364 million

Millions of euro			
	at June 30, 2008	at Dec. 31, 2007	Change
Receivables due from Electricity Equalization Fund and similar bodies	2,411	2,281	130
Receivables due from employees	42	38	4
Receivables due from others	1,661	1,646	15
Accrued operating income and prepaid expenses	250	115	135
Total	4,364	4,080	284

24. Assets held for sale – €1,482 million

This item at June 30, 2008 includes the assets in respect of renewable energy operations held by Endesa, which will be transferred to Acciona Energia, in which Endesa will hold a 49% stake following the transfer. At December 31, 2007, the item also included the assets sold to E.On. on June 26, 2008, comprising the assets held directly or indirectly by Endesa in Italy, France, Poland and Turkey, as well as a number of other operations in Spain and the assets in respect of Enel's equity investments in Enel Viesgo Generación, Enel Viesgo Servicios and Electra de Viesgo Distribución and the equity investments held by them.

Liabilities and shareholders' equity

Shareholders' equity

25. Equity attributable to the shareholders of the Parent Company – €20,702 million

In the 1st Half of 2008, 1,359,880 options granted under the stock option plans of 2003 and 2004 were exercised. The exercise of the options generated an increase of €9 million in shareholders' equity through an increase in capital of €2 million and in the share premium reserve of €7 million.

Share capital – €6,186 million

Share capital at June 30, 2008, consisted of 6,185,727,733 ordinary shares with a par value of €1.00 each (6,184,367,853 shares at December 31, 2007). Based on the shareholders' register and other available information, no shareholders held more than 2% of the total share capital, apart from the Ministry for the Economy and Finance, which holds 21.1%, its subsidiary Cassa Depositi e Prestiti, which holds 10.1%, and Barclays Plc, which holds 2.7%.

Other reserves – €4,777 million

Share premium reserve – €658 million

The change for the period reflects the exercise of stock options by beneficiaries.

Legal reserve – €1,453 million

Other reserves – €2,241 million

These include €2,215 million related to the remaining portion of the value adjustments carried out when Enel was transformed from a public entity to a joint-stock company.

Pursuant to Article 47 of the Uniform Tax Code (Testo Unico Imposte sul Reddito), this shall not be considered taxable income if distributed.

Foreign currency translation reserve – €(259) million

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

Reserve from measurement of financial instruments – €684 million

The reserve encompasses net gains derived from cash flow hedges recognized directly in equity as well as unrealized gains from the fair value measurement of financial assets.

The table below shows the changes in gains and losses recognized directly in equity, including minority interests, net of the related tax effects.

Millions of euro			Gains/(Losses) recognized in equity for the period	Released to income statement	Change in scope of consolidation	
	at Dec. 31, 2007					at June 30, 2008
		of which held for sale				
Reserve for fair value measurement of cash flow hedging, effective portion	272	4	94	160	(4)	522
Reserve for fair value measurement of financial investments held for sale	233	31	(29)	-	(29)	175
Reserve for foreign exchange differences	(108)	1	(319)	-	-	(427)
Total gains/(losses) recognized in equity	397	36	(254)	160	(33)	270

Net deferred tax liabilities calculated on the balance at June 30, 2008 are negative in the amount of €195 million (compared with a net negative balance of €94 million at December 31, 2007). The €101 million change for the period is the result of €28 million in net deferred tax liabilities related to changes in the fair value recognized directly in equity, and €87 million in net deferred tax liabilities related to changes in reserves released to the income statement for the period, as well as €14 million related to the positive tax effects connected with the fair value reserves for assets held for sale and sold to E.On.

STATEMENT OF CHANGES IN EQUITY

Millions of euro	Share capital and reserves attributable to the shareholders of the Parent Company						Translation of financial statements in currencies other than euro	Reserve from measurement of financial instruments ⁽¹⁾	Net income for the period	Equity attributable to the shareholders of the Parent Company	Equity attributable to minority interests	Total shareholders' equity
	Share capital	Share premium reserve	Legal reserve	Other reserves	Retained earnings							
at December 31, 2006	6,176	607	1,453	2,245	5,934		81	163	1,801	18,460	565	19,025
Exercise of stock options	7	35	-	(1)	-		-	-	-	41	-	41
Stock option charges	-	-	-	3	-		-	-	-	3	-	3
Change in scope of consolidation	-	-	-	-	-		-	-	-	-	94	94
Allocation of net income from the previous year	-	-	-	-	1,801		-	-	(1,801)	-	-	-
Dividends	-	-	-	-	(1,793)		-	-	-	(1,793)	(5)	(1,798)
Net income for the year recognized in equity	-	-	-	-	-		25	250	-	275	25	300
Net income for the year recognized on income statement	-	-	-	-	-		-	-	1,982	1,982	66	2,048
at June 30, 2007	6,183	642	1,453	2,247	5,942		106	413	1,982	18,968	745	19,713
at December 31, 2007	6,184	651	1,453	2,250	5,942		(82)	493	2,740	19,631	4,158	23,789
Exercise of stock options	2	7	-	-	-		-	-	-	9	-	9
Stock option charges	-	-	-	3	-		-	-	-	3	-	3
Change in scope of consolidation	-	-	-	-	-		-	(33)	-	(33)	158	125
Allocation of net income from the previous year	-	-	-	-	2,740		-	-	(2,740)	-	-	-
Dividends	-	-	-	-	(1,794)		-	-	-	(1,794)	(210)	(2,004)
Put options granted to minority shareholders	-	-	-	(12)	-		-	-	-	(12)	-	(12)
Net income for the year recognized in equity	-	-	-	-	-		(177)	224	-	47	(141)	(94)
Net income for the year recognized in income statement	-	-	-	-	-		-	-	2,851	2,851	422	3,273
at June 30, 2008	6,186	658	1,453	2,241	6,888		(259)	684	2,851	20,702	4,387	25,089

(1) The balance at December 31, 2007 includes €35 million in respect of assets "Held for sale" sold to E.On at the end of June 2008.

Non-current liabilities

26. Long-term loans (including the portion falling due within 12 months) – €54,821 million

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

The following table shows long-term debt and repayment schedules at June 30, 2008, grouped by loan and interest rate type.

Millions of euro	Maturing	Balance	Nominal value	Balance	Current portion	Portion falling due at more than 12 months	Maturing in				
		at June 30, 2008		at Dec. 31, 2007			2nd half of 2009	2010	2011	2012	Beyond
Bonds:											
- listed, fixed rate	2008-2097	14,976	15,096	15,185	2,937	12,039	13	235	1,292	992	9,507
- listed, floating rate	2008-2020	4,350	4,382	4,360	624	3,726	242	167	251	749	2,317
- unlisted, fixed rate	2008-2037	2,534	2,550	2,726	66	2,468	1	-	19	50	2,398
- unlisted, floating rate	2008-2032	2,206	2,206	2,127	23	2,183	321	80	56	58	1,668
Total		24,066	24,234	24,398	3,650	20,416	577	482	1,618	1,849	15,890
Bank loans:											
- fixed rate	2008-2046	267	270	279	64	203	52	42	28	35	46
- floating rate	2008-2028	24,961	25,025	27,491	433	24,528	243	11,930	635	8,700	3,020
- use of revolving credit lines	2010-2012	3,747	3,747	1,034	-	3,747	152	2,311	127	1,157	-
Total		28,975	29,042	28,804	497	28,478	447	14,283	790	9,892	3,066
Preference shares:											
- fixed rate		-	-	-	-	-	-	-	-	-	-
- floating rate	2013	970	1,006	966	-	970	-	-	-	-	970
Total		970	1,006	966	-	970	-	-	-	-	970
Non-bank loans:											
- fixed rate	2008-2029	534	534	576	165	369	74	79	65	41	110
- floating rate	2008-2028	276	276	140	47	229	23	43	37	20	106
Total		810	810	716	212	598	97	122	102	61	216
TOTAL		54,821	55,092	54,884	4,359	50,462	1,121	14,887	2,510	11,802	20,142

The balance for bonds is stated net of €416 million relating to the unlisted floating-rate "Special series of bonds reserved for employees 1994-2019", which the Parent Company holds in portfolio.

LONG-TERM FINANCIAL DEBT BY CURRENCY AND INTEREST RATE

Millions of euro	Balance	Nominal value	Balance	Current average interest rate	Current effective interest rate
	at June 30, 2008		at Dec. 31, 2007	at June 30, 2008	
Euro	46,175	46,387	46,038	4.93%	5.09%
US dollar	4,672	4,697	4,855	6.61%	6.70%
Pound sterling	1,758	1,778	1,898	4.85%	4.93%
Swiss franc	2	2	4	5.35%	5.35%
Japanese yen	171	171	218	2.68%	2.70%
Slovak koruna	3	3	29	4.29%	4.29%
Brazilian real	708	709	758	12.33%	12.33%
Colombian peso	660	660	586	11.70%	11.70%
Russian ruble	135	135	-	7.50%	7.50%
Other currencies	537	550	498	8.35%	8.35%
Total non-euro currencies	8,646	8,705	8,846		
Total	54,821	55,092	54,884		

CHANGE IN THE NOMINAL VALUE OF LONG-TERM DEBT

Millions of euro	Nominal value	Repayments	Change in own bonds	Changes in scope of consolidation	New financing	Exchange rate differences	Other changes	Nominal value
	at Dec. 31, 2007							at June 30, 2008
Bonds	26,553	(321)	40	136	69	(314)	(1,929)	24,234
Bank loans	28,883	(1,617)	-	9	1,765	(7)	9	29,042
Preference shares	1,006	-	-	-	-	-	-	1,006
Non-bank loans	717	(36)	-	-	103	(13)	39	810
Total financial debt	57,159	(1,974)	40	145	1,937	(334)	(1,881)	55,092

Compared with December 31, 2007, the nominal value of long-term debt at June 30, 2008, decreased by a total of €2,067 million, which is the net effect of €1,974 million in repayments and redemptions, €1,937 million in new financing, €145 million arising from changes in the scope of consolidation, €40 million due to changes in own bonds held, €334 million in exchange rate gains, and a negative €1,881 million due to the redefinition of the nominal value, with no change to the carrying amount, of part of Endesa's debt (whose main effects are reflected in the value of the zero-coupon bonds).

The main repayments and redemptions for the period concerned bonds in the amount of €321 million, the repayment of maturing bank loans in the amount of €1,617 million (of which, the primary loans related to the lower drawings on committed lines by Endesa for €1,232 million and to Slovenské elektrárne for €238 million), as well as non-bank loans in the amount of €36 million.

Among the main financing transactions on the 1st Half of 2008, the revolving 5-year credit line of €5 billion (which is renewable for a further two years) granted in November 2005 to Enel SpA was drawn in the amount of €2,100 million at June 30, 2008.

An additional reimbursement of the syndicated line of credit, originally for €35 billion, the nominal value of which was equal to €19,221 million (€11,393 million for the 36-month tranche and €7,828 million for the 60-month tranche) at June 30, 2008, was made on July 3, 2008 in the amount of €527 million, following the disposals discussed earlier, bringing the current nominal value of the credit line to €18,694 million (€10,866 million for the 36-month tranche and €7,828 million for the 60-month tranche).

The main financing contracts entered into in the 1st Half of 2008 include:

- > the renewal in June 2008 of the Global Medium-Term Notes program with the "Comisión Nacional del Mercado de Valores" (CNMV) for €5 billion, with Endesa Capital SA in the role of issuer;
- > the renewal on July 18, 2008 of the Global Medium-Term Notes program for €25 billion, with Enel SpA and Enel Finance International in the role of issuers.

During the first six months of 2008, OGK-5 and Electrica Muntenia Sud were included within the scope of consolidation with long-term financial debt totaling €140 million.

Specifically, among the new long-term debt items consolidated during the period was OGK-5's floating rate bond issued in 2006 for €135 million.

The following table compares the carrying amount and the fair value of long-term debt, including the portion falling due within twelve months, broken down by category. The fair value of financial debt represents the market valuation of how much Enel would have to pay to extinguish the contracts at the balance-sheet date. For instruments traded on regulated markets, the fair value is given by official prices. For instruments not traded on a regulated market the fair value is determined using appropriate valuation models for each category of financial instrument and market data for the closing date of the financial period.

Millions of euro	Carrying amount	Fair value	Carrying amount	Fair value
	at June 30, 2008		at Dec. 31, 2007	
Bonds:				
- fixed rate	17,510	17,623	17,911	18,084
- floating rate	6,556	6,528	6,487	6,463
Total	24,066	24,151	24,398	24,547
Bank loans:				
- fixed rate	267	297	279	355
- floating rate	28,708	28,386	28,525	28,536
Total	28,975	28,683	28,804	28,891
Preference shares:				
- fixed rate	-	-	-	-
- floating rate	970	1,006	966	1,005
Total	970	1,006	966	1,005
Non-bank loans:				
- fixed rate	534	386	576	277
- floating rate	276	236	140	38
Total	810	621	716	315
TOTAL	54,821	54,461	54,884	54,758

The following tables show changes in the long-term loans for the period, distinguishing current from non-current portions.

LONG-TERM LOANS (EXCLUDING CURRENT PORTION)

Millions of euro	Carrying amount		
	at June 30, 2008	at Dec. 31, 2007	Change
Bonds:			
- fixed rate	14,507	16,608	(2,101)
- floating rate	5,909	5,757	152
Total	20,416	22,365	(1,949)
Bank loans:			
- fixed rate	203	225	(22)
- floating rate	28,275	28,118	157
Total	28,478	28,343	135
Preference shares:			
- fixed rate	-	-	-
- floating rate	970	966	4
Total	970	966	4
Non-bank loans:			
- fixed rate	369	398	(29)
- floating rate	229	83	146
Total	598	481	117
TOTAL	50,462	52,155	(1,693)

CURRENT PORTION OF LONG-TERM LOANS

Millions of euro	Carrying amount		
	at June 30, 2008	at Dec. 31, 2007	Change
Bonds:			
- fixed rate	3,003	1,303	1,700
- floating rate	647	730	(83)
Total	3,650	2,033	1,617
Bank loans:			
- fixed rate	64	54	10
- floating rate	433	407	26
Total	497	461	36
Non-bank loans:			
- fixed rate	165	178	(13)
- floating rate	47	57	(10)
Total	212	235	(23)
TOTAL	4,359	2,729	1,630

At June 30, 2008, 65% of net financial debt paid floating interest rates. Taking account of cash flow hedges for interest rate risk considered effective under the provisions of the IFRS-EU, exposure to interest rate risk at June 30, 2008 was 50%.

The Group's main long-term financial debts are governed by covenants containing undertakings by the borrowers (Enel SpA, Endesa and the other Group companies)

and in some cases Enel SpA as guarantor that are commonly adopted in international business practice. The main covenants governing Enel's debt regard the bond issues carried out within the framework of the Global Medium-Term Notes program, the loans granted by the European Investment Bank (EIB), the €5 billion revolving line of credit and the €35 billion syndicated line of credit. To date none of the covenants have been triggered.

The commitments in respect of the bond issues in the Global Medium-Term Notes program can be summarized as follows:

- > negative pledge clauses under which the issuer may not establish or maintain (except under statutory requirement) mortgages, liens or other encumbrances on all or part of its assets to secure any listed bond or bond for which listing is planned unless the same guarantee is extended equally or *pro rata* to the bonds in question;
- > *pari passu* clauses, under which the securities constitute a direct, unconditional and unsecured obligation of the issuer and are issued without preferential rights among them and have at least the same seniority as other present and future bonds of the issuer;
- > specification of default events, whose occurrence (e.g. insolvency, failure to pay principle or interest, initiation of liquidation proceedings, etc.) constitutes a default; under cross-default clauses, the occurrence of a default event in respect of any financial liability (above a threshold level) issued by the issuer or "significant" subsidiaries (i.e. consolidated companies whose gross revenues or total assets are at least 10% of gross consolidated revenues or total consolidated assets) constitutes a default in respect of the liability in question, which becomes immediately repayable;
- > early redemption clauses in the event of new tax requirements, which permit early redemption at par at any time of all outstanding bonds.

The main covenants governing the loans granted by the EIB can be summarized as follows:

- > negative pledge clauses, under which the issuer undertakes not to establish or grant to third parties additional guarantees or privileges with respect to those already established in the individual contracts by the company or subsidiaries of the Enel Group, unless an equivalent guarantee is extended equally or *pro rata* to the loans in question;
- > clauses that require the guarantor (whether Enel SpA or banks acceptable to the EIB) to maintain its rating above a specified grade; in the case of guarantees provided by Enel SpA, the Group's equity may not fall below a specified level;
- > material changes clauses, under which the occurrence of a specified event (mergers, spin-offs, disposal or transfer of business units, changes in company control structure, etc.) gives rise to the consequent adjustment of the contract, without which the loan shall become repayable immediately without payment of any commission;
- > requirements to report periodically to the EIB;
- > requirement for insurance coverage and maintenance of property, possession and use of the works, plant and machinery financed by the loan over the entire term of the agreement;
- > contract termination clauses, under which the occurrence of a specified event (serious inaccuracies in documentation presented in support of the contract, failure to repay at maturity, suspension of payments, insolvency, special administration, disposal of assets to creditors, dissolution, liquidation,

total or partial disposal of assets, declaration of bankruptcy or composition with creditors or receivership, substantial decrease in equity, etc.) triggers immediate repayment.

The main covenants for the €35 billion syndicated line of credit and for the €5 billion revolving line of credit are substantially similar and can be summarized as follows:

- > negative pledge clauses under which the borrower (and its significant subsidiaries) may not establish or maintain (with the exception of permitted guarantees) mortgages, liens or other encumbrances on all or part of its assets to secure any present or future financial liability;
- > *pari passu* clauses, under which the payment undertakings constitute a direct, unconditional and unsecured obligation of the borrower and bear no preferential rights among them and have at least the same seniority as other present and future loans;
- > change of control clause, which is triggered in the event (i) control of Enel is acquired by one or more parties other than the Italian state or (ii) Enel or any of its subsidiaries transfer a substantial portion of the Group's assets to parties outside the Group such that the financial reliability of the Group is significantly compromised. The occurrence of one of the two circumstances may give rise to (a) the renegotiation of the terms and conditions of the financing or (b) compulsory early repayment of the financing by the borrower;
- > specification of default events, whose occurrence (e.g. failure to make payment, breach of contract, false statements, insolvency or declaration of insolvency by the borrower or its significant subsidiaries, business closure, government intervention or nationalization, administrative proceeding with potential negative impact, illegal conduct, nationalization and government expropriation or compulsory acquisition of the borrower or one of its significant subsidiaries) constitutes a default. Unless remedied within a specified period of time, such default will trigger an obligation to make immediate repayment of the loan under an acceleration clause, under cross-default clauses; the occurrence of a default event in respect of any financial liability (above a threshold level) of the issuer or significant subsidiaries (i.e. consolidated companies whose gross revenues or total assets are equal to a specified percentage – 10% for the €35 billion syndicated credit line and 15% for the €5 billion revolving credit line – of gross consolidated revenues or total consolidated assets) constitutes a default in respect of the liability in question, which becomes immediately repayable;
- > periodic reporting requirements.

The €35 billion syndicated credit line also provides for the following covenants:

- > mandatory early repayment clauses, under which the occurrence of a specified event (e.g. the issue of instruments on the capital market, new bank loans, stock issues or asset disposals) obliges the borrower to repay the related funds in advance at specific declining percentages based on the extent to which the line of credit has been drawn;
- > a gearing clause, under which, at the end of each measurement period, consolidated net financial debt must not exceed a given multiple of the consolidated EBITDA;
- > a subsidiary financial indebtedness clause, under which the net aggregate amount of the financial debt of Enel's subsidiaries (with the exception of the debt of permitted subsidiaries) must not exceed a given percentage of total consolidated assets.

Endesa's main long-term loans also contain covenants commonly adopted in international business practice.

The main covenants on Endesa's debt regard loans granted by the EIB, bond issues carried out under the Global Medium-Term Notes program, project financing and loans to Enersis and Endesa Chile.

The main covenants governing the loans granted by the EIB can be summarized as follows:

- > clauses that require the rating to be kept above a specified grade;
- > clauses requiring prior authorization by the EIB in the case of the transfer of Endesa assets (where the related gross revenues or total assets are equal to at least 10% of gross revenues or 7% of total consolidated assets).

The undertakings in respect of the bond issues carried out by Endesa Capital SA under the Global Medium-Term Notes can be summarized as follows:

- > cross-default clauses under which debt repayment would be accelerated in the case of failure to make payment (above a specified amount) on any financial liability of Endesa SA or Endesa Capital SA that is listed or could be listed on a regulated market;
- > negative pledge clauses under which the issuer may not establish mortgages, liens or other encumbrances on all or part of its assets to secure any financial liability that is listed or could be listed on a regulated market (of which at least 50% initially held by foreign parties outside the Kingdom of Spain), unless an equivalent guarantee is extended equally or *pro rata* to the bonds in question;
- > *pari passu* clauses, under which the securities and guarantees have at least the same seniority as all other present and future unsecured and unsubordinated securities issued by Endesa Capital or Endesa SA.

Finally, the main loans granted to Endesa, International Endesa BV and Endesa Capital do not contain cross-default clauses regarding the debt of subsidiaries in Latin America and Endesa Italia.

Undertakings in respect of project financing granted to subsidiaries regarding renewables and other subsidiaries in Latin America contain covenants commonly adopted in international business practice. The main commitments regard clauses pledging all the assets assigned to the projects in favor of the creditors.

A significant portion of the debt of Enersis and Endesa Chile (both controlled indirectly by Endesa) is subject to cross-default clauses under which the occurrence of a default event (failure to make payment or breach of other obligations) in respect of any financial liability of a subsidiary of Enersis or Endesa Chile constitutes a default in respect of the liability in question, which becomes immediately repayable.

In general, the cross-default provisions are triggered in the event of defaults exceeding \$30 million. In addition, many of these agreements also contain cross-acceleration clauses that are triggered by specific circumstances, certain government actions, insolvency or judicial expropriation of assets.

The following table reports the net financial position at June 30, 2008 and at December 31, 2007, respectively, pursuant to Consob Notice DEM/6064293 of July 28, 2006, reconciled to the net financial debt.

Millions of euro

	at June 30, 2008	at Dec. 31, 2007	Change
Cash and cash equivalents on hand	49	68	(19)
Bank and post office deposits	7,226	1,166	6,060
Securities	87	101	(14)
Liquidity	7,362	1,335	6,027
Short-term financial receivables	159	97	62
Factoring receivables	253	205	48
Short-term portion of long-term financial receivables	936	1,402	(466)
Current financial receivables	1,348	1,704	(356)
Short-term bank debt	(863)	(1,260)	397
Commercial paper	(5,261)	(3,893)	(1,368)
Short-term portion of long-term bank debt	(497)	(461)	(36)
Drawings on revolving credit lines	(4)	(20)	16
Bonds (short-term portion)	(3,650)	(2,033)	(1,617)
Other loans (short-term portion)	(212)	(235)	23
Other short-term financial payables	(322)	(112)	(210)
Total short-term financial debt	(10,809)	(8,014)	(2,795)
Net short-term financial position	(2,099)	(4,975)	2,876
Debt to banks and financing entities	(28,478)	(28,343)	(135)
Bonds	(20,416)	(22,365)	1,949
Preference shares	(970)	(966)	(4)
Other loans	(598)	(481)	(117)
Total long-term financial debt	(50,462)	(52,155)	1,693
NET FINANCIAL POSITION as per Consob Notice	(52,561)	(57,130)	4,569
Long-term financial receivables and securities	1,270	1,339	(69)
NET FINANCIAL DEBT	(51,291)	(55,791)	4,500

27. Provisions for risks and charges – €6,706 million

Millions of euro

	at June 30, 2008	at Dec. 31, 2007	Change
Provision for litigation, risks and other charges:			
- nuclear decommissioning	2,783	2,468	315
- non-nuclear plant retirement and site restoration	381	360	21
- litigation	562	571	(9)
- CO ₂ emissions charges	54	-	54
- other	1,571	1,547	24
Total	5,351	4,946	405
Provision for early-retirement incentives	1,355	1,516	(161)
TOTAL	6,706	6,462	244

Provision for nuclear decommissioning

At June 30, 2008, the provision for "Nuclear decommissioning" primarily regards the V1 and V2 plants at Jaskovske Bohunice and the EMO 1 and 2 plants at Mochove for €2,610 million (€2,300 million at December 31, 2007) and includes the provision for the disposal of nuclear waste amounting to €289 million (€270 million at December 31, 2007), the provision for the disposal of spent nuclear fuel in the amount €1,487 million (€1,303 million at December 31, 2007) and a provision for retiring nuclear power plants in the amount of €834 million (€727 million at December 31, 2007). The provision also includes the charges pertaining to Endesa amounting to €173 million (€169 million at December 31, 2007) that will be incurred at the moment of decommissioning by Enresa, a public company charged with the task under Royal Decree 1349/03 and Law 24/05. The change during the period is mainly attributable to the effect of accretion of the provision and the change in the exchange rate used at the due date and during the period.

28. Deferred tax liabilities – €4,103 million

The table reports "Deferred tax liabilities" by type of temporary difference, determined on the basis of the tax rates established by applicable regulations.

Millions of euro

	at June 30, 2008	at Dec. 31, 2007	Change
Nature of the temporary difference:			
- differences on non-current and financial assets	1,807	3,011	(1,204)
- income subject to deferred taxation	5	6	(1)
- allocation of goodwill to assets	942	652	290
- measurement of financial instruments	872	124	748
- other items	477	511	(34)
Total	4,103	4,304	(201)

The change during the period amounting to €201 million is essentially the result of the recognition in the income statement of the taxation for the period (which includes the net effects of the realignment of the differences between the statutory and tax values of property, plant and equipment of Enel Produzione generated by off-ledger deductions under Law 244/07, equal to a total of €1,221 million), net of the change in the scope of consolidation due to the inclusion of OGK-5 (€252 million) and Electrica Muntenia Sud (€6 million).

29. Non-current financial liabilities – €1,761 million

These consist of €891 million in respect of the fair value measurement of the put option granted to Acciona in the agreement with Enel of March 26, 2007 and of €870 million from the fair value measurement of cash flow and fair value hedge derivatives.

The put option granted to Acciona regards all of the shares it holds directly or indirectly in Endesa (25.01% of share capital) and may be exercised only once, on the terms established in the agreement, at any time between the start of the fourth and the end of the tenth year of the signature of the agreement.

The option can be exercised at the greater of the Endesa tender price and the per-share value of Endesa determined using company valuation techniques, incorporating a financial component. The initial value of the option is incorporated in the price of the equity investment in Endesa, while all subsequent variations are taken to the income statement under financial income and expense.

The following table reports the notional values and fair values of the cash flow and fair value hedge derivatives.

Millions of euro	Notional value		Fair value		
	at June 30, 2008	at Dec. 31, 2007	at June 30, 2008	at Dec. 31, 2007	Change
Cash flow hedge derivatives:					
- interest rates	652	2,854	24	50	(26)
- exchange rates	5,404	5,083	765	487	278
Total	6,056	7,937	789	537	252
Fair value hedge derivatives:					
- interest rates	81	312	4	16	(12)
- exchange rates	357	570	77	114	(37)
Total	438	882	81	130	(49)
TOTAL	6,494	8,819	870	667	203

Interest rate derivatives at June 30, 2008 were essentially composed of interest rate hedges on a number of long-term floating-rate loans. The improvement in the fair value of these positions was attributable to the rise in market interest rates during the 1st Half of 2008, which also resulted in a portion of the notional value at December 31, 2007 that was included under non-current financial liabilities to be classified under financial assets. Exchange rate derivatives were mainly composed of exchange rate hedges (towards the euro) on a number of long-term loans in foreign currencies using cross currency interest rate swaps. The deterioration in the related fair value was mainly due to the appreciation of the euro against other major currencies, particularly the US dollar (from \$1.47 at the end of 2007 to \$1.58 at June 30, 2008) and the pound sterling (from £0.73 at the end of 2007 to £0.79 at June 30, 2008) during the period.

30. Other non-current liabilities – €3,606 million

Millions of euro			
	at June 30, 2008	at Dec. 31, 2007	Change
Deferred operating liabilities	3,271	3,018	253
Other items	335	315	20
Total	3,606	3,333	273

Deferred operating liabilities regard deferred income in respect of revenues from fees for connection to the electricity and gas networks and grants received for specific assets.

Current liabilities

31. Short-term loans – €6,245 million

At June 30, 2008, short-term loans amounted to €6,245 million, an increase of €960 million on December 31, 2007, as detailed below.

	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
	at June 30, 2008		at Dec. 31, 2007		Change	
Short-term amounts due to banks	867	867	1,280	1,280	(413)	(413)
Commercial paper	5,261	5,261	3,893	3,893	1,368	1,368
Other short-term financial payables	117	117	112	112	5	5
Short-term financial debt	6,245	6,245	5,285	5,285	960	960

The payables represented by commercial paper relate to issues outstanding at period-end in the context of the €4,000 million program launched in November 2005 by Enel Finance International and guaranteed by Enel SpA, as well as the Endesa International BV program amounting to €2,000 million and the Endesa Capital SA program totaling €2,000 million.

At June 30, 2008, issues under these programs amounted to €5,261 million, of which €3,595 million for Enel Finance International, €984 million for Endesa International BV and €682 million for Endesa Capital SA. The nominal value of the commercial paper is €5,296 million and is denominated in euro (€4,938 million), pounds sterling (the equivalent of €27 million), US dollars (the equivalent of €17 million) and Japanese yen (the equivalent of €314 million). The exchange rate risk in respect of currencies other than the euro is fully hedged by currency swaps. Note that the decrease in short-term amounts due to banks includes the repayment of the 12-month tranche of the €35 billion syndicated credit line that fell due and was not renewed.

32. Current financial liabilities – €2,988 million

Millions of euro

	at June 30, 2008	at Dec. 31, 2007	Change
Deferred financial liabilities	498	609	(111)
Derivative contracts	2,174	930	1,244
Other items	316	22	294
Total	2,988	1,561	1,427

The following table shows the notional value and fair value of the derivative contracts.

Millions of euro	Notional value		Fair value		Change
	at June 30, 2008	at Dec. 31, 2007	at June 30, 2008	at Dec. 31, 2007	
Cash flow hedge derivatives:					
- interest rates	527	46	1	-	1
- exchange rates	753	344	88	52	36
- commodities	820	1,021	184	38	146
Total	2,100	1,411	273	90	183
Fair value hedge derivatives:					
- interest rates	284	-	26	-	26
- exchange rates	251	33	69	4	65
Total	535	33	95	4	91
Trading derivatives:					
- interest rates	1,220	1,911	20	38	(18)
- exchange rates	2,217	3,739	114	125	(11)
- commodities	1,449	2,390	1,672	673	999
- other	30	30	-	-	-
Total	4,916	8,070	1,806	836	970
TOTAL	7,551	9,514	2,174	930	1,244

Trading derivatives on interest and exchange rates essentially include transactions entered into for hedging purposes, but which do not qualify for hedge accounting as defined by applicable accounting standards.

Derivatives on commodities refer to:

- > two-way contracts for differences with a negative fair value of €120 million;
- > swaps and futures on oil commodities with a negative fair value of €765 million;
- > other derivatives on electricity with a negative fair value of €32 million;
- > trading in oil, electricity and other commodities with a negative fair value of €407 million;
- > embedded derivatives related to energy sale contracts in Slovakia with a negative fair value of €532 million.

The item "Other" includes the debt to finance the Spanish electrical system, due within 12 months, for €205 million.

33. Other current liabilities – €6,816 million

Millions of euro

	at June 30, 2008	at Dec. 31, 2007	Change
Payables due to customers	1,668	1,537	131
Payables due to Electricity Equalization Fund and similar bodies	1,741	1,241	500
Payables due to employees	583	571	12
Other tax payables	857	490	367
Social security contributions payable	179	177	2
Other	1,789	1,259	529
Total	6,816	5,275	1,541

“Payables due to customers” include €695 million (€754 million at December 31, 2007) in security deposits related to amounts received from customers as part of electricity and gas supply contracts. Following the finalization of the contract, deposits for electricity sales, the use of which is not restricted in any way, are classified as current liabilities given that the company does not have an unconditional right to defer repayment beyond twelve months.

“Payables due to Electricity Equalization Fund and similar bodies” include current payables due to the Electricity Equalization Fund amounting to €1,052 million (€733 million at December 31, 2007) and current payables in respect of the Spanish electrical system amounting to €689 million (€508 million at December 31, 2007). The increase in “Other” items is essentially related to the recognition, in the 1st Half of 2008, of an estimated liability in the amount of €423 million relating to the put options held by the minority shareholders of Electrica Muntenia Sud (€394 million) and Marcinelle Energie (€29 million).

34. Liabilities held for sale – €597 million

The item at June 30, 2008 includes the liabilities in respect of renewable energy operations held by Endesa, which will be transferred to Acciona Energia, in which Endesa will hold a 49% stake following the transfer. At December 31, 2007, the item also comprised the liabilities in respect of the operations sold to E.On on June 26, 2008, relating to the assets held directly or indirectly by Endesa in Italy, France, Poland and Turkey, as well as a number of other operations in Spain (“Endesa Europa”) and Enel’s equity investments in Enel Viesgo Generación, Enel Viesgo Servicios and Electra de Viesgo Distribución and the equity investments held by them.

35. Related parties

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As the main operator in the field of generation, transport and distribution of electricity in Italy, Enel provides services to a number of State-controlled companies. In the current regulatory framework, Enel concludes transactions with Terna - Rete Elettrica Nazionale (Terna), the Single Buyer, the Electricity Services Operator, and the Market Operator (each of which is controlled either directly or indirectly by the Ministry for the Economy and Finance).

Fees for the transport of electricity payable to Terna and certain charges paid to the Market Operator are determined by the Authority for Electricity and Gas. Transactions relating to purchases and sales of electricity concluded with the Market Operator on the Power Exchange and with the Single Buyer are settled at market prices.

Companies of the Sales Division acquire electricity from the Single Buyer and settle the contracts for differences related to the allocation of CIP 6 energy with the Electricity Services Operator, in addition to paying Terna fees for the use of the national transmission network. Companies that are a part of the Generation and Energy Management Division, in addition to paying fees for the use of the national transmission network to Terna, carry out electricity transactions with the Market Operator, on the Power Exchange and with the Single Buyer.

Enel also acquires fuel for generation and gas for distribution and sale from Eni, a company controlled by the Ministry for the Economy and Finance.

All transactions with related parties are concluded on normal market terms and conditions.

The following table summarizes the relationships:

Millions of euro	Balance sheet		Income statement	
	Receivables	Payables	Costs	Revenues
at June 30, 2008			1st Half 2008	
In respect of continuing operations				
Single Buyer	317	1,304	4,102	387
Market Operator	1,225	1,029	3,172	3,573
Terna	475	485	1,031	926
Electricity Services Operator	234	313	-	200
Eni	1	119	831	302
Italian Post Office	4	25	84	7
Other	2	3	2	2
In respect of assets held for sale				
Single Buyer	-	-	-	33
Market Operator	-	-	45	162
Terna	-	-	52	146
Electricity Services Operator	-	-	-	2
Eni	-	-	288	-
Total	2,258	3,278	9,607	5,740

The figures for assets held for sale regard Endesa Europa up to the date on which it was deconsolidated.

The following table shows transactions with associated companies outstanding at June 30, 2008 and carried out during the year, respectively.

Millions of euro	Balance sheet		Income statement	
	Receivables	Payables	Costs	Revenues
	at June 30, 2008		1st Half 2008	
CESI	1	11	4	-
LaGeo	11	-	6	-
Other companies	12	7	4	1
Total	24	18	14	1

In compliance with the Enel Group's rules of corporate governance, transactions with related parties are carried out in accordance with criteria of procedural and substantive propriety.

With a view to assuring substantive propriety – in order to ensure fairness in transactions with related parties, and to account for the special nature, value or other characteristics of a given transaction – the Board of Directors may ask independent experts to value the assets involved in the transaction and provide financial, legal or technical advice.

36. Contractual commitments and guarantees

The commitments entered into by the Enel Group and the guarantees given to third parties are shown below.

Millions of euro	
at June 30, 2008	
Guarantees given:	
- sureties and other guarantees granted to third parties	1,877
Commitments to suppliers for:	
- electricity purchases	31,482
- fuel purchases	59,073
- various supplies	3,447
- tenders	1,366
- other	1,707
Total	97,075
TOTAL	98,952

Guarantees granted to third parties amounted to €1,877 million and include €707 million in commitments relating to the sale of real estate assets, in connection with the regulations that govern the termination of leases and the related payments, for a period of six years and six months from July 2004. The value of such guarantees is reduced annually by a specified amount. Commitments for electricity amounted to €31,482 million at June 30, 2008, of which €12,809 million refers to the period July 1, 2008-2012, €6,226 million to the period 2013-2017, €6,337 million to the period 2018-2022 and the remaining €6,110 million beyond 2022.

Commitments for the purchase of fuels are determined with reference to the parameters and exchange rates applicable at the end of the period (given that fuel prices vary and are mainly set in foreign currencies). The total at June 30, 2008, was €59,073 million, of which €24,927 million refers to the period July 1, 2008-2012, €22,452 million to the period 2013-2017, €9,836 million to the period 2018-2022, and the remaining €1,858 million beyond 2022.

Other commitments include €349 million in respect of those under the cooperation agreement with EdF of November 30, 2007 for the construction of the Flamanville nuclear plant. The amount represents Enel's share of 12.5% of the cost of construction of the plant, which is scheduled to begin in 2012.

37. Contingent liabilities and assets

Since December 31, 2007, the following main changes have occurred in contingent assets and liabilities.

Extension of municipal property tax (ICI)

Article 1 quinquies of Decree Law 44 of March 31, 2005 containing urgent measures concerning local authorities (added during ratification with Law 88 of May 31, 2005) stated that Article 4 of Royal Decree Law 652 of April 13, 1939 (governing the land registry) shall be interpreted with regard to power plants alone in the sense that the buildings and permanent constructions consist of the land and those parts that are structurally attached to it, even temporarily, which may be joined by any means of connection with movable parts for the purpose of creating a single complex asset.

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

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

- > the inclusion of the value of the "turbines" in the land registry valuation of the plants;
- > the power for local Land Registry Offices to modify, without a time limit, the imputed property incomes proposed by Enel;
- > the effectiveness of the modifications only as from their notification;
- > the consequent and probable limitation of the retroactive effects of Article 1 quinquies to the power plants currently at the center of the dispute.

The ruling also affirmed that the principle that the determination of imputed property income shall include all the elements constituting a plant even if not physically connected to the land, holds for all of the buildings referred to in Article 10 of Royal Decree Law 652 of April 13, 1939 and not only power plants.

We also note that to date no valuation criterion has been introduced for the movable assets considered relevant for the determination of land registry values either with regard to the valuation method or the effective identification of the object of the valuation, and the above ruling does not appear to provide any guidance on this issue.

Therefore, with regard to pending litigation, Enel Produzione SpA shall

continue to pursue its case to request a substantial reduction of the values originally assigned by the Land Registry Offices to the removable parts of the plant. Enel has, however, allocated an adequate amount to the "Provisions for risks and charges" to cover fully the potential charges that would result from an unfavorable outcome. At the same time, Enel does not feel that further provisions are necessary to take into account possible retroactive application of the rule on imputed rent proposals, which to date have not been the subject of comments by the Land Registry Offices and, in any event, primarily concern small plants.

Out-of-court disputes and litigation connected with the blackout of September 28, 2003

With regard to the blackout that occurred on September 28, 2003, Enel Distribuzione received numerous letters (most drafted on the basis of standardized forms prepared by consumer associations) containing requests for automatic/lump-sum indemnities under the Electricity Service Charter and resolutions of the Authority for Electricity and Gas (€25.82 each), in addition to further damages to be quantified by customers with a view to possible legal action. As regards the latter, at June 30, 2008, about 115,000 proceedings were pending (mainly in the regions of Calabria, Campania and Basilicata), requesting damages for alleged losses. At June 30, 2008, more than 70,000 rulings had been issued by justices of the peace, with a majority finding in favor of the plaintiffs. Charges in respect of such indemnities could be recovered in part under existing insurance policies. The appellate courts have nearly all found in favor of Enel Distribuzione, based upon both the lack of proof of the loss claimed and the recognition that the company was not involved in causing the event. The few adverse rulings against Enel Distribuzione have been appealed to the Court of Cassation (the supreme court of appeal). In consideration of the complaints of the insurance companies, in May 2008 Enel lodged a petition to ascertain its right to reimbursement of the amounts paid as a result of adverse judgments.

Litigation concerning free bill payment procedures

As regards the appeal lodged with the Lombardy Regional Administrative Court requesting the voidance of Resolution no. 66/07 and the fine imposed for alleged violation of Resolution no. 55/00, on January 29, 2008, a first hearing was held and the Court granted Enel's appeal, ruling that there was no requirement to publish information on free payment options in invoices and validated Enel's conduct. In execution of the ruling, Enel requested restitution of the fine paid from the Authority for Electricity and Gas. The Authority appealed the ruling to the Council of State; the date of the hearing has not yet been set. In the meantime, however, the number of cases brought by customers before justices of the peace seeking compensation for alleged (minimal) damages has increased (there are currently some 14,000 disputes pending). The majority of rulings issued to date have found in favor of the plaintiffs.

Design deposited for installation of off-shore wind farms

On July 10, 2008, Enel deposited the design for one of the first off-shore wind farms in the Mediterranean. The request for an environmental impact study has been delivered by Enel to the Ministry for the Environment and the Region of Sicily. Italy's first off-shore wind facility will involve the installation of 115 large wind generators with a capacity of between 3 and 5 MW each in the waters of the Gulf of Gela at least 3 nautical miles from the coast, between the towns of Licata (Agrigento), Butera and Gela (Caltanissetta). The project is being pursued through a joint venture between Enel (57%) and Moncada Costruzioni (43%) and will have a total installed capacity of between 345 and 575 MW. Once fully operational, the plant will generate 1,150 million kWh of power. The investment will total about €500 million.

Sale of Hydro Dolomiti Enel

On July 25, 2008, in implementation of the investment agreement signed on April 24, 2008, Enel Produzione SpA sold Dolomiti Energia 51% of Hydro Dolomiti Enel ("HDE") for €333 million. The parties will use HDE for the joint development of the hydroelectric power sector in the Autonomous Province of Trento. The transaction was completed after the conditions established in the agreement were satisfied, namely receipt of:

- > approval of the transaction by the Competition Authority;
- > approval by the Autonomous Province of Trento of the transfer of the hydroelectric concessions (with the exception of the San Floriano plant) to HDE;
- > the extension by the Autonomous Province of Trento of the concessions for major hydroelectric derivations until December 31, 2020, enabling the full implementation of the business plan developed by the parties.

The price of €333 million for 51% of HDE was determined on the basis of the value originally agreed by the parties (€562.7 million), reduced in accordance with the provisions of the agreement to take account of the net financial position of the assets transferred to HDE, the estimated cash flows of the operations transferred by Enel Produzione to HDE between January 1, 2008 (the reference date for valuing HDE) and July 15, 2008 (the effective date of the transfer), and the exclusion of the San Floriano plant. The price will later be adjusted based primarily on the difference between the estimated value of production and the actual value of production of the unit in the 2008-2010 period.

In view of the governance arrangements set out in the agreement, Enel Produzione will exercise a dominant influence over HDE until approval of the financial statements for 2010 and will therefore consolidate the results of HDE on a full line-by-line basis until that time.

Acquisition of wind projects in Greece

On July 28, 2008, Enel signed an agreement with Damco Energy of the Copelouzos Group and International Constructional (Samaras Group) to acquire 30% (with the right to progressively raise its stake up to 80%) of a pipeline of wind projects up to 1,400 MW in Greece for €110 million. Through this agreement Enel will also have an option to participate in the development of an additional 180 MW in Bulgaria, in an area adjacent to Thrace.

These wind projects are located in the windiest areas of Greece, mainly in Thrace, where Enel already operates 63 MW of wind fields, in the Peloponnese and in Evia, where Enel runs an additional 16 MW.

39. Stock option plans

The following table summarizes developments over the 1st Half of 2008 in the Enel stock option plans still in place at June 30, 2008, detailing the main assumptions used in calculating their fair value.

DEVELOPMENTS IN STOCK OPTION PLANS

Number of options	2003 plan	2004 plan	2006 plan	2007 plan	Total
Options granted at December 31, 2006	47,624,005	38,527,550	31,790,000	-	117,941,555
Options exercised at December 31, 2006	42,226,504	18,472,553	-	-	60,699,057
Options lapsed at December 31, 2006	3,348,716	1,959,800	286,000	-	5,594,516
Options outstanding at December 31, 2006	2,048,785	18,095,197	31,504,000	-	51,647,982
Options granted in 2007	-	-	-	27,920,000	27,920,000
Options exercised in 2007	711,212	6,705,062	-	-	7,416,274
Options lapsed in 2007	-	105,400	619,000	147,000	871,400
Options outstanding at December 31, 2007	1,337,573	11,284,735	30,885,000	27,773,000	71,280,308
Options granted in 1st Half of 2008	-	-	-	-	-
Options exercised in 1st Half of 2008	99,680	1,260,200	-	-	1,359,880
Options lapsed in 1st Half of 2008	-	-	288,000	252,000	540,000
Options outstanding at June 30, 2008	1,237,893	10,024,535	30,597,000	27,521,000	69,380,428
- of which vested at June 30, 2008	1,237,893	10,024,535	-	-	11,262,428
Fair value at grant date (euro)	0.37	0.18	0.23	0.29	
Volatility	28%	17%	14%	13%	
Option expiry	December 2008	December 2009	December 2012	December 2013	

On June 11, 2008, the Enel Ordinary Shareholders' Meeting approved the 2008 stock option plan, granting the Board of Directors the powers required to carry out the plan, to be exercised in accordance with criteria established by the Shareholders' Meeting. In extraordinary session, the latter also granted the Board the power to increase share capital in support of the 2008 plan.

At June 30, 2008, the Board of Directors had not yet implemented the 2008 plan or the related capital increase.

The 2008 plan provides for the Enel Group's top management (about 16 managers, including Enel's Chief Executive Officer in his capacity as General Manager), to be granted a number of options that, if the highest level of performance targets are achieved, would increase share capital by €9,623,735. The 2008 plan establishes the following two performance indicators calculated on a consolidated basis, the achievement of which will determine the number of options that can be exercised: (i) earnings per share (Group net income divided by the number of Enel shares in circulation) for the 2008-2010 period, calculated on the basis of the amounts given in the budgets for the years covered, and (ii) return on average capital employed (the ratio of operating income to average net capital employed) for the 2008-2010 period, also calculated on the basis of the amounts given in the budgets for the years covered.

Achievement of the targets will be verified in March 2011. The strike price for each share in the 2008 plan is €8.075 per share, equal to the reference price for Enel shares on January 2, 2008.

For the sake of full disclosure, in 2008 the management of the Enel Group (about 500 managers, including the beneficiaries of the 2008 plan) is participating in a long-term incentive plan based on the granting of restricted

share units (the "RSU plan"). The incentive plan does not provide for the granting of Enel shares to the beneficiaries but rather envisages the payment to the latter of a sum that varies in relation to both the performance of Enel shares compared with a benchmark index and to the market value of Enel shares. For this reason, the RSU plan qualifies as a "compensation plan based on financial instruments" pursuant to Article 114-bis, paragraph 1, of Legislative Decree 58 of February 24, 1998, and as such was submitted to the Enel Shareholders' Ordinary Meeting of June 11, 2008 for approval. After approving the plan, the Shareholders' Meeting granted the Board of Directors the powers necessary to implement it, to be exercised in accordance with criteria established by the Shareholders' Meeting. At June 30, 2008, the Board of Directors had not yet implemented the plan.

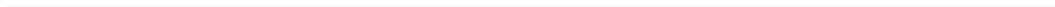
40. Declaration of the Chief Executive Officer and the manager responsible for the preparation of the condensed interim consolidated financial statements of the Enel Group at June 30, 2008, pursuant to the provisions of Article 154-bis, paragraph 5, of Legislative Decree 58 of February 24, 1998 and Article 81-ter of Consob Regulation no. 11971 of May 14, 1999

1. The undersigned Fulvio Conti and Luigi Ferraris, in their respective capacities as Chief Executive Officer and manager responsible for the preparation of the financial reports of Enel SpA, hereby certify, taking account of the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree 58 of February 24, 1998:
 - a. the appropriateness of the financial reports with respect to the characteristics of the Enel Group and
 - b. the effective adoption
 of the administrative and accounting procedures for the preparation of the condensed interim consolidated financial statements of the Enel Group in the period between January 1, 2008 and June 30, 2008.
2. In this regard, we report that:
 - a. the appropriateness of the administrative and accounting procedures used in the preparation of the condensed interim consolidated financial statements of the Enel Group has been verified in an assessment of the internal control system. The assessment was carried out on the basis of the guidelines set out in the "Internal Controls - Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO);
 - b. the assessment of the internal control system did not identify any material issues.
3. In addition, we certify that:
 - 3.1 the condensed interim consolidated financial statements of the Enel Group at June 30, 2008:
 - a. have been prepared in compliance with the international accounting standards recognized in the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of July 19, 2002;
 - b. correspond to the information in the books and other accounting records;
 - c. provide a true and fair representation of the performance and financial position of the issuer and the companies included in the scope of consolidation;
 - 3.2 the interim report on operations contains a reliable analysis of the major events that occurred during the first six months of the year and their impact on the condensed interim financial statements, together with a description of the main risks and uncertainties to be faced in the remaining six months of the year. The interim report on operations also contains a reliable analysis of the information on significant transactions with related parties.

Rome, July 31, 2008

Fulvio Conti
*Chief Executive Officer
 of Enel SpA*

Luigi Ferraris
*Manager responsible for the preparation
 of the financial reports of Enel SpA*



Subsidiaries, associates and other significant equity investments of the Enel Group at June 30, 2008

In compliance with Consob Notice no. DEM/6064293 of July 28, 2006 and Article 126 of Consob Resolution no. 11971 of May 14, 1999, a list of subsidiaries and associates of Enel SpA at June 30, 2008, pursuant to Article 2359 of the Italian Civil Code, and of other significant equity investments is provided below. Enel has full title to all investments.

The following information is included for each company: name, registered office, activity, share capital, currency of account, Group companies that have a stake in the company and their respective ownership share, and the Group's ownership share.

Subsidiaries consolidated on a line-by-line basis at June 30, 2008 ⁽¹⁾

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Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
at June 30, 2008								
Parent company:								
Enel SpA	Rome	Italy	Holding company	6,185,727,733	EUR	-	-	-
Subsidiaries:								
Americas Generation Corporation	Panama	Panama	Holding company	2,000	USD	Americas Holding Corporation	100.00%	100.00%
Americas Holding Corporation	Panama	Panama	Holding company	3,000	USD	Enel Panama Ltd (formerly HQL Latin America Ltd) Enel Fortuna SA (formerly Globeleq Holdings - Fortuna - SA)	50.00% 50.00%	100.00%
Amiagas Srl	Carrara	Italy	Gas sales	50,000	EUR	Enel Energia SpA	90.00%	90.00%
Avisio Energia SpA	Trento	Italy	Gas distribution	6,500,000	EUR	Enel Rete Gas SpA	100.00%	99.84%
Blue Energy Srl	Tulcea	Romania	Electricity generation from renewable resources	1,000	RON	Enel Investment Holding BV Blue Line Impex Srl	1.00% 99.00%	100.00%
Blue Line Impex Srl	Sat Rusu de Sus Nusenii	Romania	Electricity generation from renewable resources	500,000	RON	Enel Investment Holding BV	100.00%	100.00%
Co.Im. Gas SpA	Santa Maria a Colle (Lucca)	Italy	Management of gas distribution plant and gas sales	1,479,000	EUR	Enel Rete Gas SpA	80.00%	79.87%
Concert Srl	Rome	Italy	Product, plant and equipment certification	10,000	EUR	Enel Produzione SpA	51.00%	51.00%
Consorzio Sviluppo Solare	Rome	Italy	-	100,000	EUR	Enel Produzione SpA Enel.si - Servizi integrati Srl	30.00% 70.00%	100.00%
Deval SpA	Aosta	Italy	Electricity distribution and sales in Valle d'Aosta	37,500,000	EUR	Enel SpA	51.00%	51.00%
Deval Energie Srl	Aosta	Italy	Electricity sales	200,000	EUR	Deval SpA	100.00%	51.00%
Electrica Muntenia Sud	Bucharest	Romania	Electricity distribution and sales	308,369,600	RON	Enel SpA	64.43%	64.43%
Electrogroup Srl	Baia Mare	Romania	Electricity generation from renewable resources	200	RON	Blue Line Impex Srl	100.00%	100.00%
Enel Albania Shpk	Tirana	Albania	Plant construction, management and maintenance. Electricity generation and trading	73,230,000	ALL	Enel Investment Holding BV	100.00%	100.00%
Enel Capital Srl	Rome	Italy	Holding company	8,500,000	EUR	Enel SpA	100.00%	100.00%
Enel Comercializadora de Gas SA	Santander	Spain	Electricity and gas sales	61,000	EUR	Enel Trade SpA	100.00%	100.00%
Enel Distributie Banat SA (formerly Enel Electrica Banat SA)	Timisoara	Romania	Electricity distribution	382,158,580	RON	Enel Distribuzione SpA	51.00%	51.00%
Enel Distributie Dobrogea SA (formerly Enel Electrica Dobrogea SA)	Costanza	Romania	Electricity distribution	280,285,560	RON	Enel Distribuzione SpA	51.00%	51.00%
Enel Distribuzione SpA	Rome	Italy	Electricity distribution	2,600,000,000	EUR	Enel SpA	100.00%	100.00%
Enel Energia SpA	Rome	Italy	Gas and electricity sales	302,039	EUR	Enel SpA	100.00%	100.00%
Enel Energie SA	Bucharest	Romania	Electricity sales	140,000,000	RON	Enel Distribuzione SpA	51.00%	51.00%
Enel Energy Europe Srl	Rome	Italy	Holding company	10,000	EUR	Enel SpA	100.00%	100.00%
Enel Erelis Sas (formerly Erelis Sas)	Lyon	France	Electricity generation from renewable resources	7,544,497.53	EUR	Enel France Sas	100.00%	100.00%
Enel ESN Energo LLC	Moscow	Russian Federation	Management and maintenance of power plants	2,700,000	RUB	Enel ESN Management BV	100.00%	75.00%
Enel ESN Management BV	Amsterdam	Netherlands	Holding company	18,000	EUR	Enel Produzione SpA	75.00%	75.00%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
at June 30, 2008								
Enel Finance International SA	Luxembourg	Luxembourg	Finance	1,391,900,230	EUR	Enel SpA	100.00%	100.00%
Enel Fortuna SA (formerly Empresa de Generación Eléctrica Fortuna SA)	Panama	Panama	Electricity generation from renewable resources	309,457,729	USD	Americas Generation Corporation	49.00%	49.00%
Enel France Sas	Paris	France	Holding company	34,937,000	EUR	Enel Investment Holding BV	100.00%	100.00%
Enel Green Power Holding SA (formerly Enel Green Power International SA)	Luxembourg	Luxembourg	Holding company for companies operating in electricity generation from renewable resources	156,650,000	EUR	Enel Produzione SpA Enel Investment Holding BV	67.11% 32.89%	100.00%
Enel Green Power International BV	Amsterdam	Netherlands	Holding company	100,000	EUR	Enel Investment Holding BV	100.00%	100.00%
Enel Investment Holding BV	Amsterdam	Netherlands	Holding company	1,593,050,000	EUR	Enel SpA	100.00%	100.00%
Enel Ireland Finance Ltd	Dublin	Ireland	Finance	1,000,000	EUR	Enel Finance International SA	100.00%	100.00%
Enel Latin America LLC ⁽¹⁾	Wilmington (Delaware)	USA	Electricity generation from renewable resources	-		Enel Green Power Holding SA (formerly Enel Green Power International SA)	100.00%	100.00%
Enel M@p Srl	Rome	Italy	Metering, remote control and communication services managed on the electricity network	100,000	EUR	Enel Distribuzione SpA	100.00%	100.00%
Enel Maritza East 3 AD	Sofia	Bulgaria	Electricity generation	265,943,600	BGN	Maritza East III Power Holding BV	73.00%	73.00%
Enel Maritza East 4 Bulgaria EAD	Sofia	Bulgaria	Construction, management and maintenance of power plants	50,000	BGN	Enel Investment Holding BV	100.00%	100.00%
Enel North America Inc. ⁽¹⁾	Wilmington (Delaware)	USA	Electricity generation from renewable resources	50	USD	Enel Green Power International SA	100.00%	100.00%
Enel Operations Bulgaria AD	Galabovo	Bulgaria	Management and maintenance of power plants	50,000	BGN	Maritza O&M Holding Netherlands BV	73.00%	73.00%
Enel Panama Holding Inc. (formerly Enel Fortuna SA)	Panama	Panama	Holding company	10,000	USD	Enel Investment Holding BV	100.00%	100.00%
Enel Panama Ltd (formerly HQI Latin America Ltd)	Tortola	British Virgin Islands	Holding company	40,555,726	USD	Enel Investment Holding BV	100.00%	100.00%
Enel Produzione SpA	Rome	Italy	Electricity generation	2,400,000,000	EUR	Enel SpA	100.00%	100.00%
Enel Rete Gas SpA	Milan	Italy	Gas distribution	54,139,160	EUR	Enel Distribuzione SpA	99.84%	99.84%
Enel Romania Srl (formerly Enel Servicii SA)	Judetul Ilfov	Romania	Business services	200,000	RON	Enel SpA Enel Distribuzione SpA	80.00% 20.00%	100.00%
Enel Rus LLC	Moscow	Russian Federation	Electricity services	350,000	RUB	Enel Investment Holding BV	100.00%	100.00%
Enel Service UK Ltd	London	United Kingdom	Energy services	100	GBP	Enel Trade SpA	100.00%	100.00%
Enel Servicii Comune SA	Bucharest	Romania	Energy services	33,000,000	RON	Enel Distributie Banat SA (formerly Enel Electrica Banat SA) Enel Distributie Dobrogea SA (formerly Enel Electrica Dobrogea SA)	50.00% 50.00%	51.00%
Enel Servizi Srl	Rome	Italy	Personnel administration activities, information technology, real estate and business services	50,000,000	EUR	Enel SpA	100.00%	100.00%
Enel Servizio Elettrico SpA	Rome	Italy	Electricity sales	10,000,000	EUR	Enel SpA	100.00%	100.00%
Enel Sole Srl	Rome	Italy	Public lighting systems	4,600,000	EUR	Enel SpA	100.00%	100.00%
Enel Trade Hungary Kft	Budapest	Hungary	Electricity sourcing and trading	50,000,000	HUF	Enel Trade SpA	100.00%	100.00%
Enel Trade Romania Srl	Bucharest	Romania	Electricity sourcing and trading	2,000,200	RON	Enel Trade SpA	100.00%	100.00%
Enel Trade SpA	Rome	Italy	Fuel trading and logistics Electricity sales	90,885,000	EUR	Enel SpA	100.00%	100.00%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
at June 30, 2008								
Enel.Factor SpA	Rome	Italy	Factoring	12,500,000	EUR	Enel SpA	100.00%	100.00%
Enel.NewHydro Srl	Rome	Italy	Engineering and water systems	1,000,000	EUR	Enel SpA	100.00%	100.00%
Enel.Re Ltd	Dublin	Ireland	Reinsurance	3,000,000	EUR	Enel Investment Holding BV	100.00%	100.00%
Enel.si - Servizi integrati Srl	Rome	Italy	Plant engineering and energy related services	5,000,000	EUR	Enel SpA	100.00%	100.00%
Enelco SA	Athens	Greece	Plant construction, operation and maintenance	986,160	EUR	Enel Investment Holding BV	75.00%	75.00%
Enelpower SpA	Milan	Italy	Engineering and construction	2,000,000	EUR	Enel SpA	100.00%	100.00%
Enelpower Contractor and Development Saudi Arabia Ltd	Riyadh	Saudi Arabia	Plant construction, operation and maintenance	5,000,000	SAR	Enelpower SpA	51.00%	51.00%
Enelpower do Brasil Ltda	Rio de Janeiro	Brazil	Electrical engineering	1,242,000	BRL	Enel Latin America LLC Enel Brasil Participações Ltda	0.01% 99.99%	100.00%
Enelpower UK Ltd	London	United Kingdom	Electrical engineering	1,000	GBP	Enelpower SpA	100.00%	100.00%
Energoslužby AS	Trnava	Slovakia	Business services	261,000,000	SKK	Slovenské elektrárne AS	100.00%	66.00%
Geotermica Nicaraguense SA Managua	Managua	Nicaragua	Electricity generation from renewable resources	50,000	NIO	Enel Produzione SpA	60.00%	60.00%
Global Power Investment Srl	Galati	Romania	Electricity generation	910,200	RON	Enel Investment Holding BV	85.00%	85.00%
G.P. Gas Srl	Milan	Italy	Gas sales	10,400	EUR	Enel Rete Gas SpA	100.00%	100.00%
Hidroelectricidad del Pacifico Srl de cv	Mexico City	Mexico	Electricity generation from renewable resources	30,890,636	MXN	Impulsora Nacional de Electricidad Srl de cv	99.99%	99.99%
Hidromac Energy BV	Amsterdam	Netherlands	Holding company	18,000	EUR	Latin America Energy Holding BV	100.00%	100.00%
Hydro Constructional SA	Maroussi	Greece	Electrical engineering, electricity trading and energy services	3,630,000	EUR	Enel Investment Holding BV	100.00%	100.00%
Hydro Dolomiti Enel Srl	Trento	Italy	Generation, purchase and sale of electricity	20,000	EUR	Enel Produzione SpA	100.00%	100.00%
Hydrogen Park - Marghera per l'idrogeno Srl	Venice	Italy	Development of studies and projects for the use of hydrogen	245,000	EUR	Enel Produzione SpA	55.10%	55.10%
Impulsora Nacional de Electricidad Srl de cv	Mexico City	Mexico	Holding company	308,628,665	MXN	Enel Investment Holding BV Maya Energy BV Hidromac Energy BV SLAP BV	30.00% 23.34% 23.33% 23.33%	100.00%
International Wind Parks of Crete SA	Maroussi	Greece	Electricity generation from renewable resources	3,093,000	EUR	Enel Investment Holding BV	100.00%	100.00%
International Wind Parks of Thrace SA	Maroussi	Greece	Electricity generation from renewable resources	13,957,500	EUR	Enel Investment Holding BV	100.00%	100.00%
International Wind Power SA Maroussi		Greece	Electricity generation from renewable resources	6,615,300	EUR	Enel Investment Holding BV	100.00%	100.00%
Latin America Energy Holding BV	Amsterdam	Netherlands	Holding company	18,000	EUR	Enel Investment Holding BV	100.00%	100.00%
Linea Albania-Italia Shpk	Tirana	Albania	Construction, management and maintenance of merchant lines	27,460,000	ALL	Enel Investment Holding BV	100.00%	100.00%
Marcinelle Energie SA	Marcinelle	Belgium	Electricity generation, transport, sale and trading	3,061,500	EUR	Enel Investment Holding BV	80.00%	80.00%
Maritza East III Power Holding BV	Amsterdam	Netherlands	Holding company	100,000,000	EUR	Enel Produzione SpA	100.00%	100.00%
Maritza O&M Holding Netherlands BV	Amsterdam	Netherlands	Holding company	40,000	EUR	Enel Produzione SpA	100.00%	100.00%
Maya Energy BV	Amsterdam	Netherlands	Holding company	18,000	EUR	Latin America Energy Holding BV	100.00%	100.00%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
at June 30, 2008								
Mexicana de Hidroelectricidad Mexhidro Srl de cv	Mexico City	Mexico	Electricity generation from renewable resources	181,727,301	MXN	Impulsora Nacional de Electricidad Srl de cv	99.99%	99.99%
Nuove Energie Srl	Rome	Italy	Construction and management of LNG regassification infrastructure	99,000	EUR	Enel Trade SpA	90.00%	90.00%
Ochrana a bezpečnosť SE AS	Mochovce	Slovakia	Security services	1,000,000	SKK	Slovenské elektrárne AS	100.00%	66.00%
OGK-5 OJSC	Ekaterinburg	Russian Federation	Electricity generation	35,371,898,370	RUB	Enel Investment Holding BV	55.78%	55.78%
OGK-5 Finance LLC	Moscow	Russian Federation	Finance	10,000,000	RUB	OGK-5 OJSC	100.00%	100.00%
Parc Eolien de Beauséjour Sasu	Lyon	France	Electricity generation from renewable resources	37,000	EUR	Enel Erelis Sas (formerly Erelis Sas)	100.00%	100.00%
Parc Eolien de Bouville Sasu	Lyon	France	Electricity generation from renewable resources	37,000	EUR	Enel Erelis Sas (formerly Erelis Sas)	100.00%	100.00%
Parc Eolien de Coulonges-Thouarsais Sasu	Lyon	France	Electricity generation from renewable resources	37,000	EUR	Enel Erelis Sas (formerly Erelis Sas)	100.00%	100.00%
Parc Eolien de la Chapelle Gaudin Sasu	Lyon	France	Electricity generation from renewable resources	37,000	EUR	Enel Erelis Sas (formerly Erelis Sas)	100.00%	100.00%
Parc Eolien de la Grande Epine Sasu	Lyon	France	Electricity generation from renewable resources	37,000	EUR	Enel Erelis Sas (formerly Erelis Sas)	100.00%	100.00%
Parc Eolien de la Parigodièrè Sasu	Lyon	France	Electricity generation from renewable resources	37,000	EUR	Enel Erelis Sas (formerly Erelis Sas)	100.00%	100.00%
Parc Eolien de la Terre aux Saints Sasu	Lyon	France	Electricity generation from renewable resources	37,000	EUR	Enel Erelis Sas (formerly Erelis Sas)	100.00%	100.00%
Parc Eolien de la Vallière Sasu	Lyon	France	Electricity generation from renewable resources	37,000	EUR	Enel Erelis Sas (formerly Erelis Sas)	100.00%	100.00%
Parc Eolien de la Vigne de Foix Sasu	Lyon	France	Electricity generation from renewable resources	37,000	EUR	Enel Erelis Sas (formerly Erelis Sas)	100.00%	100.00%
Parc Eolien de Noirterre Sasu	Lyon	France	Electricity generation from renewable resources	37,000	EUR	Enel Erelis Sas (formerly Erelis Sas)	100.00%	100.00%
Parc Eolien de Pouille L'Hermenault Sasu	Lyon	France	Electricity generation from renewable resources	37,000	EUR	Enel Erelis Sas (formerly Erelis Sas)	100.00%	100.00%
Parc Eolien des Ramiers Sasu	Lyon	France	Electricity generation from renewable resources	37,000	EUR	Enel Erelis Sas (formerly Erelis Sas)	100.00%	100.00%
Parc Eolien de Thire Sasu	Lyon	France	Electricity generation from renewable resources	37,000	EUR	Enel Erelis Sas (formerly Erelis Sas)	100.00%	100.00%
Parc Eolien du Mesnil Sasu	Lyon	France	Electricity generation from renewable resources	37,000	EUR	Enel Erelis Sas (formerly Erelis Sas)	100.00%	100.00%
Pragma Energy SA	Lugano	Switzerland	Coal trading	4,000,000	CHF	Enel Investment Holding BV	100.00%	100.00%
Prof-Energo LLC	Sredneuralsk	Russian Federation	Energy services	10,000	RUB	Sanatorium-Preventorium Energetik OJSC	100.00%	100.00%
Proveedora de Electricidad de Occidente Srl de cv	Mexico City	Mexico	Electricity generation from renewable resources	89,707,135	MXN	Impulsora Nacional de Electricidad Srl de cv	99.99%	99.99%
Reti Gas Srl	Milan	Italy	Construction of gas distribution networks	11,000	EUR	Enel Rete Gas SpA	95.00%	94.85%
Sanatorium-Preventorium Energetik OJSC	Nevinnomyssk	Russian Federation	Energy services	10,571,300	RUB	OGK-5 OJSC OGK-5 Finance LLC	99.99% 0.01%	55.78%
Sfera - Società per la formazione e le risorse aziendali Srl	Rome	Italy	Human resources and training	2,000,000	EUR	Enel SpA	100.00%	100.00%
SLAP BV	Amsterdam	Netherlands	Holding company	18,000	EUR	Latin America Energy Holding BV	100.00%	100.00%
Slovenské elektrárne AS	Bratislava	Slovakia	Electricity generation	38,238,803,000	SKK	Enel Produzione SpA	66.00%	66.00%
Slovenské elektrárne Finance BV	Rotterdam	Netherlands	Finance	18,200	EUR	Slovenské elektrárne AS	100.00%	66.00%
Société Armoricaïne d'Energie Eolienne Sarl	Lyon	France	Electricity generation from renewable resources	1,000	EUR	Enel Erelis Sas (formerly Erelis Sas)	100.00%	100.00%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
at June 30, 2008								
Société du Parc Eolien du Chemin de la Ligue Snc	Meyzieu	France	Electricity generation from renewable resources	1,000	EUR	Enel Erelis Sas (formerly Erelis Sas)	100.00%	100.00%
Société du Parc Eolien du Mazet Saint Voy Sarl	Lyon	France	Electricity generation from renewable resources	4,000	EUR	Enel Erelis Sas (formerly Erelis Sas)	100.00%	100.00%
Société du Parc Eolien Grandes Terres Est Eurl	Lyon	France	Electricity generation from renewable resources	1,000	EUR	Enel Erelis Sas (formerly Erelis Sas)	100.00%	100.00%
Société du Parc Eolien Grandes Terres Ouest Eurl	Lyon	France	Electricity generation from renewable resources	1,000	EUR	Enel Erelis Sas (formerly Erelis Sas)	100.00%	100.00%
Teploprogress OJSC	Sredneuralsk	Russian Federation	Electricity sales	128,000,000	RUB	OGK-5 Finance LLC	60.00%	33.47%
Vallenergie SpA	Aosta	Italy	Electricity sales	1,700,000	EUR	Enel SpA	51.00%	51.00%
VERNE sro	Bratislava	Slovakia	Factoring	200,000	SKK	Slovenské elektrárne AS	100.00%	66.00%
Vyzkont sro	Trnava	Slovakia	Radioactive waste storage	200,000	SKK	Slovenské elektrárne AS	51.00%	33.66%
Water & Industrial Services Company SpA	Monza	Italy	Sewage treatment	15,615,000	EUR	Enel.NewHydro Srl	51.00%	51.00%
Wind Parks of Thrace SA	Maroussi	Greece	Electricity generation from renewable resources	13,537,200	EUR	Enel Investment Holding BV	100.00%	100.00%

(1) The companies held by Enel North America Inc. and Enel Latin America LLC fully consolidated on a line-by-line basis are listed separately.

156 Subsidiaries held by Enel North America Inc. consolidated on a line-by-line basis at June 30, 2008 ⁽¹⁾

Company name	Registered office	Country	Share capital ⁽²⁾ Currency	Held by ⁽³⁾	% holding	Group % holding
at June 30, 2008						
Parent company:						
Enel North America Inc.	Wilmington (Delaware)	USA	50 USD	Enel Green Power Holding SA	100.00%	100.00%
Subsidiaries:						
Agassiz Beach LLC	Minneapolis (Minnesota)	USA	-	Chi Minnesota Wind LLC	49.00%	49.00%
Aquenergy Systems Inc.	Greenville (South Carolina)	USA	10,500 USD	Consolidated Hydro Southeast Inc.	100.00%	100.00%
Asotin Hydro Company Inc.	Wilmington (Delaware)	USA	100 USD	Enel North America Inc.	100.00%	100.00%
Autumn Hills LLC	Minneapolis (Minnesota)	USA	-	Chi Minnesota Wind LLC	49.00%	49.00%
Aziscohos Hydro Company Inc.	Wilmington (Delaware)	USA	100 USD	Enel North America Inc.	100.00%	100.00%
Barnet Hydro Company	Burlington (Vermont)	USA	-	Sweetwater Hydroelectric Inc.	100.00%	100.00%
Beaver Falls Water Power Company	Philadelphia (Pennsylvania)	USA	-	Beaver Valley Holdings Ltd	67.50%	67.50%
Beaver Valley Holdings Ltd	Philadelphia (Pennsylvania)	USA	2 USD	Hydro Development Group Inc.	100.00%	100.00%
Beaver Valley Power Company	Philadelphia (Pennsylvania)	USA	30 USD	Hydro Development Group Inc.	100.00%	100.00%
Black River Hydro Assoc.	New York (New York)	USA	-	(Cataldo) Hydro Power Associates	75.00%	75.00%
Boott Field LLC	Wilmington (Delaware)	USA	-	Boott Hydropower Inc.	100.00%	100.00%
Boott Hydropower Inc.	Boston (Massachusetts)	USA	-	Boott Sheldon Holdings LLC	100.00%	100.00%
Boott Sheldon Holdings LLC	Wilmington (Delaware)	USA	-	Hydro Finance Holding Company Inc.	100.00%	100.00%
BP Hydro Associates	Boise (Idaho)	USA	-	Chi Idaho Inc. Chi Magic Valley Inc.	68.00% 32.00%	100.00%
BP Hydro Finance Partnership	Salt Lake City (Utah)	USA	-	BP Hydro Associates Fulcrum Inc.	75.92% 24.08%	100.00%
Bypass Limited	Boise (Idaho)	USA	-	El Dorado Hydro	100.00%	100.00%
Bypass Power Company	Los Angeles (California)	USA	-	Chi West Inc.	100.00%	100.00%
Canastota Wind Power LLC	Wilmington (Delaware)	USA	-	Essex Company	100.00%	100.00%
Castle Rock Ridge Limited Partnership	Wilmington (Delaware)	USA	100 USD	Enel Alberta Wind Inc.	100.00%	100.00%
(Cataldo) Hydro Power Associates	New York (New York)	USA	-	Hydro Development Group Inc. Chi Black River Inc.	50.00% 50.00%	100.00%
Chi Acquisitions Inc.	Wilmington (Delaware)	USA	100 USD	Enel North America Inc.	100.00%	100.00%
Chi Acquisitions II Inc.	Wilmington (Delaware)	USA	100 USD	Chi Finance LLC	100.00%	100.00%
Chi Black River Inc.	Wilmington (Delaware)	USA	100 USD	Chi Finance LLC	100.00%	100.00%
Chi Canada Inc.	Montreal (Quebec)	Canada	100 CAD	Chi Finance LLC	100.00%	100.00%
Chi Dexter Inc.	Wilmington (Delaware)	USA	100 USD	Chi Finance LLC	100.00%	100.00%
Chi Finance LLC	Wilmington (Delaware)	USA	-	Enel North America Inc.	100.00%	100.00%
Chi Highfalls Inc.	Wilmington (Delaware)	USA	-	Chi Finance LLC	100.00%	100.00%
Chi Hydroelectric Company Inc.	St. John (Newfoundland)	Canada	100 CAD	Chi Canada Inc.	100.00%	100.00%
Chi Idaho Inc.	Wilmington (Delaware)	USA	100 USD	Chi Acquisitions Inc.	100.00%	100.00%
Chi Magic Valley Inc.	Wilmington (Delaware)	USA	100 USD	Chi Acquisitions Inc.	100.00%	100.00%
Chi Minnesota Wind LLC	Wilmington (Delaware)	USA	-	Chi Finance LLC	100.00%	100.00%
Chi Mountain States Operations Inc.	Wilmington (Delaware)	USA	100 USD	Chi Acquisitions Inc.	100.00%	100.00%
Chi Operations Inc.	Wilmington (Delaware)	USA	100 USD	Enel North America Inc.	100.00%	100.00%
Chi Power Inc.	Wilmington (Delaware)	USA	100 USD	Enel North America Inc.	100.00%	100.00%
Chi Power Marketing Inc.	Wilmington (Delaware)	USA	100 USD	Enel North America Inc.	100.00%	100.00%
Chi S. F. LP	Montreal (Quebec)	Canada	-	Chi Hydroelectric Company Inc.	100.00%	100.00%
Chi Universal Inc.	Wilmington (Delaware)	USA	100 USD	Enel North America Inc.	100.00%	100.00%
Chi West Inc.	Wilmington (Delaware)	USA	100 USD	Chi Acquisitions Inc.	100.00%	100.00%
Chi Western Operations Inc.	Wilmington (Delaware)	USA	100 USD	Chi Acquisitions Inc.	100.00%	100.00%
Coneross Power Corporation Inc.	Greenville (South Carolina)	USA	110,000 USD	Aquenergy Systems Inc.	100.00%	100.00%

Company name	Registered office	Country	Share capital ⁽²⁾	Currency	Held by ⁽³⁾	% holding	Group % holding
at June 30, 2008							
Consolidated Hydro Mountain States Inc.	Wilmington (Delaware)	USA	100	USD	Chi Acquisitions Inc.	100.00%	100.00%
Consolidated Hydro New Hampshire Inc.	Wilmington (Delaware)	USA	130	USD	Chi Universal Inc.	100.00%	100.00%
Consolidated Hydro New York Inc.	Wilmington (Delaware)	USA	200	USD	Enel North America Inc.	100.00%	100.00%
Consolidated Hydro Southeast Inc.	Wilmington (Delaware)	USA	100	USD	Chi Acquisitions II Inc. Gauley River Power Partners LP	95.00% 5.00%	100.00%
Consolidated Pumped Storage Inc.	Wilmington (Delaware)	USA	100	USD	Enel North America Inc.	80.00%	80.00%
Copenhagen Associates	New York (New York)	USA	-		Hydro Development Group Inc. Chi Dexter Inc.	50.00% 49.00%	99.00%
Crosby Drive Investments Inc.	Boston (Massachusetts)	USA	-		Asotin Hydro Company Inc.	100.00%	100.00%
El Dorado Hydro	Los Angeles (California)	USA	-		Olympe Inc. Motherlode Hydro Inc.	82.50% 17.50%	100.00%
Enel Alberta Wind Inc.	Calgary (Alberta)	Canada	10,000	CAD	Chi Canada Inc.	100.00%	100.00%
Enel Cove Fort LLC	Wilmington (Delaware)	USA	-		Enel Geothermal LLC	100.00%	100.00%
Enel Cove Fort II LLC	Wilmington (Delaware)	USA	-		Enel Geothermal LLC	100.00%	100.00%
Enel Geothermal LLC	Wilmington (Delaware)	USA	-		Essex Company	100.00%	100.00%
Enel Kansas LLC	Wilmington (Delaware)	USA	-		Enel North America Inc.	100.00%	100.00%
Enel Salt Wells LLC	Wilmington (Delaware)	USA	-		Enel Geothermal LLC	100.00%	100.00%
Enel Smoky LLC	Wilmington (Delaware)	USA	-		Enel Kansas LLC	100.00%	100.00%
Enel Stillwater LLC	Wilmington (Delaware)	USA	-		Enel Geothermal LLC	100.00%	100.00%
Enel Surprise Valley LLC	Wilmington (Delaware)	USA	-		Enel Geothermal LLC	100.00%	100.00%
Enel Texkan Inc.	Wilmington (Delaware)	USA	-		Chi Power Inc.	100.00%	100.00%
Enel Washington DC LLC	Wilmington (Delaware)	USA	-		Chi Acquisitions Inc.	100.00%	100.00%
Essex Company	Boston (Massachusetts)	USA	-		Enel North America Inc.	100.00%	100.00%
Florence Hills LLC	Minneapolis (Minnesota)	USA	-		Chi Minnesota Wind LLC	49.00%	49.00%
Fulcrum Inc.	Boise (Idaho)	USA	1,002.50	USD	Consolidated Hydro Mountain States Inc.	100.00%	100.00%
Gauley Hydro LLC	Wilmington (Delaware)	USA	-		Essex Company	100.00%	100.00%
Gauley River Management Corporation	Willison (Vermont)	USA	-		Chi Finance LLC	100.00%	100.00%
Gauley River Power Partners LP	Willison (Vermont)	USA	-		Gauley River Management Corporation	100.00%	100.00%
Gestion Cogeneration Inc.	Montreal (Quebec)	Canada	100	CAD	Hydrodev Inc.	100.00%	100.00%
Hadley Ridge LLC	Minneapolis (Minnesota)	USA	-		Chi Minnesota Wind LLC	49.00%	49.00%
Highfalls Hydro Company Inc.	Wilmington (Delaware)	USA	-		Chi Finance LLC	100.00%	100.00%
Hope Creek LLC	Minneapolis (Minnesota)	USA	-		Chi Minnesota Wind LLC	49.00%	49.00%
Hosiery Mills Hydro Company Inc.	Wilmington (Delaware)	USA	100	USD	Chi Acquisitions Inc.	100.00%	100.00%
Hydrodev Inc.	Montreal (Quebec)	Canada	100	CAD	Chi Canada Inc.	100.00%	100.00%
Hydrodev Limited Partnership	Montreal (Quebec)	Canada	-		Chi Canada Inc. Hydrodev Inc.	48.90% 0.10%	49.00%
Hydro Development Group Inc.	Albany (New York)	USA	12.25	USD	Chi Acquisitions II Inc.	100.00%	100.00%
Hydro Energies Corporation	Willison (Vermont)	USA	5,000	USD	Chi Finance LLC	100.00%	100.00%
Hydro Finance Holding Company Inc.	Wilmington (Delaware)	USA	100	USD	Enel North America Inc.	100.00%	100.00%
Jack River LLC	Minneapolis (Minnesota)	USA	-		Chi Minnesota Wind LLC	49.00%	49.00%
Jessica Mills LLC	Minneapolis (Minnesota)	USA	-		Chi Minnesota Wind LLC	49.00%	49.00%
Julia Hills LLC	Minneapolis (Minnesota)	USA	-		Chi Minnesota Wind LLC	49.00%	49.00%
Kings River Hydro Company Inc.	Wilmington (Delaware)	USA	100	USD	Chi Finance LLC	100.00%	100.00%
Kinneytown Hydro Company Inc.	Wilmington (Delaware)	USA	100	USD	Enel North America Inc.	100.00%	100.00%
LaChute Hydro Company Inc.	Wilmington (Delaware)	USA	100	USD	Enel North America Inc.	100.00%	100.00%
Lawrence Hydroelectric Associates LP	Boston (Massachusetts)	USA	-		Essex Company Crosby Drive Investments Inc.	92.50% 7.50%	100.00%
Littleville Power Company Inc.	Boston (Massachusetts)	USA	-		Hydro Development Group Inc.	100.00%	100.00%
Lower Saranac Corporation	New York (New York)	USA	2	USD	Twin Saranac Holdings LLC	100.00%	100.00%

Company name	Registered office	Country	Share capital ⁽²⁾	Currency	Held by ⁽³⁾	% holding	Group % holding
at June 30, 2008							
Lower Saranac Hydro Partners	Wilmington (Delaware)	USA	-		Lower Saranac Corporation	100.00%	100.00%
Mascoma Hydro Corporation	Concord (New Hampshire)	USA	-		Chi Acquisitions II Inc.	100.00%	100.00%
Metro Wind LLC	Minneapolis (Minnesota)	USA	-		Chi Minnesota Wind LLC	49.00%	49.00%
Mill Shoals Hydro Company Inc.	Wilmington (Delaware)	USA	100	USD	Chi Finance LLC	100.00%	100.00%
Minnewawa Hydro Company Inc.	Wilmington (Delaware)	USA	100	USD	Enel North America Inc.	100.00%	100.00%
Missisquoi Associates	Los Angeles (California)	USA	-		Sheldon Vermont Hydro Company Inc. Sheldon Springs Hydro Associates LP	1.00% 99.00%	100.00%
Motherlode Hydro Inc.	Los Angeles (California)	USA	-		Chi West Inc.	100.00%	100.00%
Newbury Hydro Company	Burlington (Vermont)	USA	-		Sweetwater Hydroelectric Inc.	100.00%	100.00%
NeWind Group Inc.	St. John (Newfoundland)	Canada	100	CAD	Chi Canada Inc.	100.00%	100.00%
Northwest Hydro Inc.	Wilmington (Delaware)	USA	100	USD	Chi West Inc.	100.00%	100.00%
Notch Butte Hydro Company Inc.	Wilmington (Delaware)	USA	100	USD	Chi Finance LLC	100.00%	100.00%
O&M Cogeneration Inc.	Montreal (Quebec)	Canada	15	CAD	Hydrodev Inc.	66.66%	66.66%
Olympe Inc.	Los Angeles (California)	USA	-		Chi West Inc.	100.00%	100.00%
Ottawaquechee Hydro Company Inc.	Wilmington (Delaware)	USA	100	USD	Chi Finance LLC	100.00%	100.00%
Pelzer Hydro Company Inc.	Wilmington (Delaware)	USA	100	USD	Consolidated Hydro Southeast Inc.	100.00%	100.00%
Pyrates Associates	New York (New York)	USA	-		Hydro Development Group Inc. Chi Dexter Inc.	50.00% 50.00%	100.00%
Rock Creek Limited Partnership	Los Angeles (California)	USA	-		El Dorado Hydro	100.00%	100.00%
Ruthton Ridge LLC	Minneapolis (Minnesota)	USA	-		Chi Minnesota Wind LLC	49.00%	49.00%
SE Hazelton A. LP	Los Angeles (California)	USA	-		Bypass Limited	100.00%	100.00%
Sheldon Springs Hydro Associates LP	Wilmington (Delaware)	USA	-		Sheldon Vermont Hydro Company Inc.	100.00%	100.00%
Sheldon Vermont Hydro Company Inc.	Wilmington (Delaware)	USA	-		Boott Sheldon Holdings LLC	100.00%	100.00%
Slate Creek Hydro Associates LP	Los Angeles (California)	USA	-		Slate Creek Hydro Company Inc.	100.00%	100.00%
Slate Creek Hydro Company Inc.	Wilmington (Delaware)	USA	100	USD	Chi Acquisitions II Inc.	100.00%	100.00%
Smoky Hills Wind Farm LLC	Topeka (Kansas)	USA	-		Enel Texkan Inc.	100.00%	100.00%
Smoky Hills Wind Project II LLC	Topeka (Kansas)	USA	-		Enel Smoky LLC	100.00%	100.00%
Snyder Wind Farm LLC	Dallas (Texas)	USA	-		Texkan Wind LLC	100.00%	100.00%
Soliloquy Ridge LLC	Minneapolis (Minnesota)	USA	-		Chi Minnesota Wind LLC	49.00%	49.00%
Somersworth Hydro Company Inc.	Wilmington (Delaware)	USA	100	USD	Chi Universal Inc.	100.00%	100.00%
Southwest Transmission LLC	Minneapolis (Minnesota)	USA	-		Chi Minnesota Wind LLC	49.00%	49.00%
Spartan Hills LLC	Minneapolis (Minnesota)	USA	-		Chi Minnesota Wind LLC	49.00%	49.00%
St.-Felicien Cogeneration	Montreal (Quebec)	Canada	-		Gestion Cogeneration Inc.	50.00%	50.00%
Summit Energy Storage Inc.	Wilmington (Delaware)	USA	8,200	USD	Enel North America Inc.	75.00%	75.00%
Sun River LLC	Minneapolis (Minnesota)	USA	-		Chi Minnesota Wind LLC	49.00%	49.00%
Sweetwater Hydroelectric Inc.	Concord (New Hampshire)	USA	250	USD	Chi Acquisitions II Inc.	100.00%	100.00%
Texkan Wind LLC	Wilmington (Delaware)	USA	-		Enel Texkan Inc.	100.00%	100.00%
TKO Power Inc.	Los Angeles (California)	USA	-		Chi West Inc.	100.00%	100.00%
Triton Power Company	New York (New York)	USA	-		Chi Highfalls Inc. Highfalls Hydro Company Inc.	2.00% 98.00%	100.00%
Tsar Nicholas LLC	Minneapolis (Minnesota)	USA	-		Chi Minnesota Wind LLC	49.00%	49.00%
Twin Falls Hydro Associates	Seattle (Washington)	USA	-		Twin Falls Hydro Company Inc.	51.00%	51.00%
Twin Falls Hydro Company Inc.	Wilmington (Delaware)	USA	10	USD	Twin Saranac Holdings LLC	100.00%	100.00%
Twin Lake Hills LLC	Minneapolis (Minnesota)	USA	-		Chi Minnesota Wind LLC	49.00%	49.00%
Twin Saranac Holdings LLC	Wilmington (Delaware)	USA	-		Enel North America Inc.	100.00%	100.00%
Western New York Wind Corporation	Albany (New York)	USA	300	USD	Enel North America Inc.	100.00%	100.00%
Willimantic Power Corporation	Hartford (Connecticut)	USA	-		Chi Acquisitions Inc.	100.00%	100.00%
Winter's Spawn LLC	Minneapolis (Minnesota)	USA	-		Chi Minnesota Wind LLC	49.00%	49.00%

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

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

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

Subsidiaries held by Enel Latin America LLC consolidated on a line-by-line basis at June 30, 2008 ⁽¹⁾

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Company name	Registered office	Country	Share capital ⁽²⁾	Currency	Held by ⁽³⁾	% holding	Group % holding
at June 30, 2008							
Parent company:							
Enel Latin America LLC	Wilmington (Delaware)	USA	-		Enel Green Power International SA	100.00%	100.00%
Subsidiaries:							
Agricola Rio Sahuil Ltda	Santiago	Chile	200,000,000	CLP	Agricola Y Constructora Rio Guanehue SA	99.90%	99.90%
Agricola Y Constructora Rio Guanehue SA	Santiago	Chile	-		Empresa Electrica Panguipulli SA Enel Chile Ltda	99.93% 0.07%	100.00%
Alvorada Energia SA	Rio de Janeiro	Brazil	17,117,415.92	BRL	Enel Brasil Participações Ltda	100.00%	100.00%
Apiacàs Energia SA	Rio de Janeiro	Brazil	21,216,846.33	BRL	Enel Brasil Participações Ltda	100.00%	100.00%
Braço Norte Energia SA	Rio de Janeiro	Brazil	13,478,767.05	BRL	Enel Brasil Participações Ltda	100.00%	100.00%
Central American Power Services Inc.	Wilmington (Delaware)	USA	1	USD	Enel Latin America LLC	100.00%	100.00%
Conexion Energetica Centroamericana El Salvador SA de cv	San Salvador	El Salvador	7,950,600	SVC	Grupo EGI SA de cv Enel Latin America LLC	40.86% 59.14%	100.00%
Constructora Cerro Pitren Ltda	Santiago	Chile	200,000,000	CLP	Agricola Y Constructora Rio Guanehue SA	99.90%	99.90%
Cuiabà Energia SA	Rio de Janeiro	Brazil	3,261,038.39	BRL	Enel Brasil Participações Ltda	100.00%	100.00%
EGI Costa Rica Viento SA	San José	Costa Rica	100,000	CRC	Enel de Costa Rica SA (formerly Energia Global de Costa Rica SA)	100.00%	100.00%
Electrificadora Ecologica SA	San José	Costa Rica	113,200,000	CRC	ZMZ General SA	100.00%	51.00%
Empresa Electrica Panguipulli SA	Santiago	Chile	-		Energia Alerce Ltda Enel Chile Ltda	0.01% 99.99%	100.00%
Empresa Electrica Puyehue SA	Santiago	Chile	11,169,752,000	CLP	Energia Alerce Ltda Enel Chile Ltda	0.10% 99.90%	100.00%
Empresa Nacional de Geotermia SA	Santiago	Chile	-		Enel Chile Ltda	51.00%	51.00%
Enel Brasil Participações Ltda	Rio de Janeiro	Brazil	466,000,000	BRL	Enel Green Power International SA Enel Latin America LLC	0.01% 99.99%	100.00%
Enel Chile Ltda	Santiago	Chile	15,414,240,752	CLP	Enel Latin America LLC Energia Alerce Ltda	0.01% 99.99%	100.00%
Enel de Costa Rica SA (formerly Energia Global de Costa Rica SA)	San José	Costa Rica	35,000,000	CRC	Enel Latin America LLC	100.00%	100.00%
Enel Guatemala SA	Guatemala	Guatemala	5,000	GTQ	Enel Green Power International SA Enel Latin America LLC	2.00% 98.00%	100.00%
Energia Alerce Ltda	Santiago	Chile	1,000,000	CLP	Enel Green Power International SA Enel Latin America LLC	0.10% 99.90%	100.00%
Energia Global Operaciones SA	San José	Costa Rica	10,000	CRC	Enel de Costa Rica SA (formerly Energia Global de Costa Rica SA)	100.00%	100.00%
Energia Global SA de cv	Andover (Massachusetts)	USA	50,000	MXN	Enel Latin America LLC	99.00%	99.00%
Energia Nueva Energia Limpia Mexico Srl de cv	Andover (Massachusetts)	USA	3,000	MXN	Enel Latin America LLC Enel Guatemala SA	99.97% 0.03%	99.97% 0.03%
Generadora de Occidente Ltda	Guatemala	Guatemala	16,261,697.33	GTQ	Enel Latin America LLC Enel Guatemala SA	99.00% 1.00%	100.00%
Generadora Montecristo SA	Guatemala	Guatemala	5,000	GTQ	Enel Latin America LLC Enel Guatemala SA	99.00% 1.00%	100.00%
Geotermica del Norte SA	Santiago	Chile	-		Enel Chile Ltda	51.00%	51.00%
Grupo EGI SA de cv	San Salvador	El Salvador	200,000	SVC	Enel Green Power International SA Enel Latin America LLC	0.05% 99.95%	100.00%

Company name	Registered office	Country	Share capital ⁽²⁾	Currency	Held by ⁽³⁾	% holding	Group % holding
at June 30, 2008							
Isamu Ikeda Energia SA	Rio de Janeiro	Brazil	82,974,475.77	BRL	Enel Brasil Participações Ltda	100.00%	100.00%
Molinos de Viento del Arenal SA	San José	Costa Rica	9,709,200	USD	Electrificadora Ecologica SA	49.00%	24.99%
Operacion Y Mantenimiento Tierras Morenas SA	San José	Costa Rica	30,000	CRC	Electrificadora Ecologica SA	85.00%	43.35%
P.H. Don Pedro SA	San José	Costa Rica	100,001	CRC	Enel de Costa Rica SA (formerly Energia Global de Costa Rica SA)	33.44%	33.44%
P.H. Guacimo SA	San José	Costa Rica	50,000	CRC	Enel Latin America LLC Enel de Costa Rica SA (formerly Energia Global de Costa Rica SA)	30.00% 10.00%	40.00%
P.H. Rio Volcan SA	San José	Costa Rica	100,001	CRC	Enel de Costa Rica SA (formerly Energia Global de Costa Rica SA)	34.32%	34.32%
Primavera Energia SA	Rio de Janeiro	Brazil	29,556,575.78	BRL	Enel Brasil Participações Ltda	100.00%	100.00%
Quatiara Energia SA	Rio de Janeiro	Brazil	12,148,511.80	BRL	Enel Brasil Participações Ltda	100.00%	100.00%
Socibe Energia SA	Rio de Janeiro	Brazil	33,969,032.25	BRL	Enel Brasil Participações Ltda	100.00%	100.00%
Tecnoguat SA	Guatemala	Guatemala	30,948,000	GTQ	Enel Latin America LLC	75.00%	75.00%
Vale Energética SA	Rio de Janeiro	Brazil	18,589,343.63	BRL	Enel Brasil Participações Ltda	100.00%	100.00%
VP Energia SA	Rio de Janeiro	Brazil	12,137,505.52	BRL	Enel Brasil Participações Ltda	100.00%	100.00%
ZMZ General SA	San José	Costa Rica	500,000	CRC	EGI Costa Rica Viento SA	51.00%	51.00%

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

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

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

Companies consolidated proportionately at June 30, 2008

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Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
at June 30, 2008								
Parent company:								
Endesa SA	Madrid	Spain	Holding company	1,270,502,540.4	EUR	Enel Energy Europe Srl	67.05%	67.05%
Subsidiaries:								
Aguas Santiago Poniente SA	Santiago	Chile	Services	5,586,660,769	CLP	Inmobiliaria Manso de Velasco Ltda Sociedad Agrícola Pastos Verdes Ltda	25.82% 53.06%	32.06%
Aguilon 20 SA	Zaragoza	Spain	Electricity generation from renewable resources	60,400	EUR	Endesa Cogeneración Y Renovables SA	50.99%	34.19%
Aiolikh Sidrokastro SA	Athens	Greece	Electricity generation from renewable resources	3,360,000	EUR	Mytilhnaios Aiolikh Energeiakh Ellados SA Endesa Hellas Power Generation and Supplies Societe Anonyme	99.00% 1.00%	26.83%
Aioliki Androu Tsirovlidi SA	Athens	Greece	Electricity generation from renewable resources	60,000	EUR	Mytilhnaios Aiolikh Energeiakh Ellados SA Endesa Hellas Power Generation and Supplies Societe Anonyme	99.00% 1.00%	26.83%
Aioliki Androu Xirokampi SA	Athens	Greece	Electricity generation from renewable resources	60,000	EUR	Mytilhnaios Aiolikh Energeiakh Ellados SA Endesa Hellas Power Generation and Supplies Societe Anonyme	99.00% 1.00%	26.83%
Aioliki Evias Chelona SA	Athens	Greece	Electricity generation from renewable resources	60,000	EUR	Mytilhnaios Aiolikh Energeiakh Ellados SA Endesa Hellas Power Generation and Supplies Societe Anonyme	99.00% 1.00%	26.83%
Aioliki Evias Diakoftis SA	Athens	Greece	Electricity generation from renewable resources	60,000	EUR	Mytilhnaios Aiolikh Energeiakh Ellados SA Endesa Hellas Power Generation and Supplies Societe Anonyme	99.00% 1.00%	26.83%
Aioliki Evias Pounta SA	Athens	Greece	Electricity generation from renewable resources	60,000	EUR	Mytilhnaios Aiolikh Energeiakh Ellados SA Endesa Hellas Power Generation and Supplies Societe Anonyme	99.00% 1.00%	26.83%
Aioliki Evias Pyrgos SA	Athens	Greece	Electricity generation from renewable resources	60,000	EUR	Mytilhnaios Aiolikh Energeiakh Ellados SA Endesa Hellas Power Generation and Supplies Societe Anonyme	99.00% 1.00%	26.83%
Aioliki Martinou SA	Athens	Greece	Electricity generation from renewable resources	300,000	EUR	Delta Energiaki SA	100.00%	30.18%
Aioliki Samothrakis SA	Athens	Greece	Electricity generation from renewable resources	60,000	EUR	Mytilhnaios Aiolikh Energeiakh Ellados SA Endesa Hellas Power Generation and Supplies Societe Anonyme	99.00% 1.00%	26.83%
Almussafes Servicios Energéticos SL	Barcelona	Spain	Maintenance and management of power stations	3,010	EUR	Endesa Cogeneración Y Renovables SA	100.00%	67.05%
Ampla Energia e Serviços SA	Rio de Janeiro	Brazil	Electricity generation, transmission and distribution	998,200,000	BRL	Enersis SA Chilectra SA Chilectra Inversud SA Endesa Brasil SA	13.68% 10.34% 21.02% 46.89%	37.37%
Ampla Investimentos e Serviços SA	Rio de Janeiro	Brazil	Electricity generation, transmission and distribution	120,000,000	BRL	Enersis SA Chilectra SA Chilectra Inversud SA Endesa Brasil SA	13.68% 10.34% 21.02% 46.89%	37.37%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
at June 30, 2008								
Ananeosimes Pigesboriou Aigaiou SA	Athens	Greece	Electricity generation from renewable resources	60,000	EUR	Mytilhnaios Aioliikh Energeiakh Ellados SA	100.00%	26.83%
Andorra Desarrollo SA	Teruel	Spain	Regional development	901,500	EUR	Endesa Generación SA	100.00%	67.05%
Antrel AIE	Girona	Spain	Cogeneration of electricity and heat	325,000	EUR	Endesa Cogeneración Y Renovables SA	50.00%	33.53%
Apamea 2000 SL	Madrid	Spain	Services	3,000	EUR	Endesa SA	100.00%	67.05%
Aragonesa de Actividades Energéticas SA	Teruel	Spain	Electricity generation	60,100	EUR	Endesa Generación SA	100.00%	67.05%
Argyri Energiaki SA	Athens	Greece	Electricity generation from renewable resources	3,000,000	EUR	Delta Energiaki SA	100.00%	30.18%
Asociación Nuclear Ascó-Vandellós II AIE	Tarragona	Spain	Maintenance and management of power stations	19,232,400	EUR	Endesa Generación SA	85.41%	57.27%
Atacama Finance Co.	N.A.	Cayman Islands	Holding company	6,300,000	USD	Inversiones Gas Atacama Holding Ltda Gas Atacama SA	99.90% 0.10%	12.19%
Atelgen - Produção de Energia Ace	Barcelos	Portugal	Electricity generation	-		TP - Sociedade Térmica Portuguesa SA	51.00%	17.10%
Bioaise SA	Bogotá D.C.	Colombia	Electricity generation and sales	1,955,000,000	COP	Endesa Cogeneración Y Renovables SA	95.00%	63.70%
Biowatt - Recursos Energéticos Lda	Porto	Portugal	Marketing of projects for electricity generation from renewable resources	4,000	EUR	Finerge-Gestao de Projectos Energéticos SA	51.00%	34.20%
Bolonia Real Estate SL	Madrid	Spain	Real estate	3,008	EUR	Endesa SA	100.00%	67.05%
Cam Brasil Multiservicios Ltda	Rio de Janeiro	Brazil	Purchase and resale of electrical products	14,327,826	BRL	Compañía Americana de Multiservicios de Chile Ltda	100.00%	40.65%
Caminhos de Santiago	Valença	Portugal	Electricity generation from renewable resources	50,000	EUR	Eevm - Empreendimentos Eólicos Vale do Minho SA	84.99%	21.37%
Campos - Recursos Energéticos Ace	Barroselas	Portugal	Electricity generation	-		TP - Sociedade Térmica Portuguesa SA	95.00%	31.85%
Carboex SA	Madrid	Spain	Fuel supply	24,040,480	EUR	Endesa Generación SA	100.00%	67.05%
Carbones de Berga SA	Barcelona	Spain	Mining	649,080	EUR	Minas Y Ferrocarril de Utrillas SA	100.00%	67.05%
Carbopego - Abastecimientos Abrantes e Combustiveis SA		Portugal	Fuel supply	50,000	EUR	Endesa Generación SA	50.00%	33.53%
Carvemagere - Manutenção e Energias Renováveis Lda	Barcelos	Portugal	Cogeneration of electricity and heat	85,000	EUR	Finerge-Gestao de Projectos Energéticos SA	65.00%	43.58%
Centrais Elétricas Cachoeira Dourada SA	Goiania	Brazil	Electricity generation and sales	289,000,000	BRL	Endesa Brasil SA	99.61%	39.39%
Central Dock Sud SA	Buenos Aires	Argentina	Electricity generation, transmission and distribution	468,186,000	ARS	Sociedad Inversora Dock Sud SA	76.16%	29.18%
Central Eólica Canela SA	Santiago	Chile	Electricity generation from renewable resources	11,280,760,000	CLP	Endesa Eco SA	75.00%	18.28%
Central Geradora Termelétrica Fortaleza SA	Caucaia	Brazil	Thermal generation plants	93,000,000	BRL	Endesa Brasil SA	100.00%	39.55%
Centrales Hidroeléctricas de Aysén SA	Santiago	Chile	Designing	20,000,000,000	CLP	Empresa Nacional de Electricidad SA	51.00%	12.43%
Cerveirenses	Vila Nova de Cerveira	Portugal	Electricity generation from renewable resources	50,000	EUR	Eevm - Empreendimentos Eólicos Vale do Minho SA	84.99%	21.37%
Chilectra Inversud SA	Santiago	Chile	Holding company	892,012,110.92	USD	Chilectra SA	100.00%	24.16%
Chilectra SA	Santiago	Chile	Holding company	2,364,494	CLP	Inmobiliaria Manso de Velasco Ltda Enerisis SA	0.01% 99.08%	40.28%
Chilectra SA Agencia En Islas Caiman	N.A.	Cayman Islands -		-		Chilectra SA	100.00%	24.16%
Chinango SAC	Lima	Peru	Electricity generation, sale and transmission	1,000	PEN	Edegel SA	99.90%	8.89%
Cogeneració J. Vilaseca AIE	Barcelona	Spain	Combined-cycle generation plant	721,210	EUR	Endesa Cogeneración Y Renovables SA	40.00%	26.82%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
at June 30, 2008								
Colina - Produção de Energia Eléctrica Lda	Lisbon	Portugal	Electricity generation	5,486.78	EUR	Parque Eólico do Moinho do Céu SA PP – Co-geração SA	90.00% 10.00%	33.53%
Comercializadora de Energía Del Mercosur SA	Capital Federal	Argentina	Electricity sales	14,010,000	ARS	Endesa Internacional SA Endesa Argentina SA	55.00% 45.00%	67.05%
Companhia Energética do Ceará SA	Fortaleza	Brazil	Electricity generation, transmission and distribution	433,000,000	BRL	Endesa Brasil SA Investluz SA	2.27% 56.59%	23.28%
Companhia Térmica do Beato Ace	Lisbon	Portugal	Electricity generation	-		TP - Sociedade Térmica Portuguesa SA	65.00%	21.79%
Companhia Térmica do Serrado Ace	Paços de Brandão	Portugal	Electricity generation	-		TP - Sociedade Térmica Portuguesa SA	51.00%	17.10%
Companhia Térmica Hectare Ace	Alcochete	Portugal	Electricity generation	-		TP - Sociedade Térmica Portuguesa SA	60.00%	20.12%
Companhia Térmica Lusitana Ace	Riachos	Portugal	Electricity generation	-		TP - Sociedade Térmica Portuguesa SA	95.00%	31.85%
Companhia Térmica Lusol Ace	Barreiro	Portugal	Electricity generation	-		TP - Sociedade Térmica Portuguesa SA	95.00%	31.85%
Companhia Térmica Oliveira Ferreira Ace	Riba de Ave	Portugal	Electricity generation	-		TP - Sociedade Térmica Portuguesa SA	95.00%	31.85%
Companhia Térmica Ponte da Pedra Ace	Maia	Portugal	Electricity generation	-		TP - Sociedade Térmica Portuguesa SA	95.00%	31.85%
Companhia Térmica Ribeira Velha Ace	S. Paio de Oleiros	Portugal	Electricity generation	-		TP - Sociedade Térmica Portuguesa SA	51.00%	17.10%
Compañía Americana de Multiservicios de Argentina Ltda	Capital Federal	Argentina	Services	1,000,000	ARS	Compañía Americana de Multiservicios de Chile Ltda Inmobiliaria Manso de Velasco Ltda	95.00% 5.00%	40.65%
Compañía Americana de Multiservicios de Chile Ltda	Santiago	Chile	Services	2,572,038,000	CLP	Enersis SA Synopsis Soluciones Y Servicios It Ltda	99.99% 0.01%	40.65%
Compañía Americana de Multiservicios de Colombia Ltda	Bogotá D.C.	Colombia	Services	1,615,500,000	COP	Compañía Americana de Multiservicios de Chile Ltda	100.00%	40.65%
Compañía Americana de Multiservicios Del Perú Ltda	Lima	Peru	Services	5,220,000	PEN	Compañía Americana de Multiservicios de Chile Ltda	100.00%	40.65%
Compañía de Interconexión Energética SA	Rio de Janeiro	Brazil	Electricity generation, transmission and distribution	285,000,000	BRL	Endesa Brasil SA	100.00%	39.55%
Compañía de Transmisión Del Mercosur SA	Capital Federal	Argentina	Electricity generation, transmission and distribution	14,176,000	ARS	Compañía de Interconexión Energética SA	100.00%	39.55%
Compañía Distribuidora Y Comercializadora de Energía SA	Bogotá D.C.	Colombia	Electricity distribution and sales	13,209,330,000	COP	Enersis SA Chilectra SA Endesa Internacional SA Empresa de Energía de Bogotá SA Esp	12.47% 9.35% 26.66% 51.51%	40.64%
Compañía Eléctrica Cono Sur SA	Panama	Panama	Holding company	840,782,000,000	CLP	Empresa Nacional de Electricidad SA	100.00%	24.38%
Compañía Eléctrica San Isidro SA	Santiago	Chile	Electricity generation, transmission and distribution	28,679	CLP	Empresa Nacional de Electricidad SA	100.00%	24.38%
Compañía Eléctrica Tarapacá SA	Santiago	Chile	Electricity generation, transmission and distribution	49,772,000,000	CLP	Empresa Nacional de Electricidad SA Endesa Inversiones Generales SA	99.94% 0.06%	24.38%
Compañía Peruana de Electricidad SA	Lima	Peru	Holding company	98,538,403	PEN	Enersis SA Chilectra SA Endesa Internacional SA	0.10% 50.90% 49.00%	40.65%
Compostilla Re. SA	Luxembourg	Luxembourg	Reinsurance	3,000,000	EUR	Endesa SA Endesa Financiacion Filiales SA	99.90% 0.10%	67.05%
Concentrasolar SL	Seville	Spain	Photovoltaic plant	10,000	EUR	Endesa Cogeneración Y Renovables SA	50.00%	33.53%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
at June 30, 2008								
Confirel AIE	Girona	Spain	Cogeneration of electricity and heat	30,050	EUR	Endesa Cogeneración Y Renovables SA	50.00%	33.53%
Consortio Ara-Ingendesa Ltda	Santiago	Chile	Design and consulting services	1,000,000	CLP	Empresa de Ingeniería Ingendesa SA	50.00%	12.19%
Consortio Eólico Marino Cabo de Trafalgar SL	Cádiz	Spain	Wind plants	200,000	EUR	Endesa Cogeneración Y Renovables SA	50.00%	33.53%
Consortio Ingendesa-Minmetal Ltda	Santiago	Chile	Engineering services	2,000,000	CLP	Empresa de Ingeniería Ingendesa SA	50.00%	12.19%
Constructora Y Proyectos Los Maitenes SA	Santiago	Chile	Engineering and construction	3,110,050,000	CLP	Inmobiliaria Manso de Velasco Ltda	55.00%	22.36%
Coreysa Cogeneración SA	Seville	Spain	Cogeneration of electricity and heat	533,400	EUR	Endesa Cogeneración Y Renovables SA	65.00%	43.58%
Courenses	Paredes de Coura	Portugal	Electricity generation from renewable resources	50,000	EUR	Eevm - Empreendimentos Eólicos Vale do Minho SA	84.99%	21.37%
Cte - Central Termica do Estuário Lda	Porto	Portugal	Cogeneration of electricity and heat	564,000	EUR	Finerge-Gestao de Projectos Energéticos SA	100.00%	67.05%
Delta Energiaki SA	Athens	Greece	Electricity generation from renewable resources	15,000,000	EUR	Endesa Hellas Power Generation and Supplies SA	90.00%	30.18%
Desaladora de Carboneras UTE	Carboneras (Almeria)	Spain	Construction and management of a desalinization plant	6,010	EUR	Endesa Participadas SA	75.00%	50.29%
Distribución Y Comercialización de Gas Extremadura Dicogexsa SA	Badajoz	Spain	Gas distribution	21,632,400	EUR	Endesa Gas SAU	47.00%	31.51%
Distribuidora de Energía Eléctrica Del Bages SA	Barcelona	Spain	Electricity distribution and sales	108,240	EUR	Hidroeléctrica de Catalunya SL	45.00%	67.05%
						Endesa Red SA	55.00%	
Distribuidora Eléctrica Del Puerto de La Cruz SA	Tenerife	Spain	Electricity purchasing, transmission and distribution	12,621,210	EUR	Endesa Red SA	100.00%	67.05%
Distribuidora Regional de Gas SA	Medina Del Campo (Valladolid)	Spain	Gas distribution and sales	3,606,070	EUR	Endesa Gas SAU	50.00%	33.53%
Distrilec Inversora SA	Capital Federal	Argentina	Holding company	505	ARS	Enersis SA	27.19%	20.93%
						Chilectra SA	23.42%	
						Empresa Nacional de Electricidad SA	0.89%	
Edegel SA	Lima	Peru	Electricity generation, distribution and sales	2,064,301,735	PEN	Generandes Perú SA Generalima SA	54.20% 5.62%	8.90%
Eed - Empreendimentos Eólicos do Douro SA	Porto	Portugal	Electricity generation from renewable resources	50,000	EUR	Finerge-Gestao de Projectos Energéticos SA	100.00%	67.05%
Eevm - Empreendimentos Eólicos Vale do Minho SA	Porto	Portugal	Electricity generation from renewable resources	200,000	EUR	Eol Verde Energia Eólica SA	50.00%	25.14%
Elecgas SA	Santarem	Portugal	Combined-cycle electrical plant	50,000	EUR	Endesa Generación de Portugal	50.00%	33.53%
Eléctrica de La Franja SL	Barcelona	Spain	Electricity generation	3,010	EUR	Endesa Distribución Eléctrica SL	100.00%	67.05%
Eléctrica de Lijar SL	Cádiz	Spain	Electricity transmission and distribution	1,081,820	EUR	Endesa Red SA	50.00%	33.53%
Electricidad de Puerto Real SA	Cádiz	Spain	Electricity distribution and supply	6,611,110	EUR	Endesa Distribución Eléctrica SL	50.00%	33.53%
Ellinki Fotovoltaiki SA	Athens	Greece	Electricity generation from renewable resources	60,000	EUR	Mytilhnaios Aioliikh Energeiakh Ellados SA	100.00%	26.83%
Emgesa SA E.S.P.	Bogotá D.C.	Colombia	Electricity generation and sales	1,100,000,000,000	COP	Empresa Nacional de Electricidad SA	1.45%	24.38%
						Endesa Internacional SA	21.61%	
						Empresa de Energia de Bogotá SA Esp	51.51%	
						Compañía Eléctrica Cono Sur SA	25.43%	
Empreendimento Eólico da Raia Lda	Porto	Portugal	Electricity generation from renewable resources	5,000	EUR	Finerge-Gestao de Projectos Energéticos SA	100.00%	67.05%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
at June 30, 2008								
Empreendimento Eólico de Rego Lda	Porto	Portugal	Electricity generation from renewable resources	5,000	EUR	Finerge-Gestao de Projectos Energéticos SA	51.00%	34.20%
Empreendimentos Eólicos da Serra do Sicó SA	Porto	Portugal	Electricity generation from renewable resources	50,000	EUR	TP - Sociedade Térmica Portuguesa SA	52.38%	17.56%
Empreendimentos Eólicos de Alvadia Lda	Porto	Portugal	Electricity generation from renewable resources	1,150,000	EUR	Finerge-Gestao de Projectos Energéticos SA	48.00%	32.18%
Empreendimentos Eólicos de Pracana Lda	Porto	Portugal	Electricity generation from renewable resources	5,000	EUR	Finerge-Gestao de Projectos Energéticos SA	100.00%	67.05%
Empreendimentos Eólicos de Ribabelide SA	Porto	Portugal	Electricity generation from renewable resources	50,000	EUR	Finerge-Gestao de Projectos Energéticos SA	100.00%	67.05%
Empreendimentos Eólicos de Viade Lda	Porto	Portugal	Electricity generation from renewable resources	5,000	EUR	Finerge-Gestao de Projectos Energéticos SA	100.00%	67.05%
Empreendimentos Eólicos do Verde Horizonte SA	Porto	Portugal	Electricity generation from renewable resources	50,000	EUR	Finerge-Gestao de Projectos Energéticos SA	100.00%	67.05%
Empresa Carbonífera Del Sur SA	Madrid	Spain	Mining	18,030,000	EUR	Endesa Generación SA	100.00%	67.05%
Empresa de Distribución Eléctrica de Lima Norte SA	Lima	Peru	Electricity distribution and sales	738,563,900	PEN	Inversiones Distrilima SA	60.00%	21.01%
Empresa de Ingeniería Ingendesa SA	Santiago	Chile	Engineering services	2,037,887,609	CLP	Empresa Nacional de Electricidad SA	98.75%	24.38%
						Endesa Inversiones Generales SA	1.25%	
Empresa Distribuidora Sur SA	Capital Federal	Argentina	Electricity distribution and sales	898,858,000	ARS	Enersis SA	16.02%	40.42%
						Chilectra SA	20.85%	
						Endesa Internacional SA	6.22%	
						Distrilec Inversora SA	56.36%	
Empresa Eléctrica Cabo Blanco SA	Lima	Peru	Holding company	46,508,170	PEN	Endesa Internacional SA	80.00%	53.64%
Empresa Eléctrica de Colina Ltda	Santiago	Chile	Electricity generation, transmission and distribution	85,000,000	CLP	Chilectra SA	100.00%	24.16%
Empresa Eléctrica de Piura SA	Lima	Peru	Electricity generation	73,982,594	PEN	Empresa Eléctrica Cabo Blanco SA	60.00%	32.18%
Empresa Eléctrica Pangue SA	Santiago	Chile	Electricity generation, transmission and distribution	69,014	CLP	Empresa Nacional de Electricidad SA	94.98%	24.38%
						Endesa Inversiones Generales SA	0.01%	
						Endesa Internacional SA	5.01%	
Empresa Eléctrica Pehuenche SA	Santiago	Chile	Electricity generation, transmission and distribution	157,972,199,000	CLP	Empresa Nacional de Electricidad SA	92.65%	22.59%
Empresa Nacional de Electricidad SA	Santiago	Chile	Electricity generation, transmission and distribution	979,157,000,000	CLP	Enersis SA	59.98%	24.38%
Endesa Argentina SA	Capital Federal	Argentina	Holding company	514,260,000	ARS	Empresa Nacional e Electricidad SA	99.66%	24.38%
						Endesa Inversiones Generales SA	0.34%	
Endesa Brasil Participações Ltda	Rio de Janeiro	Brazil	Holding company	1,256,900	BRL	Empresa Nacional e Electricidad SA	5.00%	24.38%
						Endesa Argentina SA	95.00%	
Endesa Brasil SA	Rio de Janeiro	Brazil	Holding company	916,800,000	BRL	Enersis SA	19.99%	39.55%
						Chilectra SA	4.53%	
						Chilectra Inversud SA	2.31%	
						Endesa Internacional SA	27.71%	
						Compañía Eléctrica Cono Sur SA	35.29%	
						Edegel SA	4.07%	
Endesa Capital Finance LLC	Newark (Delaware)	USA	Finance	100	USD	Luz de Río Ltda	3.40%	67.05%
						International Endesa BV	100.00%	
Endesa Capital SA	Madrid	Spain	Finance	60,200	EUR	Endesa SA	100.00%	67.05%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
Endesa Cogeneración Y Renovables SA	Seville	Spain	Cogeneration of electricity and heat and generation from renewable resources	127,674,800	EUR	Endesa Generación SA	100.00%	67.05%
Endesa Costanera SA	Capital Federal	Argentina	Electricity generation and sales	102,543,055	ARS	Empresa Nacional de Electricidad SA Endesa Argentina SA Southern Cone Power Argentina SA	12.33% 51.93% 5.50%	16.93%
Endesa Desarrollo Internacional SL	Madrid	Spain	Holding company	3,000	EUR	Endesa SA	100.00%	67.05%
Endesa Distribución Eléctrica SL	Barcelona	Spain	Electricity distribution	1,204,540,060	EUR	Endesa Red SA	100.00%	67.05%
Endesa Eco SA	Santiago	Chile	Studies and projects in the renewable resources field	580,000,000	CLP	Empresa Nacional de Electricidad SA Endesa Inversiones Generales SA	99.99% 0.01%	24.38%
Endesa Energía Xxi SL	Madrid	Spain	Marketing and electricity services	3,010	EUR	Endesa Energía SA	100.00%	67.05%
Endesa Energía SA	Madrid	Spain	Marketing of energy products	12,981,860	EUR	Endesa SA	100.00%	67.05%
Endesa Financiación Filiales SA	Madrid	Spain	Finance	4,621,003,000	EUR	Endesa SA	100.00%	67.05%
Endesa Gas Distribución SAU Madrid		Spain	Gas distribution	14,610,970	EUR	Endesa Gas SAU	100.00%	67.05%
Endesa Gas Transportista SLU Zaragoza		Spain	Regassification and gas storage	5,445,000	EUR	Endesa Gas SAU	100.00%	67.05%
Endesa Gas SAU	Zaragoza	Spain	Gas production, transmission and distribution	45,261,350	EUR	Endesa Red SA	100.00%	67.05%
Endesa Generación II SA	Seville	Spain	Electricity generation	63,107	EUR	Endesa SA	100.00%	67.05%
Endesa Generación Portugal SA	Paço D'Arcos-Oeiras	Portugal	Electricity generation	50,000	EUR	Endesa Cogeneración Y Renovables SA Endesa Generación SA Finerge-Gestao de Projectos Energéticos SA Endesa Energía SA Energías de Aragón II SL	0.20% 99.20% 0.20% 0.20% 0.20%	67.05%
Endesa Generación SA	Seville	Spain	Electricity generation and sales	1,945,329,830	EUR	Endesa SA	100.00%	67.05%
Endesa Hellas Power Generation and Supplies Societe Anonyme	Moschato (Attica)	Greece	Electricity generation	4,961.51	EUR	Endesa Desarrollo Internacional SL	50.01%	33.53%
Endesa Ingeniería SL - Laxtron Energías Renovables SL UTE	Las Palmas de Gran Canaria	Spain	Engineering and consulting services	3,100	EUR	Endesa Ingeniería SLU	50.00%	33.53%
Endesa Ingeniería SLU	Seville	Spain	Engineering and consulting services	1,000,000	EUR	Endesa Red SA	100.00%	67.05%
Endesa Internacional SA	Madrid	Spain	Holding company	1,500,000,000	EUR	Endesa SA	100.00%	67.05%
Endesa Inversiones Generales SA	Santiago	Chile	Holding company	952.05	CLP	Empresa Nacional de Electricidad SA Empresa Eléctrica Pehuenche SA	99.51% 0.49%	24.38%
Endesa Network Factory SL	Madrid	Spain	New technologies	23,149,170	EUR	Endesa Servicios SL	100.00%	67.05%
Endesa North América Inc.	New York (New York)	USA	Representative office	1	USD	Endesa SA	100.00%	67.05%
Endesa Operaciones Y Servicios Comerciales SL	Barcelona	Spain	Services	10,138,580	EUR	Endesa Red SA	100.00%	67.05%
Endesa Participadas SA	Madrid	Spain	Holding company	327,706,460	EUR	Endesa SA	100.00%	67.05%
Endesa Power Trading Ltd	London	United Kingdom	Trading	1,000	GBP	Endesa SA	100.00%	67.05%
Endesa Red SA	Barcelona	Spain	Electricity distribution	729,555,911.85	EUR	Endesa SA	100.00%	67.05%
Endesa Servicios SL	Madrid	Spain	Services	89,999,790	EUR	Endesa SA	100.00%	67.05%
Endesa Trading SA	Madrid	Spain	Trading	800,000	EUR	Endesa Desarrollo Internacional SL	100.00%	67.05%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
at June 30, 2008								
Endesa SA (Chile) Agencia En Islas Caiman	N.A.	Cayman Islands	-	-		Empresa Nacional de Electricidad SA	100.00%	24.38%
EN.DY Energiaki SA	Athens	Greece	Electricity generation from renewable resources	2,400,000	EUR	Delta Energiaki SA	100.00%	30.18%
Enercampo - Produção de Energia Lda	Porto	Portugal	Cogeneration of electricity and heat	249,000	EUR	Finerge-Gestao de Projectos Energéticos SA	100.00%	67.05%
Enercor - Produção de Energia Ace	Montijo	Portugal	Electricity generation	-		TP - Sociedade Térmica Portuguesa SA	70.00%	23.47%
Energética de Rosselló AIE	Barcelona	Spain	Cogeneration of electricity and heat	3,606,060	EUR	Endesa Cogeneración Y Renovables SA	27.00%	18.10%
Energética Mataró SA	Barcelona	Spain	Construction and management of a plant for the disposal of industrial waste	1,502,400	EUR	Endesa Cogeneración Y Renovables SA	85.00%	56.99%
Energex Co.	N.A.	Cayman Islands	Holding company	10,000	USD	Gasoducto Atacama Chile SA	100.00%	12.18%
Energías Alternativas Del Sur SL	Las Palmas de Gran Canaria	Spain	Electricity generation from renewable resources	601,010	EUR	Endesa Cogeneración Y Renovables SA	50.00%	33.53%
Energías de Aragón I SL	Zaragoza	Spain	Electricity transmission, distribution and sales	3,200,000	EUR	Endesa Generación SA	100.00%	67.05%
Energías de Aragón II SL	Zaragoza	Spain	Electricity generation	18,500,000	EUR	Endesa Cogeneración Y Renovables SA	100.00%	67.05%
Energías de Graus SL	Barcelona	Spain	Hydroelectric plants	1,298,160	EUR	Endesa Cogeneración Y Renovables SA	66.67%	44.70%
Energías de La Mancha SA	Villarta de San Juan (Ciudad Real)	Spain	Biomass	280,000	EUR	Endesa Cogeneración Y Renovables SA	52.14%	34.96%
Energie Electrique de Tahaddart SA	Tanger	Morocco	Combined-cycle generation plant	750,400,000	MAD	Endesa Desarrollo Internacional SL	32.00%	21.46%
Enerlousado Lda	Porto	Portugal	Combined-cycle generation plant	5,000	EUR	TP - Sociedade Térmica Portuguesa SA	50.00%	33.53%
						Finerge-Gestao de Projectos Energéticos SA	50.00%	
Enernisa - Produção de Energia Lda	Porto	Portugal	Cogeneration of electricity and heat	249,000	EUR	Finerge-Gestao de Projectos Energéticos SA	90.00%	60.35%
Enersis SA	Santiago	Chile	Electricity generation and distribution	2,415,284,412,000,000	CLP	Endesa Internacional SA	60.62%	40.65%
Enersis SA Agencia En Islas Caiman	N.A.	Cayman Islands	-	-		Enersis SA	100.00%	40.65%
Enerviz - Produção de Energia de Vizela Lda	Porto	Portugal	Cogeneration of electricity and heat	673,000	EUR	Finerge-Gestao de Projectos Energéticos SA	100.00%	67.05%
Eol Verde Energia Eólica SA	Porto	Portugal	Water treatment and distribution	50,000	EUR	Finerge-Gestao de Projectos Energéticos SA	75.00%	50.29%
Eolcinf - Produção de Energia Eólica Lda	Porto	Portugal	Electricity generation from renewable resources	5,000	EUR	Finerge-Gestao de Projectos Energéticos SA	51.00%	34.20%
Eolflor - Produção de Energia Eólica Lda	Porto	Portugal	Electricity generation from renewable resources	5,000	EUR	Finerge-Gestao de Projectos Energéticos SA	51.00%	34.20%
Eólica Del Noroeste SL	La Coruña	Spain	Development of wind plants	36,100	EUR	Endesa Cogeneración Y Renovables SA	51.00%	34.20%
Eólica Valle Del Ebro SA	Zaragoza	Spain	Electricity generation from renewable resources	5,559,340	EUR	Endesa Cogeneración Y Renovables SA	50.50%	33.86%
Eólicas de Agaete SL	Las Palmas de Gran Canaria	Spain	Electricity generation from renewable resources	240,400	EUR	Endesa Cogeneración Y Renovables SA	80.00%	53.64%
Eólicas de Fuencaiente SA	Las Palmas de Gran Canaria	Spain	Electricity generation from renewable resources	216,360	EUR	Endesa Cogeneración Y Renovables SA	55.00%	36.88%
Eólicas de La Patagonia SA	Buenos Aires	Argentina	Electricity generation from renewable resources	480,930	ARS	Endesa Cogeneración Y Renovables SA	50.00%	33.53%
Eólicas de Tenerife AIE	Santa Cruz de Tenerife	Spain	Electricity generation from renewable resources	420,710	EUR	Endesa Cogeneración Y Renovables SA	50.00%	33.53%
Eólicas de Tirajana AIE	Las Palmas de Gran Canaria	Spain	Electricity generation from renewable resources	-		Endesa Cogeneración Y Renovables SA	60.00%	40.23%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
at June 30, 2008								
Eólicas do Marao - Produção de Energia Lda	Porto	Portugal	Electricity generation from renewable resources	25,000	EUR	Finerge-Gestao de Projectos Energéticos SA	100.00%	67.05%
Eólicos Touriñán SA	La Coruña	Spain	Electricity generation from renewable resources	601,000	EUR	Endesa Cogeneración Y Renovables SA	100.00%	67.05%
Erca Cinco Villas-1 SL	Zaragoza	Spain	Cogeneration of electricity and heat	210,350	EUR	Endesa Cogeneración Y Renovables SA	40.00%	26.82%
Ercasa Cogeneración SA	Zaragoza	Spain	Cogeneration of electricity and heat	601,000	EUR	Endesa Cogeneración Y Renovables SA	50.00%	33.53%
Erfei AIE	Tarragona	Spain	Cogeneration of electricity and heat	720,000	EUR	Endesa Cogeneración Y Renovables SA	42.00%	28.16%
Espiga	Caminha	Portugal	Electricity generation from renewable resources	50,000	EUR	Eevm - Empreendimentos Eólicos Vale do Minho SA	84.99%	21.37%
Eurohueco Cogeneración AIE Barcelona		Spain	Cogeneration of electricity and heat	2,606,000	EUR	Endesa Cogeneración Y Renovables SA	30.00%	20.12%
Explotaciones Eólicas de Aldehuelas SL	Soria	Spain	Electricity generation from renewable resources	480,800	EUR	Endesa Cogeneración Y Renovables SA	47.50%	31.85%
Explotaciones Eólicas de Escucha SA	Zaragoza	Spain	Electricity generation from renewable resources	3,305,000	EUR	Endesa Cogeneración Y Renovables SA	70.00%	46.94%
Explotaciones Eólicas El Puerto SA	Teruel	Spain	Electricity generation from renewable resources	3,230,000	EUR	Endesa Cogeneración Y Renovables SA	73.60%	49.35%
Explotaciones Eólicas Saso Plano SA	Zaragoza	Spain	Electricity generation from renewable resources	5,488,500	EUR	Endesa Cogeneración Y Renovables SA	70.00%	46.94%
Explotaciones Eólicas Sierra Costera SA	Zaragoza	Spain	Electricity generation from renewable resources	8,046,800	EUR	Endesa Cogeneración Y Renovables SA	90.00%	60.35%
Explotaciones Eólicas Sierra La Virgen SA	Zaragoza	Spain	Electricity generation from renewable resources	4,200,000	EUR	Endesa Cogeneración Y Renovables SA	90.00%	60.35%
Fábrica do Arco - Recursos Energéticos SA	Santo Tirso	Portugal	Electricity generation	500,000	EUR	Finerge-Gestao de Projectos Energéticos SA	50.00%	33.53%
Fermicalse SA de cv	Distrito Federal	Mexico	Cogeneration of electricity and heat	7,667,000	MXN	Endesa Cogeneración Y Renovables SA	99.99%	67.04%
Finerge-Gestao de Projectos Energéticos SA	Porto	Portugal	Cogeneration of electricity and heat and generation from renewable resources	750,000	EUR	Endesa Cogeneración Y Renovables SA	100.00%	67.05%
Foivos Energiaki SA	Athens	Greece	Electricity generation from renewable resources	2,075,004	EUR	Delta Energiaki SA	100.00%	30.18%
Gas Alicante SAU	Elda (Alicante)	Spain	Gas distribution	3,942,560	EUR	Endesa Gas SAU	100.00%	67.05%
Gas Aragón SA	Zaragoza	Spain	Gas distribution	5,889,920	EUR	Endesa Gas SAU	60.67%	40.68%
Gas Atacama Generación SA	Santiago	Chile	Electricity generation	120,897,639	USD	Gas Atacama SA Inversiones Endesa Norte SA	99.90% 0.05%	12.18%
Gas Atacama SA	Santiago	Chile	Holding company	291,484,088	USD	Inversiones Gas Atacama Holding Ltda	100.00%	12.19%
Gas Extremadura Transportista SL	Badajoz	Spain	Gas transport and storage	5,000,000	EUR	Endesa Gas Transportista SLU	40.00%	26.82%
Gas Y Electricidad Generación SAU	Palma de Mallorca	Spain	Electricity generation	213,775,700	EUR	Endesa Generación SA	100.00%	67.05%
Gasificadora Regional Canaria SA	Las Palmas de Gran Canaria	Spain	Gas distribution	121,200	EUR	Endesa Gas SAU	65.00%	43.58%
Gasoducto Atacama Argentina SA	Santiago	Chile	Gas transport	208,173,125	USD	Gas Atacama SA Inversiones Endesa Norte SA Energex Co.	57.23% 0.03% 42.71%	12.19%
Gasoducto Atacama Argentina SA Sucursal Argentina	Buenos Aires	Argentina	Gas transport	-		Gasoducto Atacama Argentina SA	100.00%	12.19%
Gasoducto Atacama Chile SA	Santiago	Chile	Gas transport	64,127,547	USD	Gas Atacama SA Inversiones Endesa Norte SA	99.90% 0.05%	12.18%
Gasoducto Taltal SA	Santiago	Chile	Gas transport	15,946,040,000,000	CLP	Gasoducto Atacama Chile SA Gasoducto Atacama Argentina SA	99.88% 0.12%	12.18%
Generación de Energía Solar Extremadura SL	Jerez de Los Caballeros (Badajoz)	Spain	Photovoltaic plant	3,500	EUR	Endesa Cogeneración Y Renovables SA	51.00%	34.20%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
at June 30, 2008								
Generalima SA	Lima	Peru	Holding company	124,076,735	PEN	Endesa Internacional SA	100.00%	67.05%
Generandes Perú SA	Lima	Peru	Holding company	873,000,000	PEN	Compañía Eléctrica Cono Sur SA	61.00%	14.87%
Gesa Gas SAU	Palma de Mallorca	Spain	Gas distribution	17,128,500	EUR	Endesa Gas SAU	100.00%	67.05%
Green Energy	Athens	Greece	Electricity generation from renewable resources	2,556.48	EUR	Endesa Hellas Power Generation and Supplies SA	80.00%	26.83%
Green Fuel Castilla Y León SA	León	Spain	Biodiesel development, construction and operation	691,300	EUR	Endesa Cogeneración Y Renovables SA	65.21%	43.72%
Gresaise SA de cv	Distrito Federal	Mexico	Cogeneration of electricity and heat	7,647,000	MXN	Endesa Cogeneración Y Renovables SA	99.99%	67.04%
Guadarranque Solar 1 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Endesa Cogeneración Y Renovables SA	100.00%	67.05%
Guadarranque Solar 2 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Endesa Cogeneración Y Renovables SA	100.00%	67.05%
Guadarranque Solar 3 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Endesa Cogeneración Y Renovables SA	100.00%	67.05%
Guadarranque Solar 4 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Endesa Cogeneración Y Renovables SA	100.00%	67.05%
Guadarranque Solar 5 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Endesa Cogeneración Y Renovables SA	100.00%	67.05%
Guadarranque Solar 6 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Endesa Cogeneración Y Renovables SA	100.00%	67.05%
Guadarranque Solar 7 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Endesa Cogeneración Y Renovables SA	100.00%	67.05%
Guadarranque Solar 8 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Endesa Cogeneración Y Renovables SA	100.00%	67.05%
Guadarranque Solar 9 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Endesa Cogeneración Y Renovables SA	100.00%	67.05%
Guadarranque Solar 10 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Endesa Cogeneración Y Renovables SA	100.00%	67.05%
Guadarranque Solar 11 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Endesa Cogeneración Y Renovables SA	100.00%	67.05%
Guadarranque Solar 12 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Endesa Cogeneración Y Renovables SA	100.00%	67.05%
Guadarranque Solar 13 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Endesa Cogeneración Y Renovables SA	100.00%	67.05%
Guadarranque Solar 14 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Endesa Cogeneración Y Renovables SA	100.00%	67.05%
Guadarranque Solar 15 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Endesa Cogeneración Y Renovables SA	100.00%	67.05%
Guadarranque Solar 16 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Endesa Cogeneración Y Renovables SA	100.00%	67.05%
Guadarranque Solar 17 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Endesa Cogeneración Y Renovables SA	100.00%	67.05%
Guadarranque Solar 18 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Endesa Cogeneración Y Renovables SA	100.00%	67.05%
Guadarranque Solar 19 SL Unipersonal	Seville	Spain	Electricity generation from renewable resources	3,006	EUR	Endesa Cogeneración Y Renovables SA	100.00%	67.05%
Hídricas de Viseu SA	Maia	Portugal	Hydroelectric plants	986,000	EUR	Endesa Cogeneración Y Renovables SA TP - Sociedade Térmica Portuguesa SA	33.00% 67.00%	67.05%
Hidroeléctrica de Catalunya SL	Barcelona	Spain	Electricity transmission and distribution	126,210	EUR	Endesa Red SA	100.00%	67.05%
Hidroeléctrica Del Serradó SL	Barcelona	Spain	Management of hydroelectric plants	721,200	EUR	Endesa Cogeneración Y Renovables SA	100.00%	67.05%
Hidroeléctrica El Chocón SA	Capital Federal	Argentina	Electricity generation and sales	298,584,050	ARS	Empresa Nacional de Electricidad SA Endesa Argentina SA Hidroinvest SA	2.48% 6.19% 59.00%	16.50%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
at June 30, 2008								
Hidroflamicell SL	Barcelona	Spain	Electricity distribution and sales	78,120	EUR	Hidroeléctrica de Catalunya SL	75.00%	50.29%
Hidroinvest SA	Capital Federal	Argentina	Holding company	55,312,093	ARS	Empresa Nacional de Electricidad SA Endesa Argentina SA	41.94% 54.16%	23.43%
Hidroribeira - Emp. Hidricos e Eólicos Lda	Paço de Arcos	Portugal	Electricity generation from renewable resources	7,481.96	EUR	Parque Eolico Do Moinho Do Ceu SA	100.00%	33.53%
Hispano-Helliniki Aioliiki Trikorfa SA	Athens	Greece	Electricity generation and trading	60,000	EUR	Spider Energeiakh SA	50.00%	13.41%
Hydria Energiaki SA	Athens	Greece	Electricity generation from renewable resources	300,000	EUR	Delta Energiaki SA Hydrohoos Energiaki SA	99.00% 1.00%	30.18%
Hydrohoos Energiaki	Athens	Greece	Electricity generation from renewable resources	1,000,000	EUR	Delta Energiaki SA	100.00%	30.18%
Ingendesa do Brasil Ltda	Rio de Janeiro	Brazil	Design, engineering and consulting	500,000	BRL	Endesa Brasil Participações Ltda Empresa de Ingeniería Ingendesa SA	1.00% 99.00%	24.38%
Iniciativas de Gas SL	Madrid	Spain	Natural gas and related services	1,300,010	EUR	Endesa Generación SA	40.00%	26.82%
Inmobiliaria Manso de Velasco Ltda	Santiago	Chile	Engineering and construction	19,790	CLP	Enersis SA	100.00%	40.65%
International Endesa BV	N.A.	Netherlands	Holding company	15,882,308	EUR	Endesa SA	100.00%	67.05%
Inversiones Codensa SA	Bogotá D.C.	Colombia	Electricity transmission and distribution	10,000,000	COP	Compañía Distribuidora Y Comercializadora de Energía SA Inversora Codensa Ltda U	94.50% 5.20%	40.52%
Inversiones Distrilima SA	Lima	Peru	Holding company	394,150,505	PEN	Enersis SA Chilectra SA Endesa Internacional SA Compañía Peruana de Electricidad SA	30.14% 0.51% 30.49% 25.00%	35.01%
Inversiones Endesa Norte SA	Santiago	Chile	Investments in energy projects	68,064.27	CLP	Empresa Nacional de Electricidad SA	100.00%	24.38%
Inversiones Gas Atacama Holding Ltda	Santiago	Chile	Gas transport	68,064.27	CLP	Inversiones Endesa Norte SA	50.00%	12.19%
Inversora Codensa Ltda U	Bogotá D.C.	Colombia	Electricity transmission and distribution	5,000,000	COP	Compañía Distribuidora Y Comercializadora de Energía SA	100.00%	40.64%
Investluz SA	Fortaleza	Brazil	Holding company	965,000,000	BRL	Endesa Brasil SA Ampla Investimentos e Serviços SA	63.57% 36.43%	39.55%
Italaise SA de cv	Distrito Federal	Mexico	Cogeneration of electricity and heat	7,481,000	MXN	Endesa Cogeneración Y Renovables SA	99.99%	67.04%
Joint Venture Solar-Voulgarakis	Athens	Greece	Electricity generation from renewable resources	60,000	EUR	Ellinki Fotovoltaiki SA	70.00%	18.78%
Luz Andes Ltda	Santiago	Chile	Electricity and fuel transmission, distribution and sales	1	CLP	Chilectra SA Synopsis Soluciones Y Servicios It Ltda	99.90% 0.10%	24.16%
Luz de Rio Ltda	Rio de Janeiro	Brazil	Holding company	755,000	BRL	Enersis SA Chilectra SA	43.24% 56.76%	40.65%
Makrinos Societe Anonyme	Athens	Greece	Electricity generation and trading	60,000	EUR	Spider Energeiakh SA	50.00%	13.41%
Mataró Tractament Térmic Eficient SA	Barcelona	Spain	-	1,878,000	EUR	Energética Mataró SA	80.00%	45.59%
Medidas Ambientales SL	Medina de Pomar (Burgos)	Spain	Environmental studies	60,100	EUR	Nuclenor SA	50.00%	16.76%
Melgacenses	Melgaço	Portugal	Electricity generation from renewable resources	50,000	EUR	Eevm - Empreendimentos Eólicos Vale do Minho SA	84.99%	21.37%
Metka Aioliika Platanoy SA	Athens	Greece	Electricity generation from renewable resources	60,000	EUR	Mytilhnaios Aioliikh Energeiakh Ellados SA Endesa Hellas Power Generation and Supplies Societe Anonyme	99.00% 1.00%	26.83%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
at June 30, 2008								
Micase SA de cv	Distrito Federal	Mexico	Cogeneration of electricity and heat	47,132,000	MXN	Endesa Cogeneración Y Renovables SA	51.00%	34.20%
Minas de Estercuel SA	Madrid	Spain	Mineral deposits	93,160	EUR	Minas Gargallo SL	99.65%	66.76%
Minas Gargallo SL	Madrid	Spain	Mineral deposits	150,000	EUR	Endesa Generación SA	99.91%	66.99%
Minas Y Ferrocarril de Utrillas SA	Barcelona	Spain	Mineral deposits	3,850,320	EUR	Endesa Generación SA	100.00%	67.05%
Monte Santo	Monção	Portugal	Electricity generation from renewable resources	50,000	EUR	Eevm - Empreendimentos Eólicos Vale do Minho SA	84.99%	21.37%
Myhs Kastaniotiko SA	Athens	Greece	Electricity generation from renewable resources	2,300,000	EUR	Endesa Hellas Power Generation and Supplies SA Delta Energiaki SA	45.90% 54.10%	33.53%
Myhs Peloponnissou SA	Athens	Greece	Electricity generation from renewable resources	2,050,000	EUR	Delta Energiaki SA	100.00%	30.18%
Myhs Pougakia SA	Athens	Greece	Electricity generation from renewable resources	1,000,000	EUR	Endesa Hellas Power Generation and Supplies SA Delta Energiaki SA	51.00% 49.00%	33.53%
Mytilhnaios Aioliikh Energeiakh Ellados SA	Athens	Greece	Electricity generation from renewable resources	4,167,000	EUR	Endesa Hellas Power Generation and Supplies Societe Anonyme	80.00%	26.83%
Mytilhnaios Aioliiki Neapoleos SA	Athens	Greece	Electricity generation from renewable resources	60,000	EUR	Mytilhnaios Aioliikh Energeiakh Ellados SA Endesa Hellas Power Generation and Supplies Societe Anonyme	99.00% 1.00%	26.83%
Nubia 2000 SL	Madrid	Spain	Electricity generation	3,000	EUR	Endesa SA	100.00%	67.05%
Nucleor SA	Burgos	Spain	Nuclear power plant	102,000,000	EUR	Endesa Generación SA	50.00%	33.53%
Nueva Compañía de Distribución Eléctrica 4 SL	Madrid	Spain	Electricity generation	3,000	EUR	Endesa SA	100.00%	67.05%
Nueva Marina Real Estate SL	Madrid	Spain	Real estate	3,200	EUR	Endesa SA	60.00%	40.23%
Paravento SL	Lugo	Spain	Electricity generation from renewable resources	3,010	EUR	Endesa Cogeneración Y Renovables SA	90.00%	60.35%
Parque Eólico A. Capelada AIE	La Coruña	Spain	Electricity generation from renewable resources	5,857,700	EUR	Endesa Cogeneración Y Renovables SA	50.00%	33.53%
Parque Eólico Carretera de Arinaga SA	Las Palmas de Gran Canaria	Spain	Electricity generation from renewable resources	1,007,000	EUR	Endesa Cogeneración Y Renovables SA	80.00%	53.64%
Parque Eólico Costa Vicentina SA	Porto	Portugal	Electricity generation from renewable resources	50,000	EUR	Finerge-Gestao de Projectos Energéticos SA	100.00%	67.05%
Parque Eólico de Aragón AIE	Zaragoza	Spain	Electricity generation from renewable resources	601,000	EUR	Endesa Cogeneración Y Renovables SA	80.00%	53.64%
Parque Eólico de Barbanza SA	La Coruña	Spain	Electricity generation from renewable resources	3,606,000	EUR	Endesa Cogeneración Y Renovables SA	63.43%	42.53%
Parque Eólico de Enix SA	Seville	Spain	Electricity generation from renewable resources	3,005,100	EUR	Endesa Cogeneración Y Renovables SA	95.00%	63.70%
Parque Eólico de Gevancas SA	Porto	Portugal	Electricity generation from renewable resources	50,000	EUR	Finerge-Gestao de Projectos Energéticos SA	100.00%	67.05%
Parque Eólico de Manique Lda	Porto	Portugal	Electricity generation from renewable resources	5,000	EUR	Finerge-Gestao de Projectos Energéticos SA	100.00%	67.05%
Parque Eólico de Santa Lucía SA	Las Palmas de Gran Canaria	Spain	Electricity generation from renewable resources	901,500	EUR	Endesa Cogeneración Y Renovables SA	65.67%	44.03%
Parque Eólico do Alto da Vaca Lda	Porto	Portugal	Electricity generation from renewable resources	125,000	EUR	Finerge-Gestao de Projectos Energéticos SA	75.00%	50.29%
Parque Eólico do Moinho do Céu SA	Porto	Portugal	Electricity generation from renewable resources	50,000	EUR	TP - Sociedade Térmica Portuguesa SA	100.00%	33.53%
Parque Eólico do Outeiro Ltda	Porto	Portugal	Electricity generation from renewable resources	5,000	EUR	Finerge-Gestao de Projectos Energéticos SA	100.00%	67.05%
Parque Eólico do Vale do Abade Lda	Porto	Portugal	Electricity generation from renewable resources	5,000	EUR	Finerge-Gestao de Projectos Energéticos SA	51.00%	34.20%
Parque Eólico Dos Fiéis Lda	Porto	Portugal	Electricity generation from renewable resources	100,000	EUR	Finerge-Gestao de Projectos Energéticos SA	100.00%	67.05%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
at June 30, 2008								
Parque Eólico Finca de Mogán SA	Las Palmas de Gran Canaria	Spain	Construction and management of wind plants	3,810,340	EUR	Endesa Cogeneración Y Renovables SA	90.00%	60.35%
Parque Eólico Montes de Las Navas SA	Madrid	Spain	Construction and management of wind plants	6,540,000	EUR	Endesa Cogeneración Y Renovables SA	55.50%	37.21%
Parque Eólico Punta de Teno SA	Tenerife	Spain	Electricity generation from renewable resources	528,880	EUR	Endesa Cogeneración Y Renovables SA	52.00%	34.87%
Parque Eólico Serra da Capucha SA	Porto	Portugal	Electricity generation from renewable resources	50,000	EUR	TP - Sociedade Térmica Portuguesa SA Finerge-Gestao de Projectos Energéticos SA	50.00% 50.00%	33.53%
Pegop - Energía Eléctrica SA	Abrantes	Portugal	Electricity generation	50,000	EUR	Endesa Generación SA	50.00%	33.53%
Pereda Power SL	La Pereda	Spain	Development of generation activities	5,000	EUR	Endesa Generación II SA	70.00%	46.94%
Planta de Regasificación de Sagunto SA	Madrid	Spain	Sale of gas and fuel	1,500,000	EUR	Iniciativas de Gas SL	50.00%	13.41%
Planta Eólica Europea SA	Seville	Spain	Electricity generation from renewable resources	1,198,530	EUR	Endesa Cogeneración Y Renovables SA	56.12%	37.63%
PP - Co-Geração SA	S. Paio de Oleiros	Portugal	Cogeneration of electricity and heat	50,000	EUR	TP - Sociedade Térmica Portuguesa SA	100.00%	33.53%
Printerel SL	Barcelona	Spain	Construction and management of a cogeneration plant	270,450	EUR	Endesa Cogeneración Y Renovables SA	39.00%	26.15%
Productor Regional de Energía Renovable I SA	Valladolid	Spain	Development and construction of wind plants	60,500	EUR	Endesa Cogeneración Y Renovables SA	75.00%	50.29%
Productor Regional de Energía Renovable SA	Valladolid	Spain	Development and construction of wind plants	260,500	EUR	Endesa Cogeneración Y Renovables SA	85.00%	56.99%
Progas	Santiago	Chile	Gas distribution	1,306,000,000	CLP	Gasoducto Atacama Chile SA Gas Atacama Generación SA	99.90% 0.10%	12.18%
Propaise	Bogotá D.C.	Colombia	Electricity purchasing, generation and sales	1,875,000,000	COP	Endesa Cogeneración Y Renovables SA	94.99%	63.69%
Proyectos Eólicos Valencianos SA	Valencia	Spain	Electricity generation	1,100,000	EUR	Endesa Cogeneración Y Renovables SA	55.00%	36.88%
Releco Santiago AIE	Huesca	Spain	Cogeneration of electricity and heat	300,510	EUR	Endesa Cogeneración Y Renovables SA	45.00%	30.17%
Sacme SA	Capital Federal	Argentina	Monitoring of electricity system	12	ARS	Empresa Distribuidora Sur SA	50.00%	20.21%
Salto de San Rafael SL	Seville	Spain	Hydroelectric plants	461,410	EUR	Endesa Cogeneración Y Renovables SA	50.00%	33.53%
Salto Del Nansa I SA	Cantabria	Spain	Electricity generation, transmission and distribution	7,212,000	EUR	Endesa Cogeneración Y Renovables SA	100.00%	67.05%
Salto Y Centrales de Catalunya SA	Barcelona	Spain	Hydroelectric plants	120,200	EUR	Endesa Cogeneración Y Renovables SA	100.00%	67.05%
Sealve - Sociedade Eléctrica de Alvaizere SA	Porto	Portugal	Electricity generation from renewable resources	50,000	EUR	Finerge-Gestao de Projectos Energéticos SA	100.00%	67.05%
Sere - Sociedade Exploradora de Recursos Eléctricos Lda	Porto	Portugal	Electricity generation	5,000	EUR	Finerge-Gestao de Projectos Energéticos SA	100.00%	67.05%
Sisconer - Exploração de Sistemas de Conversão de Energia Lda	Porto	Portugal	Electricity generation from renewable resources	5,000	EUR	Finerge-Gestao de Projectos Energéticos SA	55.00%	36.88%
Sociedad Agrícola de Cameros Ltda	Santiago	Chile	-	5,738,046,495	CLP	Inmobiliaria Manso de Velasco Ltda	57.50%	23.37%
Sociedad Agrícola Pastos Verdes Ltda	Santiago	Chile	-	37,029,389,730	CLP	Inmobiliaria Manso de Velasco Ltda	55.00%	22.36%
Sociedad Concesionaria Túnel El Melón SA	Santiago	Chile	Engineering	7,804	CLP	Empresa Nacional e Electricidad SA Endesa Inversiones Generales SA	99.99% 0.01%	24.38%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
at June 30, 2008								
Sociedad Consorcio Ingendesa-Ara Limitada	Santiago	Chile	Engineering services	1,000,000	CLP	Empresa de Ingeniería Ingendesa SA	50.00%	12.19%
Sociedad de Gestión de Activos Distribución Eléctrica SL	Madrid	Spain	Electricity distribution	3,000	EUR	Endesa SA	100.00%	67.05%
Sociedad Eólica Los Lances SA	Seville	Spain	Electricity generation from renewable resources	2,404,040	EUR	Endesa Cogeneración Y Renovables SA	50.00%	33.53%
Sociedad Inversora Dock Sud SA	Capital Federal	Argentina	Holding company	241,500,000	ARS	Endesa Internacional SA	57.14%	38.31%
Sodesa - Comercialização de Energia Electrica SA	Porto	Portugal	Electricity distribution and services	750,000	EUR	Endesa Energia SA	50.00%	33.53%
Soternix - Produção de Energia Ace	Barcelos	Portugal	Electricity generation	-		TP - Sociedade Térmica Portuguesa SA	51.00%	17.10%
Southern Cone Power Argentina SA	Capital Federal	Argentina	Holding company	19,870,000	ARS	Empresa Nacional de Electricidad SA Endesa Inversiones Generales SA	98.03% 1.97%	24.38%
Spider Energeiakh SA	Athens	Greece	Electricity generation from renewable resources	250,000	EUR	Mytilhnaios Aiolkh Energeiakh Ellados SA	100.00%	26.83%
Suministradora Eléctrica de Cádiz SA	Cádiz	Spain	Electricity distribution and supply	12,020,000	EUR	Endesa Distribución Eléctrica SL	33.50%	22.46%
Suministro de Luz Y Fuerza SL	Torroella de Montgri (Girona)	Spain	Electricity distribution	2,800,000	EUR	Hidroeléctrica de Catalunya SL	60.00%	40.23%
Synapsis Argentina Ltda	Buenos Aires	Argentina	IT services	466,129	ARS	Enersis SA Synapsis Soluciones Y Servicios It Ltda	5.00% 95.00%	40.65%
Synapsis Brasil Ltda	Rio de Janeiro	Brazil	IT services	4,241,890	BRL	Synapsis Argentina Ltda Synapsis Soluciones Y Servicios It Ltda	99.95% 0.05%	40.65%
Synapsis Colombia Ltda	Bogotá D.C.	Colombia	IT services	238	COP	Enersis SA Synapsis Brasil Ltda Synapsis Argentina Ltda Synapsis Soluciones Y Servicios It Ltda	0.20% 2.40% 2.50% 94.90%	40.65%
Synapsis Perú Ltda	Lima	Peru	IT and telecommunications services and projects	1	PEN	Compañía Americana de Multiservicios de Chile Ltda Synapsis Soluciones Y Servicios It Ltda	0.20% 99.80%	40.65%
Synapsis Soluciones Y Servicios It Ltda	Santiago	Chile	IT services	3,943,579,923	CLP	Enersis SA Chilectra SA	99.99% 0.01%	40.65%
Tejo Energia Produção e Distribuição de Energia Electrica SA	Paço D'arcos	Portugal	Electricity generation, transmission and distribution	5,025,000	EUR	Endesa Generación SA	38.89%	26.07%
Teneгуа Gestión Financiera SL	Tenerife	Spain	Finance	20,000,000	EUR	Endesa Financiación Filiales SA	100.00%	67.05%
Teneгуа Gestión Financiera SL S. Com.	Tenerife	Spain	Finance	1,567,000,000	EUR	Endesa Financiación Filiales SA Teneгуа Gestión Financiera SL	94.45% 5.55%	67.05%
Thessaliki Energiaki SA	Athens	Greece	Electricity generation from renewable resources	1,150,000	EUR	Delta Energiaki SA	100.00%	30.18%
Toledo Pv AEIE	Madrid	Spain	Photovoltaic plant	26,890	EUR	Endesa Cogeneración Y Renovables SA	33.33%	22.35%
TP - Sociedade Térmica Portuguesa SA	Lisbon	Portugal	Cogeneration of electricity and heat	7,500,000	EUR	Endesa Cogeneración Y Renovables SA	50.00%	33.53%
Transmisora Eléctrica de Quillota Ltda	Santiago	Chile	Electricity transmission and distribution	3,867	CLP	Compañía Eléctrica San Isidro SA	50.00%	12.19%
Transportadora de Energia SA	Capital Federal	Argentina	Electricity generation trasmission and distribution	55,512,000	ARS	Compañía de Interconexión Energética SA	100.00%	39.55%
Transportes Y Distribuciones Eléctricas SA	Olot (Girona)	Spain	Electricity transmission	72,120	EUR	Endesa Distribución Eléctrica SL	73.33%	49.17%
Transportista Regional de Gas SA	Medina Del Campo (Valladolid)	Spain	Gas transport	748,260	EUR	Endesa Gas Transportista SLU	50.00%	33.53%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
at June 30, 2008								
Unelco Cogeneraciones Sanitarias Del Archipiélago SA	Las Palmas de Gran Canaria	Spain	Cogeneration of electricity and heat	1,202,020	EUR	Endesa Cogeneración Y Renovables SA	100.00%	67.05%
Unión Eléctrica de Canarias Generación SAU	Las Palmas de Gran Canaria	Spain	Electricity generation	190,171,520	EUR	Endesa Generación SA	100.00%	67.05%
Ute Biogas Garraf	Barcelona	Spain	Electricity generation with biogas	3,000,000	EUR	Endesa Cogeneración Y Renovables SA	50.00%	33.53%
Ute Hospital Juan Ramón Jiménez	Madrid	Spain	-	6,000	EUR	Endesa Energía SA	50.00%	33.53%
Ventominho	Esposende	Spain	Electricity generation from renewable resources	50,000	EUR	Eevm - Empreendimentos Eólicos Vale do Minho SA	84.99	21.37%
YHS PEONIA S SA	Athens	Greece	Electricity generation from renewable resources	200,000	EUR	Delta Energiaki SA	62.50%	18.86%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
at June 30, 2008								
Parent company:								
Enel Unión Fenosa Renovables SA	Madrid	Spain	Electricity generation from renewable resources	32,505,000	EUR	Enel Investment Holding BV	50.00%	50.00%
Subsidiaries:								
Aridos Energias Especiales SL	Villalbilla	Spain	Electricity generation from renewable resources	600,000	EUR	Enel Unión Fenosa Renovables SA	41.05%	20.53%
Azucarera Energias SA	Madrid	Spain	Electricity generation from renewable resources	570,600	EUR	Enel Unión Fenosa Renovables SA	40.00%	20.00%
Barbao SA	Madrid	Spain	Electricity generation from renewable resources	284,878.74	EUR	Enel Unión Fenosa Renovables SA	100.00%	50.00%
Boiro Energia SA	Boiro	Spain	Electricity generation from renewable resources	601,010	EUR	Enel Unión Fenosa Renovables SA	40.00%	20.00%
Cogeneración Del Noroeste SL	Santiago de Compostela	Spain	Electricity generation from renewable resources	3,606,000	EUR	Enel Unión Fenosa Renovables SA	40.00%	20.00%
Depuracion Destilacion Reciclaje SL	Boiro	Spain	Electricity generation from renewable resources	600,000	EUR	Enel Unión Fenosa Renovables SA	40.00%	20.00%
Energia Termosolar de los Monegros SL	Zaragoza	Spain	Electricity generation from renewable resources	400,000	EUR	Enel Unión Fenosa Renovables SA	80.00%	40.00%
Energias Ambientales de Somozas SA	La Coruña	Spain	Electricity generation from renewable resources	1,250,000	EUR	Enel Unión Fenosa Renovables SA	19.40%	9.70%
Energias Ambientales Easa SA	La Coruña	Spain	Electricity generation from renewable resources	15,491,460	EUR	Enel Unión Fenosa Renovables SA	33.34%	16.67%
Energias Especiales Alcoholeras SA	Madrid	Spain	Electricity generation from renewable resources	82,000	EUR	Enel Unión Fenosa Renovables SA	82.33%	41.17%
Energias Especiales De Andalucía SL	Seville	Spain	Electricity generation from renewable resources	20,000	EUR	Eufer Renovables Ibéricas 2004 SA	100.00%	50.00%
Energias Especiales De Belmonte SA	Madrid	Spain	Electricity generation from renewable resources	120,400	EUR	Enel Unión Fenosa Renovables SA	50.16%	25.08%
Energias Especiales De Careon SA	La Coruña	Spain	Electricity generation from renewable resources	270,450	EUR	Enel Unión Fenosa Renovables SA	77.00%	38.50%
Energias Especiales De Castelo SA	Madrid	Spain	Electricity generation from renewable resources	437,400	EUR	Enel Unión Fenosa Renovables SA	100.00%	50.00%
Energias Especiales de Extremadura SL	Badajoz	Spain	Electricity generation from renewable resources	6,000	EUR	Enel Unión Fenosa Renovables SA	88.34%	44.17%
Energias Especiales de Pena Armada SA	Madrid	Spain	Electricity generation from renewable resources	963,300	EUR	Enel Unión Fenosa Renovables SA	80.00%	40.00%
Energias Especiales Del Alto Ulla SA	Madrid	Spain	Electricity generation from renewable resources	360,600	EUR	Enel Unión Fenosa Renovables SA	100.00%	50.00%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
at June 30, 2008								
Energías Especiales Del Bierzo SA	Torre del Bierzo	Spain	Electricity generation from renewable resources	1,635,000	EUR	Enel Unión Fenosa Renovables SA	50.00%	25.00%
Energías Especiales Del Noroeste SA	Madrid	Spain	Electricity generation from renewable resources	6,812,040	EUR	Enel Unión Fenosa Renovables SA	100.00%	50.00%
Energías Especiales Montes Castellanos SL	Madrid	Spain	Electricity generation from renewable resources	6,241,000	EUR	Enel Unión Fenosa Renovables SA	100.00%	50.00%
Energías Especiales Valencianas SL	Valencia	Spain	Electricity generation from renewable resources	60,000	EUR	Enel Unión Fenosa Renovables SA	100.00%	50.00%
Energías Renovables Montes de San Sebastián SL	Madrid	Spain	Electricity generation from renewable resources	1,305,000	EUR	Enel Unión Fenosa Renovables SA	100.00%	50.00%
Eólica Del Cordal de Montouto SL	Madrid	Spain	Electricity generation from renewable resources	160,000	EUR	Enel Unión Fenosa Renovables SA	100.00%	50.00%
Eólica el Molar SL	Fuente Alamo	Spain	Electricity generation from renewable resources	1,235,300	EUR	Enel Unión Fenosa Renovables SA	100.00%	50.00%
Eufer Comercializadora SL	Madrid	Spain	Electricity generation from renewable resources	60,000	EUR	Enel Unión Fenosa Renovables SA	100.00%	50.00%
Eufer Renovables Ibéricas 2004 SA	Madrid	Spain	Electricity generation from renewable resources	15,653,000	EUR	Enel Unión Fenosa Renovables SA	100.00%	50.00%
Gallega de Cogeneración SA	Santiago de Compostela	Spain	Electricity generation from renewable resources	1,803,000	EUR	Enel Unión Fenosa Renovables SA	40.00%	20.00%
Martínez y Lanza SA	Bajo Leon	Spain	Electricity generation from renewable resources	60,101.21	EUR	Enel Unión Fenosa Renovables SA	80.00%	40.00%
Parque Eólico Cabo Villano SL	Madrid	Spain	Electricity generation from renewable resources	490,799.44	EUR	Enel Unión Fenosa Renovables SA	100.00%	50.00%
Parque Eólico De Barbanza SA	Santiago de Compostela	Spain	Electricity generation from renewable resources	3,606,000	EUR	Enel Unión Fenosa Renovables SA	25.00%	12.50%
Parque Eólico De Malpica SA	La Coruña	Spain	Electricity generation from renewable resources	950,000	EUR	Enel Unión Fenosa Renovables SA	35.42%	17.71%
Parque Eólico de Padul	Madrid	Spain	Electricity generation from renewable resources	240,000	EUR	Enel Unión Fenosa Renovables SA	100.00%	50.00%
Parque Eólico De San Andrés SA	La Coruña	Spain	Electricity generation from renewable resources	552,920	EUR	Enel Unión Fenosa Renovables SA	82.00%	41.00%
Parque Eólico La Losilla SA	Madrid	Spain	Electricity generation from renewable resources	60,400	EUR	Eufer Renovables Ibéricas 2004 SA	100.00%	50.00%
Parque Eólico Montes de Las Navas SA	Madrid	Spain	Electricity generation from renewable resources	6,540,000	EUR	Enel Unión Fenosa Renovables SA	20.00%	10.00%
Parque Eólico Sierra Del Merengue SL	Cáceres	Spain	Electricity generation from renewable resources	30,000	EUR	Enel Unión Fenosa Renovables SA	50.00%	25.00%
Prius Energética SL	Madrid	Spain	Electricity generation from renewable resources	3,600	EUR	Enel Unión Fenosa Renovables SA	100.00%	50.00%
Promociones Energeticas Del Bierzo SL	Ponferrada	Spain	Electricity generation from renewable resources	12,020	EUR	Enel Unión Fenosa Renovables SA	50.00%	25.00%
Proyectos Universitarios de Energías Renovables SL	Alicante	Spain	-	180,000	EUR	Enel Unión Fenosa Renovables SA	33.33%	16.67%
Sistemas Energeticos Mañón Ortigueira SA	Ortigueira	Spain	Electricity generation from renewable resources	4,507,500	EUR	Enel Unión Fenosa Renovables SA	96.00%	48.00%
Ufeyfs SL	Aranjuez	Spain	Electricity generation from renewable resources	2,373,950	EUR	Enel Unión Fenosa Renovables SA	40.00%	20.00%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
at June 30, 2008								
Parent company:								
Artic Russia BV (formerly Eni Russia BV)	Amsterdam	Netherlands	Holding company	100,000	EUR	Enel Investment Holding BV	40.00%	40.00%
Subsidiaries:								
Arcticgaz OAO	Novyi Urengoi	Russian Federation	Mining	2,400,000	RUB	SeverEnergia (formerly Enineftegaz)	100.00%	40.00%
Neftegaztekhlogiya OAO	Novyi Urengoi	Russian Federation	Mining	500,000	RUB	SeverEnergia (formerly Enineftegaz)	100.00%	40.00%
SeverEnergia (formerly Enineftegaz)	Moscow	Russian Federation	Holding company	1,000,000	RUB	Artic Russia BV (formerly Eni Russia BV)	100.00%	40.00%
Urengoil ZAO	Molodezhniy	Russian Federation	Mining	119,750,280	RUB	SeverEnergia (formerly Enineftegaz)	100.00%	40.00%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
at June 30, 2008								
Parent company:								
Res Holdings BV	Amsterdam	Netherlands	Holding company	18,000	EUR	Enel Investment Holding BV	49.50%	49.50%
Subsidiaries:								
Lipetskenegrosbyt LLC	Lipetskaya oblast	Russian Federation	Electricity sales	7,500	RUB	Res Holdings BV	75.00%	37.13%
Nizhegorodskaya Sbytovaya Kompaniya OJSC	Nizhniy Novgorod	Russian Federation	Electricity sales	29,006,540.64	RUB	Res Holdings BV	62.29%	30.83%
Rusenergosbyt LLC	Moscow	Russian Federation	Trading	2,760,000	RUB	Res Holdings BV	100.00%	49.50%
Rusenergosbyt C LLC	Khanty-Mansiyskiy	Russian Federation	Electricity sales	5,100	RUB	Res Holdings BV	51.00%	25.25%
Rusenergosbyt M LLC	Moscow	Russian Federation	Electricity sales	7,500	RUB	Res Holdings BV	75.00%	37.13%
Rusenergosbyt Siberia LLC	Krasnoyarskiy kray	Russian Federation	Electricity sales	5,000	RUB	Res Holdings BV	50.00%	24.75%

Associated companies accounted for using the equity method at June 30, 2008 177

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
at June 30, 2008								
Aes Distribuidores Salvadoreños Ltda de cv	San Salvador	El Salvador	Electricity generation from renewable resources	200,000	SVC	Grupo EGI SA de cv	20.00%	20.00%
Aes Distribuidores Salvadoreños Y Compañía S. en C. de cv	San Salvador	El Salvador	Electricity generation from renewable resources	200,000	SVC	Grupo EGI SA de cv	20.00%	20.00%
Alpe Adria Energia SpA	Udine	Italy	Engineering, construction and management of interconnection power lines	450,000	EUR	Enel Produzione SpA	40.50%	40.50%
CESI - Centro Elettrotecnico Sperimentale Italiano Giacinto Motta SpA	Milan	Italy	Research and testing	8,550,000	EUR	Enel SpA	25.92%	25.92%
Chladiace veže Bohunice spol. sro	Bohunice	Slovakia	Engineering and construction	500,000	SKK	Slovenské elektrárne AS	35.00%	23.10%
Compagnia Porto di Civitavecchia SpA	Rome	Italy	Harbor construction	20,516,000	EUR	Enel Produzione SpA	25.00%	25.00%
Eneco Energia Ecologica Srl	Predazzo (Trento)	Italy	Area heating networks	1,716,586	EUR	Avisio Energia SpA	25.73%	25.69%
Energias de Villarrubia SL	Barcelona	Spain	Electricity generation from renewable resources	3,010	EUR	Enel Unión Fenosa Renovables SA	20.00%	10.00%
Energy North Company OJSC Tarko-Sale		Russian Federation	Electricity generation and sales	100,000,000	RUB	OGK-5 OJSC	40.00%	22.31%
Enerlasa SA	Madrid	Spain	Electricity generation from renewable resources	1,021,700	EUR	Enel Unión Fenosa Renovables SA	45.00%	22.50%
Hipotecaria de Santa Ana Ltda de cv	San Salvador	El Salvador	Electricity generation from renewable resources	100,000	SVC	Grupo EGI SA de cv	20.00%	20.00%
Idrosicilia SpA	Milan	Italy	Water sector	22,520,000	EUR	Enel SpA	40.00%	40.00%
LaGeo SA de cv	Ahuachapan	El Salvador	Electricity generation from renewable resources	2,562,826,700	SVC	Enel Produzione SpA	36.20%	36.20%
Reaktortest sro	Trnava	Slovakia	Nuclear power research	2,000,000	SKK	Slovenské elektrárne AS	49.00%	32.34%
SIET - Società Informazioni Esperienze Termoidrauliche SpA	Piacenza	Italy	Studies, design and research in thermal generation	697,820	EUR	Enel.NewHydro Srl	41.55%	41.55%
Sotavento Galicia SA	Santiago de Compostela	Spain	Electricity generation from renewable resources	601,000	EUR	Enel Unión Fenosa Renovables SA	18.00%	9.00%
Star Lake Hydro Partnership	St. John (Newfoundland)	Canada	Electricity generation from renewable resources	-		Chi Hydroelectric Company Inc.	49.00%	49.00%
Tirmadrid SA	Valdemingómez	Spain	Electricity generation from renewable resources	16,828,000	EUR	Enel Unión Fenosa Renovables SA	18.64%	9.32%
Trade Wind Energy LLC	Topeka (Kansas)	USA	Electricity generation from renewable resources	-		Enel Kansas LLC	45.00%	45.00%
Ústav jaderného výzkumu Řež AS	Řež	Czech Republic	Nuclear power research and development	524,139,000	CZK	Slovenské elektrárne AS	27.78%	18.33%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
at June 30, 2008								
P.N. Endesa SA:								
Aplicações Hidroeléctricas da Beira Alta Ltda	Lisbon	Portugal	Hydroelectric plants	399,000	EUR	Endesa Cogeneración Y Renovables SA	35.71%	23.94%
Asanefi AIE	Barcelona	Spain	Combined-cycle generation plant	907,510	EUR	Endesa Cogeneración Y Renovables SA	42.50%	28.50%
Business Energy AE	Athens	Greece	Electricity generation from renewable resources	60,030	EUR	Ionia Energiaki SA	90.00%	13.31%
Business Energy Troizinias AE	Athens	Greece	Electricity generation from renewable resources	60,000	EUR	Ionia Energiaki SA	100.00%	14.79%
Calizas Elycar SL	Huesca	Spain	Combined-cycle generation plant	1,803,000	EUR	Endesa Cogeneración Y Renovables SA	25.00%	16.76%
Central Hidráulica Güejar-Sierra SL	Seville	Spain	Management of hydroelectric plants	364,210	EUR	Endesa Cogeneración Y Renovables SA	33.30%	22.33%
Central Hidroeléctrica Casillas SA	Seville	Spain	Management of hydroelectric plants	301,000	EUR	Endesa Cogeneración Y Renovables SA	49.00%	32.85%
Central Térmica de Anllares AIE	Madrid	Spain	Management of thermal plants	595,000	EUR	Endesa Generación SA	33.33%	22.35%
Centrales Nucleares Almaraz-Trillo AIE	Madrid	Spain	Management of nuclear plants	-		Endesa Generación SA Nucleon SA	23.54% 0.70%	16.25%
Cogeneración El Salto SL	Zaragoza	Spain	Cogeneration of electricity and heat	36,000	EUR	Endesa Cogeneración Y Renovables SA	20.00%	13.41%
Cogeneración Hostalrich AIE	Girona	Spain	Cogeneration of electricity and heat	781,300	EUR	Endesa Cogeneración Y Renovables SA	33.00%	22.13%
Cogeneración Lipsa SL	Barcelona	Spain	Cogeneration of electricity and heat	720,000	EUR	Endesa Cogeneración Y Renovables SA	20.00%	13.41%
Companhia Térmica Tagol Lda	Algés	Portugal	Electricity generation	5,000	EUR	TP - Sociedade Térmica Portuguesa SA	48.00%	16.09%
Compañía Eólica Tierras Altas SA	Soria	Spain	Wind plants	13,222,000	EUR	Endesa Cogeneración Y Renovables SA	35.63%	23.89%
Compañía Transportista de Gas de Canarias SA	Las Palmas de Gran Canaria	Spain	Gas transport	3,247,250	EUR	Unión Eléctrica de Canarias Generación SAU	45.00%	30.17%
Consorcio Ara-Ingendesa Sener Ltda	Santiago	Chile	Design and consulting services	1,000,000	CLP	Empresa de Ingeniería Ingendesa SA	33.33%	8.13%
Corelcat AIE	Lleida	Spain	Cogeneration of electricity and heat	60,100	EUR	Endesa Cogeneración Y Renovables SA	45.00%	30.17%
Corporación Eólica de Zaragoza SL	Zaragoza	Spain	Electricity generation from renewable resources	2,524,200	EUR	Endesa Cogeneración Y Renovables SA	25.00%	16.76%
Detelca UTE	Las Palmas de Gran Canaria	Spain	Engineering and construction	6,000	EUR	Endesa Participadas SA	24.90%	16.70%
Ecoenergía de Can Mata AIE	Barcelona	Spain	Waste treatment and disposal	180,000	EUR	Endesa Cogeneración Y Renovables SA	25.00%	16.76%
Elcogas SA	Madrid	Spain	Electricity generation	38,162,420	EUR	Endesa Generación SA	40.87%	27.40%
Eléctrica de Jafre SA	Girona	Spain	Electricity distribution and sales	165,880	EUR	Hidroeléctrica de Catalunya SL	47.46%	31.82%
Electron Watt SA	Athens	Greece	Electricity generation from renewable resources	60,000	EUR	Delta Energiaki SA	10.00%	3.02%
Energía de La Loma SA	Villanueva Del Arzobispo (Jaen)	Spain	Biomass	4,450,000	EUR	Endesa Cogeneración Y Renovables SA	40.00%	26.82%
Ensafeca Holding Empresarial SL	Barcelona	Spain	Telecommunications services	23,164,000	EUR	Endesa Participadas SA	32.43%	21.74%
Eólica Del Principado SAU	Oviedo	Spain	Electricity generation from renewable resources	90,000	EUR	Endesa Cogeneración Y Renovables SA	40.00%	26.82%
Eólicas de Fuerteventura AIE	Fuerteventura - Las Palmas	Spain	Electricity generation from renewable resources	-		Endesa Cogeneración Y Renovables SA	40.00%	26.82%
Eólicas de Lanzarote SL	Las Palmas de Gran Canaria	Spain	Electricity generation and distribution	1,758,000	EUR	Endesa Cogeneración Y Renovables SA	40.00%	26.82%
Ercetesa SA	Zaragoza	Spain	Cogeneration of electricity and heat	294,490	EUR	Endesa Cogeneración Y Renovables SA	35.00%	23.47%
Erecosalz SL	Zaragoza	Spain	Cogeneration of electricity and heat	18,000	EUR	Endesa Cogeneración Y Renovables SA	33.00%	22.13%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
at June 30, 2008								
Feneralt - Produção de Energia Ace	Barcelos	Portugal	Electricity generation	-		TP - Sociedade Térmica Portuguesa SA	25.00%	8.38%
Foraneto SL	Barcelona	Spain	Cogeneration of electricity and heat	60,100	EUR	Endesa Cogeneración Y Renovables SA	25.00%	16.76%
Forel SL	Barcelona	Spain	Cogeneration of electricity and heat	6,010	EUR	Endesa Cogeneración Y Renovables SA	40.00%	26.82%
Forsean SL	Barcelona	Spain	Cogeneration of electricity and heat	60,100	EUR	Endesa Cogeneración Y Renovables SA	30.00%	20.12%
Fthiotiki Energiaki SA	Athens	Greece	Electricity generation from renewable resources	360,000	EUR	Delta Energiaki SA	35.00%	10.56%
Garofeica SA	Barcelona	Spain	Cogeneration of electricity and heat	721,200	EUR	Endesa Cogeneración Y Renovables SA	27.00%	18.10%
Gnl Chile SA	Santiago	Chile	Design and LNG supply	2,223,053,110,000	CLP	Empresa Nacional de Electricidad SA	33.33%	8.13%
Gnl Quintero SA	Santiago	Chile	Design and LNG supply	1,255,000	CLP	Empresa Nacional de Electricidad SA	20.00%	4.88%
Gorona Del Viento El Hierro SA	Valverde de El Hierro	Spain	Development and maintenance of El Hierro generation plant	61,200	EUR	Unión Eléctrica de Canarias Generación SAU	30.00%	20.12%
Green Fuel Andalucía SA	Seville	Spain	Biodiesel development, construction and operation	1,307,200	EUR	Endesa Cogeneración Y Renovables SA Green Fuel Corporacion SA	34.48% 41.38%	50.86%
Green Fuel Aragón SA	Zaragoza	Spain	Biodiesel development, construction and operation	1,439,520	EUR	Endesa Cogeneración Y Renovables SA	34.73%	23.29%
Green Fuel Extremadura SA	Badajoz	Spain	Fuel sales	1,694,598	EUR	Endesa Generación SA	26.60%	17.84%
Hidroeléctrica de Oroul SL	Lugo	Spain	Electricity generation from renewable resources	1,608,000	EUR	Endesa Cogeneración Y Renovables SA	30.00%	20.12%
Hidroeléctrica Del Piedra SL	Zaragoza	Spain	Electricity generation and sales	160,470	EUR	Endesa Cogeneración Y Renovables SA	25.00%	16.76%
Inversiones Electrogas SA	Santiago	Chile	Holding company	10,004,000,000	CLP	Empresa Nacional de Electricidad SA	42.50%	10.36%
Ionia Energiaki SA	Athens	Greece	Electricity generation from renewable resources	1,100,000	EUR	Delta Energiaki SA	49.00%	14.79%
Konecta Chile SA	Santiago	Chile	IT services	1,000,000	CLP	Synapsis Soluciones Y Servicios It Ltda	26.20%	10.65%
Kromschroeder SA	L'Hospitalet de Llobregat (Barcelona)	Spain	Services	657,000	EUR	Endesa Gas SAU	27.93%	18.73%
Minicentrales Del Canal Imperial-Gallur SL	Zaragoza	Spain	Hydroelectric plants	1,820,000	EUR	Endesa Cogeneración Y Renovables SA	36.50%	24.47%
Myhs Thermorema SA	Athens	Greece	Electricity generation from renewable resources	800,000	EUR	Delta Energiaki SA	40.00%	12.07%
Neinver Bolonia SL	Madrid	Spain	-	6,000	EUR	Bolonia Real Estate SL	45.00%	30.17%
Oxagesa AIE	Teruel	Spain	Cogeneration of electricity and heat	6,000	EUR	Endesa Cogeneración Y Renovables SA	33.33%	22.35%
Parc Eolic Els Aligars SL	Barcelona	Spain	Electricity generation from renewable resources	1,313,100	EUR	Endesa Cogeneración Y Renovables SA	30.00%	20.12%
Parc Eolic La Tossa-La Mola D'En Pascual SL	Barcelona	Spain	Electricity generation from renewable resources	1,183,100	EUR	Endesa Cogeneración Y Renovables SA	30.00%	20.12%
Parque Eólico Sierra Del Madero SA	Soria	Spain	Electricity generation from renewable resources	7,194,250	EUR	Endesa Cogeneración Y Renovables SA	48.00%	32.18%
Powercer - Sociedade de Cogeração de Vialonga SA	Loures	Portugal	Cogeneration of electricity and heat	50,000	EUR	Finerge-Gestao de Projectos Energéticos SA	30.00%	20.12%
Productora de Energías SA	Barcelona	Spain	Hydroelectric plants	60,100	EUR	Endesa Cogeneración Y Renovables SA	30.00%	20.12%
Proyecto Almería Mediterraneo SA	Madrid	Spain	Desalinization and water supply	601,000	EUR	Endesa SA	45.00%	30.17%
Puignerel AIE	Barcelona	Spain	Cogeneration of electricity and heat	11,299,000	EUR	Endesa Cogeneración Y Renovables SA	25.00%	16.76%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
at June 30, 2008								
Regasificadora Del Noroeste SA	Mugardos (La Coruña)	Spain	Regassification and transport of natural gas	47,478,520	EUR	Endesa Generación SA	21.00%	14.08%
Rofeica D'Energía SA	Barcelona	Spain	Cogeneration of electricity and heat	1,983,300	EUR	Endesa Cogeneración Y Renovables SA	27.00%	18.10%
Sadiel Tecnologías de La Información SA	Seville	Spain	IT services	663,520	EUR	Endesa Servicios SL	37.50%	25.14%
Santo Rostro Cogeneración SA	Seville	Spain	Cogeneration of electricity and heat	207,000	EUR	Endesa Cogeneración Y Renovables SA	45.00%	30.17%
Sati Cogeneración AIE	Barcelona	Spain	Cogeneration of electricity and heat	64,910	EUR	Endesa Cogeneración Y Renovables SA	27.50%	18.44%
Serra do Moncoso Cambas SL	La Coruña	Spain	Electricity generation from renewable resources	429,680	EUR	Eólicos Touriñán SA	49.00%	32.85%
Sistemas Energéticos La Muela SA	Zaragoza	Spain	Electricity generation from renewable resources	3,065,100	EUR	Endesa Cogeneración Y Renovables SA	30.00%	20.12%
Sistemas Energéticos Más Garullo SA	Zaragoza	Spain	Electricity generation from renewable resources	1,503,410	EUR	Endesa Cogeneración Y Renovables SA	27.00%	18.10%
Sistemas Sec SA	Santiago	Chile	Communications and signalling systems	1,992,421,000	CLP	Compañía Americana de Multiservicios de Chile Ltda	49.00%	19.92%
Sociedad Eólica de Andalucía SA	Seville	Spain	Electricity generation	4,507,580	EUR	Endesa Cogeneración Y Renovables SA	46.67%	31.29%
Tecnom SA	Madrid	Spain	Electricity generation and services	4,025,700	EUR	Endesa Generación SA	45.00%	30.17%
Termoeléctrica José de San Martín SA	Buenos Aires	Argentina	Construction and management of a combined-cycle plant	500,000	ARS	Endesa Costanera SA Central Dock Sud SA Hidroeléctrica El Chocón SA	5.51% 5.32% 15.35%	4.43%
Termoeléctrica Manuel Belgrano SA	Buenos Aires	Argentina	Construction and management of a combined-cycle plant	500,000	ARS	Endesa Costanera SA Central Dock Sud SA Hidroeléctrica El Chocón SA	5.51% 5.32% 15.35%	4.43%
Termotec Energía AIE	Valencia	Spain	Cogeneration of electricity and heat	481,000	EUR	Endesa Cogeneración Y Renovables SA	45.00%	30.17%
Tirme SA	Palma de Mallorca	Spain	Waste treatment and disposal	7,662,750	EUR	Endesa Cogeneración Y Renovables SA	40.00%	26.82%
Urgell Energía SA	Lleida	Spain	Cogeneration of electricity and heat	601,000	EUR	Endesa Cogeneración Y Renovables SA	27.00%	18.10%
Yacylec SA	Capital Federal	Argentina	Electricity transmission	20,000,000	ARS	Endesa Internacional SA	22.22%	14.90%
Yedesa-Cogeneración SA	Almería	Spain	Cogeneration of electricity and heat	234,000	EUR	Endesa Cogeneración Y Renovables SA	40.00%	26.82%

Other significant equity investments at June 30, 2008

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Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
at June 30, 2008								
Agrupación Acefhat AIE	Barcelona	Spain	Design and services	793,340	EUR	Endesa Distribución Eléctrica SL	16.67%	11.18%
Companhia Térmica Mundo Têxtil Ace	Caldas de Vizela	Portugal	Electricity generation	-		TP - Sociedade Térmica Portuguesa SA	10.00%	3.35%
Co.Fa.S.E. Srl	Canazei (Trento)	Italy	Cogeneration of electricity and heat	25,500	EUR	Avisio Energia SpA	14.00%	13.98%
Diseño de Sistemas en Silicio SA	Castellon	Spain	Photovoltaic systems	565,430	EUR	Endesa Network Factory SL	14.39%	9.65%
Electrogas SA	Santiago	Chile	Holding company	10,038,000,000	CLP	Empresa Nacional de Electricidad SA Inversiones Electrogas SA	0.02% 99.95%	24.37%
Empresa Propietaria de La Red SA	Panama	Panama	Electricity transmission and distribution	40,000,000	USD	Endesa Internacional SA	12.50%	8.38%
Endesa Ingeniería SL - Vestas Eólica SA UTE	Barcelona	Spain	Engineering and consulting services	3,000	EUR	Endesa Ingeniería SLU	19.27%	12.92%
Eneop-Eólicas de Portugal SA	Lisbon	Portugal	Electricity generation from renewable resources	5,000,000	EUR	TP - Sociedade Térmica Portuguesa SA Finerge-Gestao de Projectos Energéticos SA	9.80% 9.80%	6.57%
Energotel AS	Bratislava	Slovakia	Management of fiber optic network	66,000,000	SKK	Slovenské elektrárne AS	16.67%	11.00%
Euskaltel SA	Derio (Vizcaya)	Spain	IT services	325,200,000	EUR	Endesa Participadas SA	10.00%	6.71%
Fibrel AIE	Girona	Spain	Cogeneration of electricity and heat	2,400,000	EUR	Endesa Cogeneración Y Renovables SA	10.00%	6.71%
Galsi SpA	Milan	Italy	Engineering in energy and infrastructure sector	31,838,000	EUR	Enel Produzione SpA	15.61%	15.61%
Groberel AIE	Girona	Spain	Hydroelectric plants	-		Endesa Cogeneración Y Renovables SA	12.00%	8.05%
Hisane AIE	Tarragona	Spain	Cogeneration of electricity and heat	1,200	EUR	Endesa Cogeneración Y Renovables SA	10.00%	6.71%
Hydro-Electric Station Grafkos SA	Maroussi	Greece	Electricity generation from renewable resources	1,400,000	EUR	Enel Investment Holding BV	15.00%	15.00%
International Multimedia University Srl	Rome	Italy	Distance training	24,000	EUR	Sfera - Società per la formazione e le risorse aziendali Srl	13.04%	13.04%
International Wind Parks Of Achaia SA	Maroussi	Greece	Electricity generation from renewable resources	3,020,000	EUR	Enel Investment Holding BV	15.00%	15.00%
International Wind Parks Of Rhodes SA	Maroussi	Greece	Electricity generation from renewable resources	4,389,250	EUR	Enel Investment Holding BV	6.54%	6.54%
Inversiones Eólicas La Esperanza SA	San José	Costa Rica	Electricity generation from renewable resources	12,000	CRC	Enel de Costa Rica SA (formerly Energia Global de Costa Rica SA)	12.50%	12.50%
Minicentrales Del Canal de Las Bárdenas AIE	Zaragoza	Spain	Hydroelectric plants	1,202,000	EUR	Endesa Cogeneración Y Renovables SA	15.00%	10.06%
Miranda Plataforma Logística SA	Miranda de Ebro (Burgos)	Spain	Regional development	1,200,000	EUR	Nuclenor SA	33.33%	11.17%
Oficina de Cambio de Suministrador SA	Madrid	Spain	Energy and gas supply services	70,000	EUR	Electra de Viesgo Distribucion SL Enel Viesgo Generacion SL Enel Viesgo Energia SL	4.60% 3.21% 12.19%	20.00%
Papeleira Portuguesa	Sao Paio de Oleiros	Portugal	Paper manufacturing	916,229	EUR	TP - Sociedade Térmica Portuguesa SA	13.16%	4.41%
Silicio Energía SA	Campanillas (Málaga)	Spain	Silicon extraction plant	69,000,000	EUR	Endesa Cogeneración Y Renovables SA	17.00%	11.40%
Sistemas Energéticos Mañón Ortigueira SA	La Coruña	Spain	Electricity generation from renewable resources	4,507,500	EUR	Endesa Cogeneración Y Renovables SA	10.00%	6.71%
Sociedad de Fomento Industrial de Extremadura SA	Badajoz	Spain	Regional development	155,453,460	EUR	Endesa SA	42.00%	28.16%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
at June 30, 2008								
Sociedad Para El Estudio Y La Promoción Del Gasoducto Argelia Europa Via España SA	Madrid	Spain	Development and design	28,500,000	EUR	Endesa Generación SA	12.00%	8.05%
Sotavento Galicia SA	La Coruña	Spain	Electricity generation from renewable resources	601,000	EUR	Endesa Cogeneración Y Renovables SA	18.00%	12.07%
Tirmadrid SA	Madrid	Spain	Waste treatment and disposal	16,828,000	EUR	Endesa Cogeneración Y Renovables SA	15.00%	10.06%
Tractament Y Revalorització de Residus Del Maresme SA	Barcelona	Spain	Waste treatment and disposal	3,606,060	EUR	Endesa Cogeneración Y Renovables SA	10.00%	6.71%

Companies in liquidation or held for sale at June 30, 2008

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Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
at June 30, 2008								
Climare Srl <i>(in liquidation)</i>	Genoa	Italy	-	30,600	EUR	Enel Distribuzione SpA	66.66%	66.66%
Desaladora de La Costa Del Sol SA <i>(in liquidation)</i>	Malaga	Spain	-	5,889,920	EUR	Endesa Participadas SA	51.02%	34.21%
Desarrollo Tecnológico Nuclear SL <i>(in liquidation)</i>	Madrid	Spain	-	3,650	EUR	Endesa Generación SA	46.35%	31.08%
Endesa Marketplace SA <i>(in liquidation)</i>	Madrid	Spain	-	6,743,800	EUR	Enersis SA Endesa Servicios SL	15.00% 63.00%	31.71%
Euromedia Luxembourg One SA <i>(in liquidation)</i>	Luxembourg	Luxembourg	-	44,887,500	USD	Enel Investment Holding BV	28.57%	28.57%
Q-Channel SpA <i>(in liquidation)</i>	Rome	Italy	-	1,607,141	EUR	Enel Servizi Srl	24.00%	24.00%

Report of the Independent Auditors



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(Translation from the Italian original which remains the definitive version)

Review report

To the shareholders of
ENEL S.p.A.

- 1 We have reviewed the condensed interim consolidated financial statements comprising the balance sheet, income statement, statement of recognized income and expenses for the period, statement of cash flow and notes thereto of the ENEL Group as at and for the six months ended 30 June 2008. The parent's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with IAS 34, "Interim Financial Reporting", endorsed by the European Union. Our responsibility is to prepare this report based on our review.
- 2 We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. The review consisted primarily of the collection of information relating to the captions of the condensed interim consolidated financial statements and the consistency of application of the accounting policies through discussions with company directors and analytical procedures applied to the financial data presented in such condensed interim consolidated financial statements. The review excluded such audit procedures as tests of controls and verification or validation of assets and liabilities and is significantly less than an audit performed in accordance with generally accepted auditing standards. As a consequence, contrary to our report on the annual consolidated financial statements, we do not express an audit opinion on the condensed interim consolidated financial statements.

With regard to the corresponding figures included in the condensed interim consolidated financial statements, reference should be made to our reports on the annual consolidated and interim consolidated financial statements of the previous year dated 22 April 2008 and 7 September 2007, respectively.

- 3 Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the ENEL Group as at and for the six months ended 30 June 2008 have not been prepared, in all material respects, in conformity with IAS 34, "Interim Financial Reporting", endorsed by the European Union.

Rome, 26 August 2008

KPMG S.p.A.

(Signed on the original)

Stefano Bandini
Director of Audit

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Enel

Società per azioni

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137, Viale Regina Margherita

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Euro 6,184,367,853

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Tax I.D. and Companies' Register

of Rome no. 00811720580

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