

Interim Financial Report at March 31, 2015



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Contents

Our mission	4
Foreword	5
Summary of results	7
Results by business area	11
> Italy	16
> Iberian Peninsula	20
> Latin America	23
> Eastern Europe	26
> Renewable Energy	30
> Other, eliminations and adjustments	33
Analysis of the Group's financial position	34
Analysis of the Group's financial structure	35
Significant events in the 1st Quarter of 2015	38
Reference scenario	41
Regulatory and rate issues	45
Outlook	50

Condensed consolidated quarterly financial statements at March 31, 2015

Condensed Consolidated Income Statement	53
Statement of Consolidated Comprehensive Income	54
Condensed Consolidated Balance Sheet	55
Statement of Changes in Consolidated Shareholders' Equity	56
Condensed Consolidated Statement of Cash Flows	58
Notes to the condensed consolidated quarterly financial statements at March 31, 2015	59
Declaration of the officer responsible for the preparation of the Company financial reports	80

Our mission

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

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

Foreword

The Interim Financial Report at March 31, 2015 has been prepared in compliance with Article 154-ter, paragraph 5, of Legislative Decree 58 of February 24, 1998, and in conformity with the recognition and measurement criteria set out in the international accounting standards (International Accounting Standards - IAS and International Financial Reporting Standards - IFRS) issued by the International Accounting Standards Board (IASB), as well as the interpre-

tations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), recognized in the European Union pursuant to Regulation (EC) no. 1606/2002 and in effect as of the close of the period. For a more thorough discussion of the accounting policies and measurement criteria, please refer to note 1 of the notes to the condensed consolidated quarterly financial statements.

Definition of performance indicators

In order to facilitate the assessment of the Group's performance and financial position, this Interim Financial Report at March 31, 2015 uses a number of "alternative performance indicators" not envisaged in the IFRS-EU accounting standards. In accordance with recommendation CESR/05-178b published on November 3, 2005, the criteria used to calculate these indicators are described below.

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

Net 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 sum of "Non-current assets", "Current assets" and "Assets held for sale" less "Non-

current liabilities", "Current liabilities" and "Liabilities held for sale", excluding items considered in the definition of "Net financial debt".

Net financial debt: a financial structure indicator, determined by "Long-term loans", "Short-term loans and current portion of long-term loans" less "Cash and cash equivalents", current and non-current financial assets (financial receivables and securities other than equity investments) reported under "Other current assets" and "Other non-current assets". More generally, the net financial debt of the Enel Group is calculated in conformity with paragraph 127 of Recommendation CESR/05-054b implementing Regulation (EC) no. 809/2004 and in line with the CONSOB instructions of July 26, 2007, for the determination of the net financial position, net of financial receivables and long-term securities.

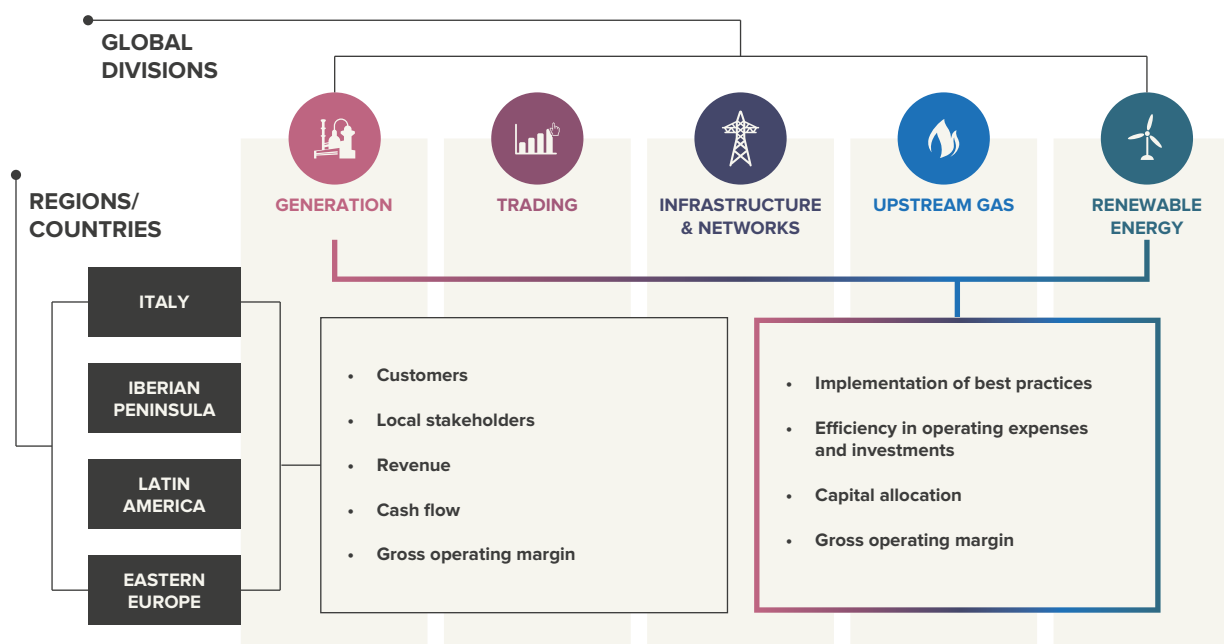
Enel organizational model

On July 31, 2014, the Enel Group adopted a **new organizational structure**, based on a matrix of divisions and geographical areas, focused on the industrial objectives of the Group, with clear specification of roles and responsibilities in order to:

- > pursue and maintain technological leadership in the sectors in which the Group operates, ensuring operational excellence;

- > maximize the level of service offered to customers in local markets.

Thanks to this organization, the Group can benefit from reduced complexity in the execution of management actions and the analysis of key factors in value creation.



More specifically, the new Enel Group structure is organized into a matrix that comprises:

- > *Divisions* (Global Generation, Global Infrastructure and Networks, Renewable Energy, Global Trading, and Upstream Gas), which are responsible for managing and developing assets, optimizing their performance and the return on capital employed in the various geographical areas in which the Group operates. The divisions are also tasked with improving the efficiency of the processes they manage and sharing best practices at the global level. The Group can benefit from a centralized industrial vision of projects in the various business areas. Each project will be assessed not only on the basis of its financial return, but also on the basis of the best technologies available at the Group level;
- > *Regions and Countries* (Italy, Iberian Peninsula, Latin America, Eastern Europe), which are responsible for managing

relationships with institutional bodies and regulatory authorities, as well as selling electricity and gas, in each of the countries in which the Group is present, while also providing staff and other service support to the divisions.

The following functions provide support to Enel's business operations:

- > *Global service functions* (Procurement and ICT), which are responsible for managing information and communication technology activities and procurement at the Group level;
- > *Holding company functions* (Administration, Finance and Control, Human Resources and Organization, Communication, Legal and Corporate Affairs, Audit, European Union Affairs, and Innovation and Sustainability), which are responsible for managing governance processes at the Group level.

Restatement of the income statement

The comparative figures in the income statement for the 1st Quarter of 2014 have been restated to reflect the introduction of "IFRIC 21 – Levies", with effect from January 1, 2015. Specifically, the effects of accounting for a number of taxes other than income tax when the obligating event giving rise to the liability to pay the levy, as set out in the applicable law, occurs have been recognized retrospectively. In this instance, the taxes involved regard a number of indirect taxes on real estate in Spain, which were recognized in their entirety at the start of the year, and no longer deferred over the

course of the year. For more details on the impact of this restatement, please see note 2 to the condensed consolidated quarterly financial statements.

Summary of results

Performance and financial position

Millions of euro	1st Quarter	
	2015	2014 restated
Revenue	19,970	18,182
Gross operating margin	4,023	3,991
Operating income	2,625	2,563
Net income attributable to the shareholders of the Parent Company and non-controlling interests	1,179	1,112
Net income attributable to the shareholders of the Parent Company	810	868
Group net income per share in circulation at period-end (euro)	0.09	0.09
Net capital employed	93,012	88,528 ⁽¹⁾
Net financial debt	39,514	37,383 ⁽¹⁾
Shareholders' equity (including non-controlling interests)	53,498	51,145 ⁽¹⁾
Group shareholders' equity per share in circulation at period-end (euro)	3.48	3.35 ⁽¹⁾
Cash flows from operating activities	476	(193)
Capital expenditure on tangible and intangible assets	1,253 ⁽²⁾	1,083

(1) At December 31, 2014.

(2) Does not include €87 million regarding units classified as "held for sale".

Revenue in the first three months of 2015 amounted to €19,970 million, an increase of €1,788 million (+9.8%) compared with the same period of 2014. The increase is largely attributable to a rise in sales of fuels and environmental certificates in Italy as a result of greater volumes handled, as well as an increase in revenue in Latin America, primarily owing to rising prices and volumes, and the effects of a number of regulatory changes in Argentina and the conso-

lidation of the Atacama group as from the 2nd Quarter of 2014. Finally, revenue in the 1st Quarter of 2014 included the non-recurring proceeds from a number of disposals or losses of control of companies (specifically Artic Russia and SE Hydropower) totaling €132 million, while in the 1st Quarter of 2015 the analogous items were not particularly significant.

Millions of euro	1st Quarter			
	2015	2014 restated	Change	
Italy	10,357	9,116	1,241	13.6%
Iberian Peninsula	5,358	5,166	192	3.7%
Latin America	2,670	2,085	585	28.1%
Eastern Europe	1,239	1,373	(134)	-9.8%
Renewable Energy	812	702	110	15.7%
Other, eliminations and adjustments	(466)	(260)	(206)	-79.2%
Total	19,970	18,182	1,788	9.8%

The **gross operating margin** in the 1st Quarter of 2015 amounted to €4,023 million, an increase of €32 million (+0.8%) compared with the same period of 2014. More specifically, the increase in the margin in Latin America (mainly in

Argentina as a result of the regulatory changes noted above) and in the Iberian Peninsula was partly offset by the impact of the disposals referred to under revenue and the decline in the generation and trading margin in Italy.

Millions of euro

1st Quarter

	2015	2014 restated	Change	
Italy	1,551	1,689	(138)	-8.2%
Iberian Peninsula	977	906	71	7.8%
Latin America	736	552	184	33.3%
Eastern Europe	233	282	(49)	-17.4%
Renewable Energy	536	481	55	11.4%
Other, eliminations and adjustments	(10)	81	(91)	-
Total	4,023	3,991	32	0.8%

Operating income in the 1st Quarter of 2015 amounted to €2,625 million, an increase of €62 million (+2.4%) compared with the same period of 2014, taking account of a decrease of €30 million in depreciation, amortization and impairment losses.

Millions of euro

1st Quarter

	2015	2014 restated	Change	
Italy	1,059	1,159	(100)	-8.6%
Iberian Peninsula	582	456	126	27.6%
Latin America	491	334	157	47.0%
Eastern Europe	139	194	(55)	-28.4%
Renewable Energy	370	346	24	6.9%
Other, eliminations and adjustments	(16)	74	(90)	-
Total	2,625	2,563	62	2.4%

Group net income in the 1st Quarter of 2015 amounted to €810 million, a decrease of €58 million (-6.7%) compared with the same period of 2014. The performance reflected the increase in non-controlling interests, primarily due to the disposal in the 4th Quarter of 2014 of 21.92% of En-
desa and therefore, indirectly, all operations in the Iberian Peninsula.

Net financial debt at March 31, 2015 totaled €39,514 million, up €2,131 million on December 31, 2014. The increa-

se was due to investments made during the period, net of cash flows from operations, as well as the negative impact of changes in the exchange rates of a number of currencies (mainly the US dollar) in which a portion of net financial debt is expressed. At March 31, 2015, the debt-to-equity ratio was 0.74 (0.73 at December 31, 2014).

Capital expenditure amounted to €1,253 million in the 1st Quarter of 2015, an increase of 15.7%.

	2015	2014 restated	Change	
Italy	257 ⁽¹⁾	231	26	11.3%
Iberian Peninsula	154	126	28	22.2%
Latin America	320	207	113	54.6%
Eastern Europe	36 ⁽²⁾	203	(167)	-82.3%
Renewable Energy	475	314	161	51.3%
Other, eliminations and adjustments	11	2	9	-
Total	1,253	1,083	170	15.7%

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

(2) Does not include €86 million regarding units classified as "held for sale".

Operations

1st Quarter

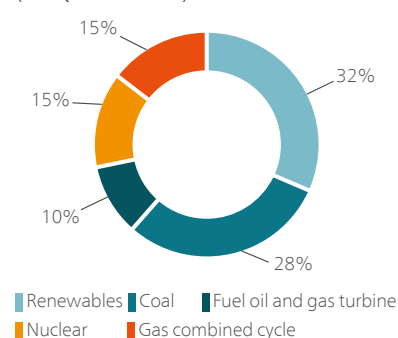
	Italy	Abroad	Total	Italy	Abroad	Total
	2015			2014		
Net electricity generated by Enel (TWh)	17.3	54.6	71.9	17.9	50.1	68.0
Electricity transported on the Enel distribution network (TWh)	56.2	44.7	100.9	56.4	43.3	99.7
Electricity sold by Enel (TWh) ⁽¹⁾	22.4	44.1	66.5	23.4	44.4	67.8
Gas sales to end users (billions of m ³)	1.9	1.4	3.3	1.6	1.4	3.0
Employees at period-end (no.) ⁽²⁾	33,455	35,437	68,892	33,405	35,556	68,961

(1) Excluding sales to resellers.

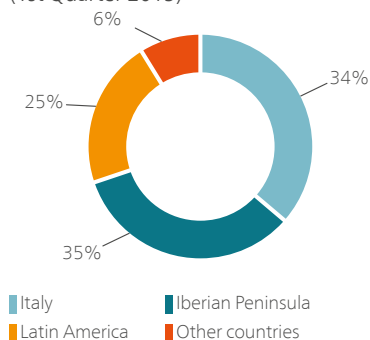
(2) Of which 4,350 in units classified as "held for sale" at March 31, 2015 (4,430 at December 31, 2014).

Net electricity generated by Enel in the 1st Quarter of 2015 totaled 71.9 TWh, up 5.7% compared with the same period of 2014. The change is due to an increase in amounts generated abroad (+4.5 TWh), which more than offset the decline in volumes produced in Italy (-0.6 TWh). As regards the technology mix, thermal generation rose substantially (+4.7 TWh) owing to the increase in the use of coal-fired and combined-cycle plants in Italy and the Iberian Peninsula. Conversely, hydroelectric generation declined by 1.2 TWh as a result of a deterioration in water conditions in most of the countries in which the Group operates.

Net electricity generation by source
(1st Quarter 2015)



Electricity sold by geographical area
(1st Quarter 2015)



Electricity transported on the Enel distribution network

in the 1st Quarter of 2015 came to 100.9 TWh, an increase of 1.2 TWh (+1.2%), reflecting an increase in electricity demand in the Iberian Peninsula and Latin America.

Electricity sold by Enel in the 1st Quarter of 2015 amounted

to 66.5 TWh, a decrease of 1.3 TWh (-1.9%), primarily due to lower sales in Italy (-1.0 TWh) and, to a minor extent, abroad (-0.3 TWh). More specifically, the increase in sales in Latin America (especially Argentina and Brazil) was more than offset by the decline posted in the mature economies.

Gas sales in the 1st Quarter of 2015 totaled 3.3 billion cubic meters, up 0.3 billion on the same period of the previous year.

At March 31, 2015, Enel Group **employees** numbered 68,892, of whom 51.4% employed in Group companies headquartered abroad. The change for the quarter (-69) is attributable to the net balance of new hires and terminations (-378), only partly offset by the change in the scope of consolidation (+309) mainly following the acquisition of an additional 66.7% of 3SUN, previously accounted for using the equity method.

No.

	at Mar. 31, 2015	at Dec. 31, 2014
Italy ⁽¹⁾	30,276	30,803
Iberian Peninsula	10,451	10,500
Latin America ⁽²⁾	12,198	12,301
Eastern Europe ⁽³⁾	10,360	10,411
Renewable Energy	4,034	3,609
Other, eliminations and adjustments	1,573	1,337
Total	68,892	68,961

(1) Of which 41 in units classified as "held for sale" at March 31, 2015 and at December 31, 2014.

(2) Of which 15 in units classified as "held for sale" at December 31, 2014.

(3) Of which 4,309 in units classified as "held for sale" at March 31, 2015 (4,374 at December 31, 2014).

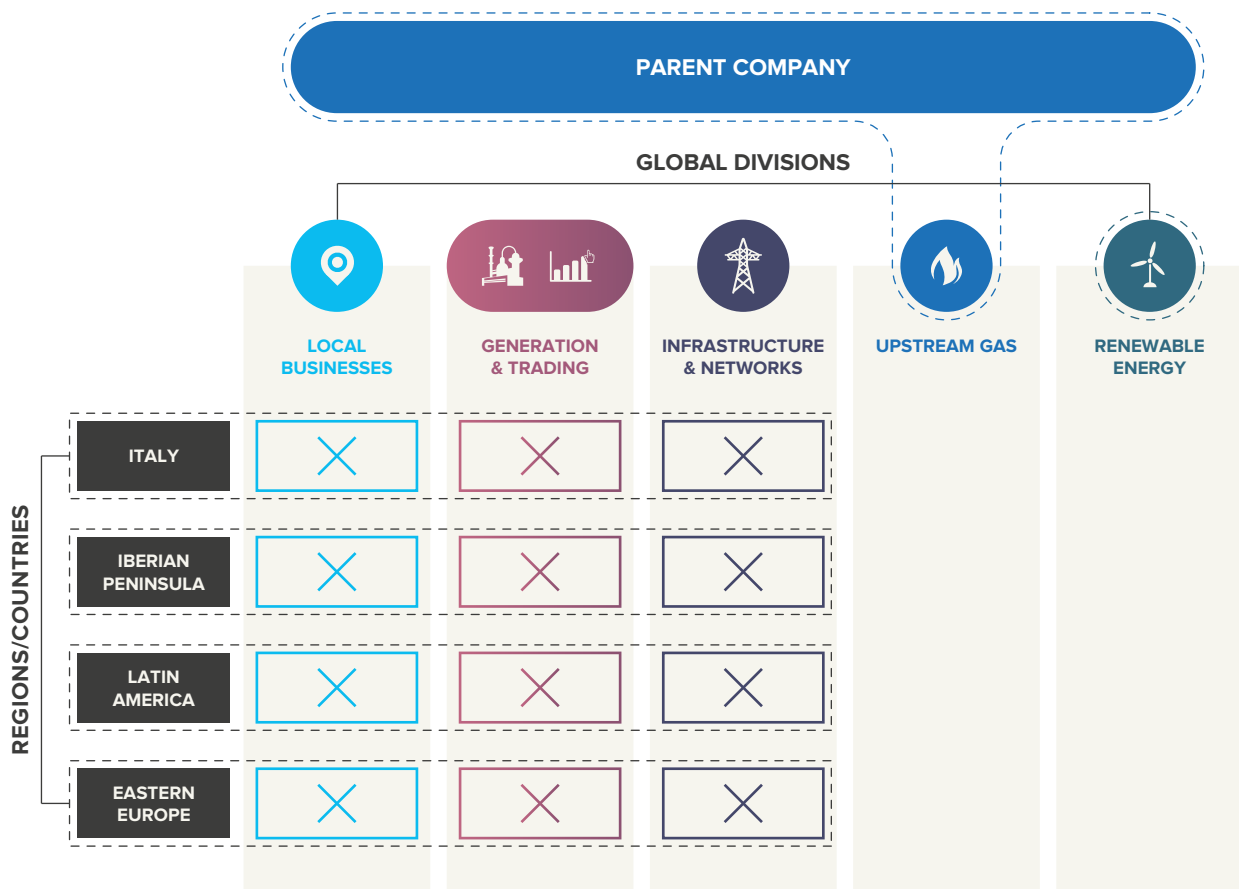
Results by business area

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

Taking account of the provisions of IFRS 8 regarding the management approach, the new organization modified the structure of reporting, as well as the representation and analysis of Group performance and financial position, as from the start of 2015. More specifically, performance by business area reported in this Interim Financial Report was determined by designating the Regions and Countries perspective as the primary reporting segment, with the excep-

tion of the Renewable Energy Division, which, in view of its centralized management by the Enel Green Power sub-holding company, has greater autonomy than the other divisions. In addition, account was also taken of the possibilities for the simplification of disclosures associated with the materiality thresholds also established under IFRS 8 and, therefore, the item "Other, eliminations and adjustments" includes not only the effects from the elimination of inter-segment transactions, but also the figures for the Parent Company, Enel SpA, and the Upstream Gas Division.

The following chart outlines these organizational arrangements.

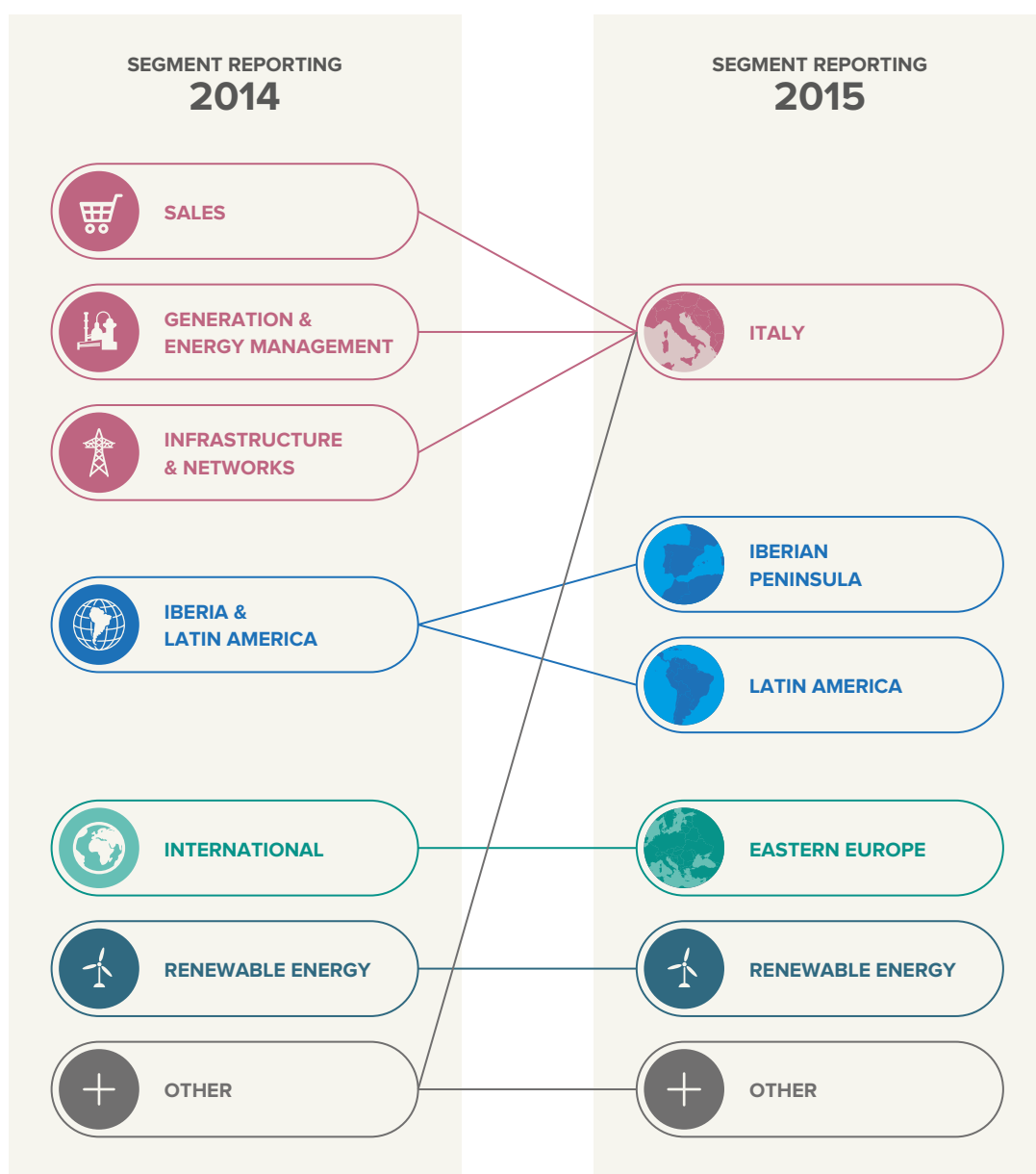


Similarly, the figures for the 1st Quarter of 2014 have been restated to take account of the new organization. Leaving aside certain movements of minor companies, the main changes were as follows:

> the Sales, Generation and Energy Management, and Infrastructure and Networks Divisions, which operated almost entirely in Italy, are now reported under the Country "Italy";

> the Iberia and Latin America Division, which had already undergone reorganization in 2014, is now divided into the Regions "Iberian Peninsula" and "Latin America";

> the service and support operations resident in Italy are now reported under the Country "Italy", rather than in the residual segment.



Results by business area for the 1st Quarter of 2015 and 2014

1st Quarter of 2015 ⁽¹⁾

Millions of euro	Italy	Iberian Peninsula	Latin America	Eastern Europe	Renewable Energy	Other, eliminations and adjustments	Total
Revenue from third parties	10,060	5,337	2,670	1,139	763	1	19,970
Revenue from transactions with other segments	297	21	-	100	49	(467)	-
Total revenue	10,357	5,358	2,670	1,239	812	(466)	19,970
Net income/(expense) from commodity contracts measured at fair value	55	29	(3)	3	(1)	(1)	82
Gross operating margin	1,551	977	736	233	536	(10)	4,023
Depreciation, amortization and impairment losses	492	395	245	94	166	6	1,398
Operating income	1,059	582	491	139	370	(16)	2,625
Capital expenditure	257 ⁽²⁾	154	320	36 ⁽³⁾	475	11	1,253

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

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

(3) Does not include €86 million regarding units classified as "held for sale".

1st Quarter of 2014 ^{(1) (2)}

Millions of euro	Italy	Iberian Peninsula	Latin America	Eastern Europe	Renewable Energy	Other, eliminations and adjustments	Total
Revenue from third parties	8,951	5,133	2,084	1,287	638	89	18,182
Revenue from transactions with other segments	165	33	1	86	64	(349)	-
Total revenue	9,116	5,166	2,085	1,373	702	(260)	18,182
Net income/(expense) from commodity contracts measured at fair value	11	16	1	-	18	(1)	45
Gross operating margin	1,689	906	552	282	481	81	3,991
Depreciation, amortization and impairment losses	530	450	218	88	135	7	1,428
Operating income	1,159	456	334	194	346	74	2,563
Capital expenditure	231	126	207	203	314	2	1,083

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

(2) The figures have been restated as a result of the introduction, with retrospective effect, of "IFRC 21 – Levies". For further information please see note 2 of the notes to the condensed consolidated quarterly financial statements.

In addition to the foregoing, the Group monitors performance at the Global Division level, classifying results by business line. The following table presents the gross operating

margin for the two periods under review, offering visibility of performance not only from a Region/Country perspective but also by Division/Business Line.

Gross operating margin

Millions of euro	Local businesses						Global Divisions		
	End-user markets			Services			Generation and Trading		
	Q1 2015	Q1 2014	Change	Q1 2015	Q1 2014	Change	Q1 2015	Q1 2014	Change
Italy	414	330	84	30	24	6	210	395	(185)
Iberian Peninsula	153	385	(232)	(11)	16	(27)	393	69	324
Latin America	-	-	-	(22)	1	(23)	384	324	60
Eastern Europe	8	7	1	-	(2)	2	170	221	(51)
Renewable Energy	-	-	-	-	-	-	-	-	-
Other, eliminations and adjustments	-	-	-	-	-	-	-	-	-
Total	575	722	(147)	(3)	39	(42)	1,157	1,009	148

Infrastructure and Networks			Renewable Energy			Other, eliminations and adjustments			Total		
Q1 2015	Q1 2014	Change	Q1 2015	Q1 2014	Change	Q1 2015	Q1 2014	Change	Q1 2015	Q1 2014	Change
897	940	(43)	-	-	-	-	-	-	1,551	1,689	(138)
442	436	6	-	-	-	-	-	-	977	906	71
374	227	147	-	-	-	-	-	-	736	552	184
55	56	(1)	-	-	-	-	-	-	233	282	(49)
-	-	-	536	481	55	-	-	-	536	481	55
-	-	-	-	-	-	(10)	81	(91)	(10)	81	(91)
1,768	1,659	109	536	481	55	(10)	81	(91)	4,023	3,991	32

Operations

Net electricity generation

Millions of kWh	1st Quarter			
	2015	2014	Change	
Thermal	10,864	10,375	489	4.7%
Hydroelectric	3,044	4,155	(1,111)	-26.7%
Other resources	2	2	-	-
Total net generation	13,910	14,532	(622)	-4.3%
- of which Italy	13,910	14,311	(401)	-2.8%
- of which Belgium	-	221	(221)	-

In the 1st Quarter of 2015, net electricity generation amounted to 13,910 million kWh, a decrease of 4.3% compared with the same period of 2014 (-622 million kWh). More specifically, the decline in hydro generation (-1,111 million kWh), associated with the deterioration in water conditions compared with the same period of the previous

year, was only partly offset by an increase in thermal output (+489 million kWh). Excluding the impact of the scope of consolidation associated with the Marcinelle Energie plant from that change following the early termination of the tolling agreement for that facility at the end of 2014, the increase in thermal generation amounted to 710 million kWh.

Contribution to gross thermal generation

Millions of kWh	1st Quarter					
	2015		2014		Change	
High-sulfur fuel oil (S>0.25%)	66	0.6%	156	1.4%	(90)	-57.7%
Low-sulfur fuel oil (S<0.25%)	3	-	10	0.1%	(7)	-70.0%
<i>Total fuel oil</i>	<i>69</i>	<i>0.6%</i>	<i>166</i>	<i>1.5%</i>	<i>(97)</i>	<i>-58.4%</i>
Natural gas	1,721	14.6%	1,718	15.3%	3	0.2%
Coal	9,817	83.6%	9,200	82.1%	617	6.7%
Other fuels	142	1.2%	121	1.1%	21	17.4%
TOTAL	11,749	100.0%	11,205	100.0%	544	4.9%

Gross thermal generation in the 1st Quarter of 2015 totaled 11,749 million kWh, an increase of 544 million kWh (+4.9%) compared with the 1st Quarter of 2014. The increase invol-

ved all types of fuel with the exception of fuel oil, with the proportion of coal increasing as a result of the increased competitiveness of that raw material.

Transport of electricity

Millions of kWh	1st Quarter			
	2015	2014	Change	
Electricity transported on Enel's distribution network ⁽¹⁾	56,185	56,438	(254)	-0.4%

(1) The figure for 2014 takes account of a more accurate calculation of quantities transported.

Electricity transported on the Enel network in Italy in the 1st Quarter of 2015 decreased by 254 million kWh (-0.4%), going from 56,438 million kWh in the 1st Quarter of 2014

to 56,185 million kWh in the 1st Quarter of 2015. The change is essentially in line with the decline in electricity demand in Italy.

Electricity sales

Millions of kWh	Millions of kWh			
	2015	2014	Change	
Free market:				
- mass-market customers	6,504	6,567	(63)	-1.0%
- business customers ⁽¹⁾	2,488	2,670	(182)	-6.8%
- safeguard market customers	348	430	(82)	-19.1%
Total free market	9,340	9,667	(327)	-3.4%
Regulated market:				
- enhanced protection market customers	13,080	13,583	(503)	-3.7%
TOTAL	22,420	23,250	(830)	-3.6%

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

Electricity sold in the 1st Quarter of 2015 totaled 22,420 million kWh, down 830 million kWh compared with the same period of the previous year. This decrease is essentially attri-

butable to the decline in volumes sold to customers in both markets, largely reflecting the slowdown in the domestic economy.

Gas sales

Millions of m ³	1st Quarter			
	2015	2014	Change	
Mass-market customers ⁽¹⁾	1,740	1,403	337	24.0%
Business customers	182	200	(18)	-9.0%
Total	1,922	1,603	319	19.9%

(1) Includes residential customers and microbusinesses.

Gas sales in the 1st Quarter of 2015 totaled €1,922 million cubic meters, an increase of 319 million cubic meters compared with the same period of the previous year, largely

attributable to sales to residential customers and microbusinesses.

Performance

Millions of euro	1st Quarter			
	2015	2014 restated	Change	
Revenue	10,357	9,116	1,241	13.6%
Gross operating margin	1,551	1,689	(138)	-8.2%
Operating income	1,059	1,159	(100)	-8.6%
Capital expenditure	257 ⁽¹⁾	231	26	11.3%

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

The following tables break down performance by type of business.

Revenue

Millions of euro	1st Quarter			
	2015	2014 restated	Change	
Generation and Trading	6,279	5,016	1,263	25.2%
Infrastructure and Networks	1,765	1,810	(45)	-2.5%
End-user markets	4,312	4,422	(110)	-2.5%
Services	227	236	(9)	-3.8%
Eliminations and adjustments	(2,226)	(2,368)	142	-6.0%
Total	10,357	9,116	1,241	13.6%

Revenue in the 1st Quarter of 2015 amounted to €10,357 million, an increase of €1,241 million on 2014 (+13.6%), the result of the following main factors:

- > an increase of €1,263 million (+25.2%) in revenue from **Generation and Trading** operations compared with the same period of 2014. The rise is primarily attributable to:
 - an increase of €1,198 million in revenue from fuel trading, largely attributable to an increase in the volume of natural gas handled;
 - an increase of €206 million in revenue from the sale of CO₂ emissions allowances, owing to greater volumes handled;
 - an increase of €78 million in revenue from trading on international electricity markets, essentially reflecting the increase in volumes (+3.6 TWh);
 - a decrease of €231 million in revenue from electricity sales. More specifically, a reduction in revenue from sales on the Power Exchange (€147 million), associated with a decline in volumes generated in a market with falling average sales prices, was accompanied by a reduction in sales of electricity to the other Group companies, especially the Italian companies operating in end-user markets (96 million);
 - the effect of the remeasurement at fair value of the net assets of SE Hydropower, carried out in the 1st Quarter of 2014 (€50 million) following the loss of control of that company in accordance with the provisions of the shareholder agreements. That factor was partly offset by the gain on the sale, in the 1st Quarter of 2015, of SF Energy amounting to €15 million;

- > a decrease of €45 million (-2.5%) in revenue from **Infrastructure and Networks** operations, largely reflecting:
 - a decrease of €27 million in revenue following the reduction in transfers from the Electricity Equalization Fund for white certificates owing to the decline in the amount of white certificates purchased in the period as well as the decrease in the unit grant for the period;
 - a decrease of €11 million in connection fees;
 - an increase of €10 million in rate revenue, largely attributable to the increase in transmission rates under Resolution no. 655/14 of the Authority for Electricity, Gas and the Water System (the Authority), only partly offset by the reduction in distribution rates (as established under Authority Resolution no. 146/15);
 - the decrease of €12 million associated with the recognition of adjustments and revisions of estimates made in previous years;
- > a decline of €110 million (-2.5%) in revenue from **End-user markets** for electricity, essentially reflecting:
 - a decline of €181 million in revenue on the regulated electricity market as a result of the decrease in quantities sold (-0.5 TWh);
 - a decline of €46 million in revenue on the free electricity market as a result of the fall in average sales prices and the contraction in quantities sold (-0.3 TWh);
 - an increase of €121 million in revenue from sales to end-users on the natural gas market, primarily reflecting an increase in quantities sold.

Gross operating margin

Millions of euro	1st Quarter			
	2015	2014 restated	Change	
Generation and Trading	210	395	(185)	-46.8%
Infrastructure and Networks	897	940	(43)	-4.6%
End-user markets	414	330	84	25.5%
Services	30	24	6	25.0%
Total	1,551	1,689	(138)	-8.2%

The **gross operating margin** in the 1st Quarter of 2015 amounted to €1,551 million, a decrease of €138 million (-8.2%) on the €1,689 million posted in the 1st Quarter of 2014. The decrease is essentially attributable to:

- > a contraction of €185 million in the margin from **Generation and Trading** operations, reflecting:
 - a reduction of €98 million in the margin on gas, primarily due to the decline in unit sales prices;
 - a reduction of €82 million in the margin on generation, reflecting a more unfavorable generation mix as a result of poor water conditions;
 - the change in the contribution of disposals, discussed earlier under revenue, in the amount of €35 million;
 - an improvement in operating expenses;
- > a reduction of €43 million in the margin from **Infrastructure and Networks** operations (-4.6%), largely due to:
 - a decrease of €31 million in the margin on electricity transport, primarily reflecting the reduction in distribution rates noted earlier;
 - a positive adjustment of €63 million of the provision

for risks and litigation, recognized in the 1st Quarter of 2014 following the settlement between Enel Distribuzione, A2A and A2A Reti Elettriche concerning pending litigation before the Court of Appeal of Milan;

- a reduction of €9 million in the margin from connection fees;
- an increase of €50 million in grants for white certificates;
- > an increase of €84 million in the margin from **End-user markets** (+25.5%), primarily attributable to:
 - an increase of €78 million in the margin on the free markets for electricity and gas, due to the rise in unit margins on electricity, as well as the increase in quantities of gas sold to mass-market customers;
 - an increase of €6 million in the margin on the regulated electricity market, primarily attributable to a reduction in operating expenses as the margin on electricity was broadly in line with that for the previous year, only partly offset by a decline in fees for connections to the power grid.

Operating income

Millions of euro	1st Quarter			
	2015	2014 restated	Change	
Generation and Trading	129	280	(151)	-53.9%
Infrastructure and Networks	653	700	(47)	-6.7%
End-user markets	260	170	90	52.9%
Services	17	9	8	88.9%
Total	1,059	1,159	(100)	-8.6%

Operating income amounted to €1,059 million. Despite a reduction of €38 million in depreciation, amortization and impairment losses, this represented a decrease of €100 million (-8.6%) on the €1,159 million posted in the same period

of 2014. The decrease in depreciation, amortization and impairment losses is largely due to the impact of the impairment losses recognized at the end of 2014 on conventional generation plants in Italy following impairment testing.

Capital expenditure

Millions of euro	1st Quarter			
	2015	2014 restated	Change	
Generation and Trading	17 ⁽¹⁾	24	(7)	-29.2%
Infrastructure and Networks	216	199	17	8.5%
End-user markets	4	5	(1)	-20.0%
Services	20	3	17	-
Total	257	231	26	11.3%

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

Capital expenditure in the 1st Quarter of 2015 amounted to €257 million, up €26 million on the year-earlier period. More specifically, the change is attributable to:

- > an increase of €17 million in investment in **Infrastructure and Networks**, primarily in work to improve and maintain service quality standards;

- > an increase of €17 million in investment in **Services** connected with software development;
- > a decrease of €7 million in investment in **Generation and Trading**.

Iberian Peninsula

Operations

Net electricity generation

Millions of kWh	1st Quarter			
	2015	2014	Change	
Thermal	8,560	5,519	3,041	55.1%
Nuclear	7,103	6,883	220	3.2%
Hydroelectric	2,356	2,830	(474)	-16.7%
Total net generation	18,019	15,232	2,787	18.3%

Net electricity generation in the 1st Quarter of 2015 totaled 18,019 million kWh, an increase of 2,787 million kWh compared with the same period of 2014 due primarily to an

increase in thermal generation, the consequence of rising demand and the decline in water resources.

Contribution to gross thermal generation

Millions of kWh	1st Quarter					
	2015		2014		Change	
High-sulfur fuel oil (S>0.25%)	1,365	8.4%	1,375	10.6%	(10)	-0.7%
Natural gas	1,024	6.3%	552	4.2%	472	85.5%
Coal	5,643	34.5%	2,987	23.0%	2,656	88.9%
Nuclear fuel	7,364	45.1%	7,152	55.1%	212	3.0%
Other fuels	936	5.7%	919	7.1%	17	1.8%
Total	16,332	100.0%	12,985	100.0%	3,347	25.8%

Gross thermal generation in the 1st Quarter of 2015 totaled 16,332 million kWh, an increase of 3,347 million kWh com-

pared with the same period of the previous year, largely reflecting greater use of coal.

Transport of electricity

Millions of kWh	1st Quarter			
	2015	2014	Change	
Electricity transported on Enel's distribution network	24,657	23,977	680	2.8%

Electricity transported in the 1st Quarter of 2015 totaled 24,657 million kWh, an increase of 680 million kWh. The rise

is essentially a reflection of the increase in electricity distributed in response to rising demand.

Electricity sales

Millions of kWh	1st Quarter			
	2015	2014	Change	
Energy sold by Enel	23,594	24,351	(757)	-3.1%

Electricity sales to end users in the 1st Quarter of 2015 amounted to 23,594 million kWh, a decrease of 757 million kWh on the same period of 2014, primarily reflecting the

contraction in the customer base in response to the gradual liberalization of the market.

Performance

Millions of euro	1st Quarter			
	2015	2014 restated	Change	
Revenue	5,358	5,166	192	3.7%
Gross operating margin	977	906	71	7.8%
Operating income	582	456	126	27.6%
Capital expenditure	154	126	28	22.2%

The following tables break down performance by type of business.

Revenue

Millions of euro	1st Quarter			
	2015	2014 restated	Change	
Generation and Trading	1,586	1,111	475	42.8%
Infrastructure and Networks	662	633	29	4.6%
End-user markets	4,171	4,040	131	3.2%
Services	55	60	(5)	-8.3%
Eliminations and adjustments	(1,116)	(678)	(438)	-64.6%
Total	5,358	5,166	192	3.7%

Revenue in the 1st Quarter of 2015 increased by €192 million, due to:

- > an increase of €475 million in revenue from **Generation and Trading** operations, primarily associated with:

- an increase in revenue from the sale of electricity by the generation companies as a result of an increase in quantities produced, mainly in respect of Group companies that sell the power to end users, which therefore pro-

- the impact of the increase in trading in environmental certificates;
 - the reduction in grants for generation in the extra-peninsular market;
- > an increase in revenue from **End-user markets**, largely

due to developments in sales prices, which more than offset the impact of the decline in quantities sold;

> an increase in revenue from **Infrastructure and Networks** operations, primarily reflecting the increase in quantities transported and the rise in revenue from connection fees.

Gross operating margin

Millions of euro	1st Quarter			
	2015	2014 restated	Change	
Generation and Trading	393	69	324	-
Infrastructure and Networks	442	436	6	1.4%
End-user markets	153	385	(232)	-60.3%
Services	(11)	16	(27)	-
Total	977	906	71	7.8%

The **gross operating margin** amounted to €977 million, an increase of €71 million (+7.8%) compared with the same period of 2014, reflecting:

- > an increase of €324 million in the gross operating margin on **Generation and Trading** operations, primarily associated with:
 - an increase of €242 million in the margin on generation, largely attributable to the increase in average sales prices;
 - the net positive impact of €55 million of a number of regulatory changes, including those concerning water

use fees, indirect taxation on nuclear generation and the non-application of a tax on generation in the extra-peninsular area;

- > an increase of €6 million in the gross operating margin on **Infrastructure and Networks** operations, with the small rise reflecting developments that were largely in line compared with the same period of the previous year;
- > a decrease in the gross operating margin on **End-user markets**, largely due to the decline in the margin on electricity sales (–€249 million), only partly offset by an improvement in the margin on natural gas sales (+€17 million).

Operating income

Millions of euro	1st Quarter			
	2015	2014 restated	Change	
Generation and Trading	213	(164)	377	-
Infrastructure and Networks	259	258	1	0.4%
End-user markets	125	355	(230)	-64.8%
Services	(15)	7	(22)	-
Total	582	456	126	27.6%

Operating income in the 1st Quarter of 2015, after depreciation, amortization and impairment losses of €395 million (€450 million in the 1st Quarter of 2014) totaled €582 million, an increase of €126 million on the same period of 2014. The reduction in depreciation, amortization and im-

pairment losses largely reflects the extension of the useful life of a number of generating plants at the end of 2014 and a decline in impairment of trade receivables in the 1st Quarter of 2015 compared with the same period of 2014.

Capital expenditure

Millions of euro	1st Quarter			
	2015	2014 restated	Change	
Generation and Trading	38	28	10	35.7%
Infrastructure and Networks	108	93	15	16.1%
End-user markets	5	3	2	66.7%
Services	3	2	1	50.0%
Total	154	126	28	22.2%

Capital expenditure amounted to €154 million, an increase of €28 million compared with the same period of the previous year. In particular, capital expenditure in the 1st Quarter of 2015 primarily concerned work on the distribu-

tion network (€102 million), notably sub-stations and transformers, work on power lines and replacement of metering equipment.

Latin America

Operations

Net electricity generation

Millions of kWh	1st Quarter			
	2015	2014	Change	
Thermal	7,109	6,507	602	9.3%
Hydroelectric	7,732	7,412	320	4.3%
Other resources	22	39	(17)	-43.6%
Total net generation	14,863	13,958	905	6.5%
- of which Argentina	3,940	3,380	560	16.6%
- of which Brazil	1,207	1,383	(176)	-12.7%
- of which Chile	4,272	4,062	210	5.2%
- of which Colombia	3,196	2,974	222	7.5%
- of which Peru	2,248	2,159	89	4.1%

Net electricity generation in the 1st Quarter of 2015 totaled 14,863 million kWh, an increase of 905 million kWh compared with the same period of 2014, primarily owing to an increase in generation by the Argentine thermal plants, reflecting maintenance work carried out in the 1st Quarter of

2014. Another factor was greater hydroelectric generation, especially in Colombia and Peru thanks to better water conditions, which helped offset the effect of the decline in such generation in Brazil owing to the ongoing drought.

Contribution to gross thermal generation

Millions of kWh	1st Quarter					
	2015		2014		Change	
High-sulfur fuel oil (S>0.25%)	279	3.8%	305	4.5%	(26)	-8.5%
Natural gas	6,107	83.1%	5,557	82.7%	550	9.9%
Coal	574	7.8%	718	10.7%	(144)	-20.1%
Other fuels	393	5.3%	142	2.1%	251	176.8%
Total	7,353	100.0%	6,722	100.0%	631	9.4%

Gross thermal generation in the 1st Quarter of 2015 totaled 7,353 million kWh, an increase of 631 million kWh attributable to the factors mentioned above.

Transport and sale of electricity

Millions of kWh	1st Quarter			
	2015	2014	Change	
Electricity transported on Enel's distribution network	16,296	15,795	501	3.2%
- of which Argentina	3,967	3,692	275	7.4%
- of which Brazil	5,271	5,150	121	2.3%
- of which Chile	3,275	3,272	3	0.1%
- of which Colombia	2,064	1,986	78	3.9%
- of which Peru	1,719	1,695	24	1.4%

Electricity transported and sold totaled €16,296 million kWh, tracking developments in electricity demand, especially in Argentina.

Performance

Millions of euro	1st Quarter			
	2015	2014 restated	Change	
Revenue	2,670	2,085	585	28.1%
Gross operating margin	736	552	184	33.3%
Operating income	491	334	157	47.0%
Capital expenditure	320	207	113	54.6%

The following tables show performance by country.

Revenue

Millions of euro	1st Quarter			
	2015	2014 restated	Change	
Argentina	306	125	181	-
Brazil	751	661	90	13.6%
Chile	817	601	216	35.9%
Colombia	506	452	54	11.9%
Peru	290	246	44	17.9%
Total	2,670	2,085	585	28.1%

Revenue in the 1st Quarter of 2015 posted an increase of €585 million. The rise was primarily attributable to:

- > an increase of €181 million in revenue in Argentina, largely reflecting the impact of *Resolución* no. 32/2015 with which regulators established a theoretical rate framework for distribution companies that enables them to recover the extra operating costs for the remuneration of personnel incurred to keep the service in operation, as well as other grants under the PUREE program and the *Mecanismo de Monitoreo de Costos* (MMC);
- > an increase of €90 million in revenue in Brazil, the effect of greater volumes and higher sales prices, with the latter development also reflecting rate revisions in the 2nd Half of the previous year;
- > an increase of €216 million in revenue in Chile, largely due to favorable developments in exchange rates between the local currency and the euro, the increase in rates in the regulated market and the full consolidation of Inversiones Gas Atacama following the acquisition on April 22, 2014 of an additional 50%, giving control over the company;
- > an increase of €54 million in revenue in Colombia, reflecting the increase in quantities generated and sold in an environment of rising average sales prices;
- > an increase of €44 million in revenue in Peru, primarily due to exchange rate effects and an increase in quantities transported and sold.

Gross operating margin

Millions of euro	1st Quarter			
	2015	2014 restated	Change	
Argentina	67	(59)	126	-
Brazil	172	186	(14)	-7.5%
Chile	146	91	55	60.4%
Colombia	236	235	1	0.4%
Peru	115	99	16	16.2%
Total	736	552	184	33.3%

The **gross operating margin** amounted to €736 million, an increase of €184 million (+33.3%) compared with the same period of 2014, in reflection of:

- > an increase of €126 million in the gross operating margin in Argentina, reflecting the introduction of *Resolución* no. 32/2015 noted earlier, whose impact was only partly offset by the increase in operating costs, especially personnel costs following a contractual pay adjustment;
- > an increase of €55 million in the gross operating margin in Chile, due to the consolidation of Inversiones Gas Atacama and an increase in the margin on distribution, which more than offset the reduction in the margin attributable to the shutdown of the Bocamina plant;
- > an increase of €16 million in the gross operating margin in Peru, primarily owing to an increase in sales prices, also reflecting exchange rate developments;
- > an increase of €1 million in the gross operating margin in Colombia, where the positive impact of the increase in output in an environment of rising prices was almost entirely offset by the introduction of a new wealth tax that took effect as from this year (€21 million);
- > a reduction of €14 million in the gross operating margin in Brazil, reflecting the impact of the drought, which has hurt hydroelectric generation.

Operating income

Millions of euro	1st Quarter			
	2015	2014 restated	Change	
Argentina	51	(71)	122	-
Brazil	72	92	(20)	-21.7%
Chile	90	48	42	87.5%
Colombia	196	195	1	0.5%
Peru	82	70	12	17.1%
Total	491	334	157	47.0%

Operating income in the 1st Quarter of 2015, after depreciation, amortization and impairment losses of €245 million (€218 million in the 1st Quarter of 2014) totaled €491 million, an increase of €157 million on the same period of 2014.

The increase in depreciation, amortization and impairment losses reflect developments in exchange rates and the entry into service of a number of plants and grid infrastructure.

Capital expenditure

Millions of euro	1st Quarter			
	2015	2014 restated	Change	
Argentina	94	33	61	-
Brazil	62	50	12	24.0%
Chile	37	29	8	27.6%
Colombia	87	76	11	14.5%
Peru	40	19	21	-
Total	320	207	113	54.6%

Capital expenditure amounted to €320 million, an increase of €113 million compared with the same period of the previous year. Capital expenditure in the 1st Quarter of 2015 primarily concerned work on the distribution network in

Argentina, as well as work on thermal generation plants in that country, in particular the Dock Sud plant, and the construction of the Quimbo hydroelectric plant in Colombia.

Eastern Europe

Operations

Net electricity generation

Millions of kWh	1st Quarter			
	2015	2014	Change	
Thermal	11,637	11,117	520	4.7%
Nuclear	3,712	3,832	(120)	-3.1%
Hydroelectric	1,049	871	178	20.4%
Other resources	12	21	(9)	-42.9%
Total net generation	16,410	15,841	569	3.6%
- of which Russia	10,807	10,639	168	1.6%
- of which Slovakia	5,291	5,202	89	1.7%
- of which Belgium	312	-	312	-

Net electricity generation by the division in the 1st Quarter of 2015 totaled 16,410 million kWh, an increase of 569 million kWh compared with the same period of 2014. The rise is primarily attributable to generation in Belgium at the Marcinelle Energie thermal plant (+312 million kWh), which was formerly operated through a tolling agreement by the

Country "Italy" and is now included in the Region "Eastern Europe", and to the thermal plants in Russia. In Slovakia, nuclear generation declined by 3.1% on the year-earlier period, which was entirely offset by an increase in hydroelectric generation as a result of improved water conditions in the period (+178 million kWh).

Contribution to gross thermal generation

Millions of kWh	1st Quarter					
	2015		2014		Change	
High-sulfur fuel oil (S>0.25%)	-	-	34	0.2%	(34)	-
Natural gas	6,914	42.4%	6,148	38.8%	766	12.5%
Coal	5,398	33.1%	5,563	35.1%	(165)	-3.0%
Nuclear fuel	3,985	24.5%	4,113	25.9%	(128)	-3.1%
Total	16,297	100.0%	15,858	100.0%	439	2.8%

Gross thermal generation in the 1st Quarter of 2015 increased by 439 million kWh, to 16,297 million kWh. The increase, which involved only generation from natural gas in

Russia and Belgium, was only partly offset by the decline in other forms of generation.

Transport of electricity

Millions of kWh	1st Quarter			
	2015	2014	Change	
Electricity transported on Enel's distribution network	3,744	3,564	180	5.1%

Electricity transported by the region, entirely in Romania, increased by 180 million kWh (+5.1%), going from 3,564 million kWh to 3,744 million kWh in the 1st Quarter of 2015.

The increase was primarily associated with the rise in demand and new connections.

Electricity sales

Millions of kWh	1st Quarter			
	2015	2014	Change	
Free market	2,757	2,549	208	8.2%
Regulated market	1,486	1,716	(230)	-13.4%
Total	4,243	4,265	(22)	-0.5%
- of which Romania	2,111	2,230	(119)	-5.3%
- of which France	1,066	893	173	19.4%
- of which Slovakia	1,066	1,142	(76)	-6.7%

Electricity sold in the 1st Quarter of 2015 showed a decrease of 22 million kWh, going from 4,265 million kWh to 4,243 million kWh. The decline is the net effect of:

- > a decrease of 119 million kWh in sales in Romania, primarily reflecting the gradual liberalization of the business market, completed at the end of 2013, which produced

a contraction in the customers base due to migration to the free market and to other retailers;

- > an increase of 173 million kWh in quantities sold in France;
- > a decrease of 76 million kWh in sales in Slovakia.

Performance

Millions of euro	1st Quarter			
	2015	2014 restated	Change	
Revenue	1,239	1,373	(134)	-9.8%
Gross operating margin	233	282	(49)	-17.4%
Operating income	139	194	(55)	-28.4%
Capital expenditure	36 ⁽¹⁾	203	(167)	-82.3%

(1) Does not include €86 million regarding units classified as "held for sale".

The following tables show performance by geographical area.

Revenue

Millions of euro	1st Quarter			
	2015	2014 restated	Change	
Romania	265	275	(10)	-3.6%
Russia	274	409	(135)	-33.0%
Slovakia	611	620	(9)	-1.5%
Other countries	89	69	20	29.0%
Total	1,239	1,373	(134)	-9.8%

Revenue in the 1st Quarter of 2015 amounted to €1,239 million, a decrease of €134 million (-9.8%) compared with the same period of the previous year. This reflected:

- > a decrease of €10 million in revenue in Romania, essentially attributable to the liberalization of the business market, which produced a decrease in sales volumes. That decrease was only partly offset by an increase in revenue from electricity distribution and the slight increase in electricity prices following a number of changes to the rate system;
- > a decrease of €135 million in revenue in Russia, primarily due to the decline in electricity prices and the depreciation of the ruble against the euro;
- > a decrease of €9 million in revenue in Slovakia, attributable to the decrease in prices and the contraction in volumes sold;
- > increases of €5 million and €15 million, respectively, in revenue in France and Belgium.

Gross operating margin

Millions of euro	1st Quarter			
	2015	2014 restated	Change	
Romania	64	65	(1)	-1.5%
Russia	66	102	(36)	-35.3%
Slovakia	103	120	(17)	-14.2%
Other countries	-	(5)	5	-
Total	233	282	(49)	-17.4%

The **gross operating margin** amounted to €233 million, a decrease of €49 million on the 1st Quarter of 2014. This reflected:

- > a decrease of €36 million in the gross operating margin in Russia, primarily due to the slight decline in the sales prices of electricity and the exchange rate developments noted earlier;
 - > a decrease of €17 million in the gross operating margin in Slovakia, the result of a decline in prices.
- The increase in the margin in France and Belgium only partly offset the decreases posted in the Eastern European countries.

Operating income

Millions of euro	1st Quarter			
	2015	2014 restated	Change	
Romania	37	50	(13)	-26.0%
Russia	38	66	(28)	-42.4%
Slovakia	65	81	(16)	-19.8%
Other countries	(1)	(3)	2	-66.7%
Total	139	194	(55)	-28.4%

Operating income in the 1st Quarter of 2015 totaled €139 million, a decrease of €55 million (-28.4%) compared with the same period of 2014, including an increase of €6 million in depreciation, amortization and impairment losses.

Capital expenditure

Millions of euro	1st Quarter			
	2015	2014 restated	Change	
Romania	17	16	1	6.2%
Russia	19	66	(47)	-71.2%
Slovakia	- (1)	121	(121)	-
Other countries	-	-	-	-
Total	36	203	(167)	-82.3%

(1) Does not include €86 million regarding units classified as "held for sale".

Capital expenditure amounted to €36 million, down €167 million compared with the same period of the previous year. The change is attributable to higher costs incurred in Russia in 2014 to restore operations at the Sredneurskay combined-cycle plant following the stoppage at the end of

2013 and to the classification under assets held for sale of Slovenské elektrárne. Excluding that reclassification, capital expenditure would have decreased by €81 million, of which €35 million regarding Slovakian plants, especially the Mochovce nuclear plant.

Renewable Energy

Operations

Net electricity generation

Millions of kWh		1st Quarter		
	2015	2014	Change	
Hydroelectric	2,675	2,834	(159)	-5.6%
Geothermal	1,553	1,459	94	6.4%
Wind	4,253	4,042	211	5.2%
Other resources	189	86	103	119.8%
Total	8,670	8,421	249	3.0%
- of which Italy	3,373	3,561	(188)	-5.3%
- of which Iberian Peninsula	1,291	1,529	(238)	-15.6%
- of which France	-	130	(130)	-
- of which Greece	152	135	17	12.6%
- of which Romania and Bulgaria	460	373	87	23.3%
- of which United States and Canada	1,785	1,684	101	6.0%
- of which Panama, Mexico, Guatemala and Costa Rica	1,044	696	348	50.0%
- of which Brazil and Chile	561	313	248	79.2%
- of which other countries	4	-	4	-

Net electricity generation by the division totaled 8,670 million kWh, an increase of 249 million kWh on the same period of 2014. Of the total increase, 437 million kWh is attributable to greater generation abroad, mainly from the increase in wind generation (+449 million kWh) in Latin America and North America as a result of the expansion of installed capacity and in hydroelectric generation in Panama (+227 million kWh). These factors were only partly offset by the decline in wind generation in the Iberian Peninsula (-240 million kWh), as well as the change in the scope

of consolidation following the disposal of operations in France at the end of 2014 (-130 million kWh).

Net electricity generation in Italy in the 1st Quarter of 2015 decreased by 188 million kWh on the same period of 2014, primarily reflecting the contraction in hydroelectric output (-324 million kWh) owing to poorer water conditions. That decrease was partly offset by the increase in geothermal generation (+99 million kWh) as a result of the expansion in installed capacity.

Performance

Millions of euro		1st Quarter		
	2015	2014 restated	Change	
Revenue	812	702	110	15.7%
Gross operating margin	536	481	55	11.4%
Operating income	370	346	24	6.9%
Capital expenditure	475	314	161	51.3%

The following tables show performance by geographical area.

Revenue

Millions of euro	1st Quarter			
	2015	2014 restated	Change	
Europe	514	482	32	6.6%
Latin America	164	128	36	28.1%
North America	134	92	42	45.7%
Total	812	702	110	15.7%

Revenue in the 1st Quarter of 2015 increased by €110 million (15.7%), going from €702 million to €812 million. This reflected:

- > an increase of €42 million in revenue in North America, primarily due to the positive impact of the appreciation of the US dollar against the euro, the increase in volumes generated and a rise in income from tax partnerships;
- > an increase of €36 million in revenue in Latin America (taking account of exchange rate gains of €23 million), largely due to an increase in revenue from electricity sales, in line with the increase in generation, primarily in Brazil (€17 million), Chile (€17 million) and Costa Rica (€4 million);

- > an increase of €32 million in revenue in Europe, due primarily to the positive effects of the acquisition of control of 3SUN (€38 million in respect of negative goodwill and the remeasurement at fair value of the Group's previous interest in the company) and the recognition of the indemnity provided for in the agreement with STM (€12 million). These factors were partly offset by a reduction in revenue from the electricity sales in reflection of the decline in hydroelectric generation and the disposal of Enel Green Power France in December 2014.

Gross operating margin

Millions of euro	1st Quarter			
	2015	2014 restated	Change	
Europe	355	354	1	0.3%
Latin America	87	62	25	40.3%
North America	94	65	29	44.6%
Total	536	481	55	11.4%

The **gross operating margin** amounted to €536 million, an increase of €55 million (11.4%) compared with the same period of 2014. The change is attributable to:

- > an increase of €29 million in the gross operating margin in North America, taking account of exchange rate gains of €17 million;
- > an increase of €25 million in the gross operating margin in Latin America, reflecting the increase in revenue, partly offset by the increase in personnel and operating costs

- associated with the expansion of installed capacity;
- > an increase of €1 million in the gross operating margin in Europe, the net result of the impact of the 3SUN transaction, as discussed under revenue, almost entirely offset by the change in the generation mix, which was penalized by the decline in water availability, and the deconsolidation of Enel Green Power France (the latter contributed €10 million).

Operating income

Millions of euro		1st Quarter		
	2015	2014 restated	Change	
Europe	252	255	(3)	-1.2%
Latin America	67	50	17	34.0%
North America	51	41	10	24.4%
Total	370	346	24	6.9%

Operating income amounted to €370 million, an increase of €24 million, taking account of a rise of €31 million in depreciation, amortization and impairment losses, which

reflected the increase in installed capacity in North America and Latin America.

Capital expenditure

Millions of euro		1st Quarter		
	2015	2014 restated	Change	
Europe	166	56	110	-
Latin America	276	179	97	54.2%
North America	33	79	(46)	-58.2%
Total	475	314	161	51.3%

Capital expenditure in the 1st Quarter of 2015 amounted to €475 million, an increase of €161 million compared with the same period of the previous year.

Investments mainly regarded wind plants in Latin America (€179 million), Europe (€76 million) and North America (€23

million), geothermal plants in Italy (€24 million), solar plants in Chile (€20 million) and Panama (€8 million) and hydroelectric plants in Latin America (€53 million) and Italy (€14 million).

Other, eliminations and adjustments

Performance

Millions of euro	1st Quarter			
	2015	2014 restated	Change	
Revenue (net of eliminations)	147	231	(84)	-36.4%
Gross operating margin	(10)	81	(91)	-
Operating income	(16)	74	(90)	-
Capital expenditure	11	2	9	-

Revenue net of eliminations in the 1st Quarter of 2015 amounted to €147 million, a decrease of €84 million compared with the same period of the previous year (-36.4%). Excluding the capital gain from the adjustment of the price (equal to €82 million) on the sale of Artic Russia at the end of 2013, recognized by the Upstream Gas function in the 1st Quarter of 2014 with respect to the earn-out clause contained in contracts with the buyer of that company, revenue decreased by €2 million compared with the 1st Quarter of 2014.

The **gross operating margin** in the 1st Quarter of 2015, a negative €10 million, showed a deterioration of €91 million,

essentially due to the gain noted above. Excluding that gain, the gross operating margin was down €9 million on that posted in the 1st Quarter of 2014, largely due to an increase in the operating costs of the Parent Company and the new mechanism for remunerating its activities.

Operating income in the 1st Quarter of 2015, a negative €16 million, deteriorated by €90 million compared with the same period of the previous year, taking account of a decrease of €1 million in depreciation, amortization and impairment losses and the gain from the price adjustment in the disposal of Artic Russia.

Capital expenditure

Capital expenditure in the 1st Quarter of 2015 amounted to €11 million, an increase of €9 million compared with the

1st Quarter of 2014, essentially in respect of exploration and development operations in Algeria.

Analysis of the Group's financial position

Net capital employed and related funding

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

Millions of euro

	at Mar. 31, 2015	at Dec. 31, 2014	Change	
Net non-current assets:				
- property, plant and equipment and intangible assets	91,868	89,844	2,024	2.3%
- goodwill	14,080	14,027	53	0.4%
- equity investments accounted for using the equity method	879	872	7	0.8%
- other net non-current assets/(liabilities)	399	(741)	1,140	-
Total net non-current assets	107,226	104,002	3,224	3.1%
Net current assets:				
- trade receivables	13,668	12,022	1,646	13.7%
- inventories	3,192	3,334	(142)	-4.3%
- net receivables due from Electricity Equalization Fund and similar bodies	(3,474)	(2,994)	(480)	-16.0%
- other net current assets/(liabilities)	(5,165)	(4,827)	(338)	-7.0%
- trade payables	(12,420)	(13,419)	999	-7.4%
Total net current assets	(4,199)	(5,884)	1,685	28.6%
Gross capital employed	103,027	98,118	4,909	5.0%
Provisions:				
- post-employment and other employee benefits	(3,679)	(3,687)	8	-0.2%
- provisions for risks and charges and net deferred taxes	(7,697)	(7,391)	(306)	4.1%
Total provisions	(11,376)	(11,078)	(298)	2.7%
Net assets held for sale	1,361	1,488	(127)	-8.5%
Net capital employed	93,012	88,528	4,484	5.1%
Total shareholders' equity	53,498	51,145	2,353	4.6%
Net financial debt	39,514	37,383	2,131	5.7%

Net capital employed at March 31, 2015 totaled €93,012 million and is funded by equity attributable to the shareholders of the Parent Company and non-controlling interests

in the amount of €53,498 million and net financial debt of €39,514 million. The debt-to-equity ratio at March 31, 2015 came to 0.74 (0.73 at December 31, 2014).

Analysis of the Group's financial structure

Net financial debt

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

Millions of euro

	at Mar. 31, 2015	at Dec. 31, 2014	Change	
Long-term debt:				
- bank borrowings	7,121	7,022	99	1.4%
- bonds	37,909	39,749	(1,840)	-4.6%
- other borrowings	1,849	1,884	(35)	-1.9%
Long-term debt	46,879	48,655	(1,776)	-3.7%
Long-term financial receivables and securities	(2,693)	(2,701)	8	-0.3%
Net long-term debt	44,186	45,954	(1,768)	-
Short-term debt				
Bank borrowings:				
- short-term portion of long-term bank borrowings	931	824	107	13.0%
- other short-term bank borrowings	33	30	3	10.0%
Short-term bank borrowings	964	854	110	12.9%
Bonds (short-term portion)	4,770	4,056	714	17.6%
Other borrowings (short-term portion)	259	245	14	5.7%
Commercial paper	1,283	2,599	(1,316)	-50.6%
Cash collateral and other financing on derivatives	1,384	457	927	-
Other short-term financial payables	102	166	(64)	-38.6%
Other short-term debt	7,798	7,523	275	3.7%
Long-term financial receivables (short-term portion)	(1,274)	(1,566)	292	18.6%
Factoring receivables	(129)	(177)	48	27.1%
Financial receivables and cash collateral	(1,381)	(1,654)	273	16.5%
Other short-term financial receivables	(276)	(323)	47	14.6%
Cash and cash equivalents with banks and short term securities	(10,374)	(13,228)	2,854	21.6%
Cash and cash equivalents and short-term financial receivables	(13,434)	(16,948)	3,514	20.7%
Net short-term debt	(4,672)	(8,571)	3,899	45.5%
NET FINANCIAL DEBT	39,514	37,383	2,131	5.7%
Net financial debt of “Assets held for sale”	799	620	179	28.9%

Net financial debt totaled €39,514 million at March 31, 2015, an increase of €2,131 million on December 31, 2014.

Net long-term debt decreased by €1,768 million, almost entirely attributable to the decrease in gross long-term debt (€1,776 million).

More specifically:

- > bank borrowings amounted to €7,121 million, an increase of €99 million;
- > bonds amounted to €37,909 million, a decrease of €1,840 million on December 31, 2014. The change is primarily attributable to the reclassification to short term of two bonds for retail investors issued by Enel SpA maturing in February 2016 in the total amount of €3,000 million. This was partly offset by the impact of exchange rate losses amounting to €1,250 million. In addition, following a non-binding offer to exchange in January 2015, Enel Finance International repurchased bonds in the total amount of €1,429 million and at the same time issued a senior fixed-rate note of €1,462 million maturing in January 2025;
- > other borrowings amounted to €1,849 million at March 31, 2015, a decrease of €35 million on December 31, 2014, mainly due to the reclassification of the current portion.

The forward revolving credit facility of about €9.4 billion obtained in February 2013 by Enel SpA and Enel Finance International, falling due in April 2018, was renegotiated on February 11, 2015, reducing its cost and extending its term until 2020. The facility was undrawn at March 31, 2015, as were the committed credit lines obtained by Enel SpA and Enel Finance International.

Net short-term debt showed a creditor position of €4,672 million at March 31, 2015, a decrease of €3,899 million on the end of 2014. The change was the result of an increase in short-term bank borrowings in the amount of €110 million, an increase in other short-term debt in the amount of €275 million and a decrease in cash and cash equivalents and short-term financial receivables in the amount of €3,514 million.

In the 1st Quarter of 2015, the following bond repayments were carried out:

- > €1,000 million in respect of a fixed-rate bond issued by Enel SpA maturing in January 2015;
- > €1,300 million in respect of a fixed-rate bond issued by Enel SpA maturing in January 2015.

In addition, other short-term debt, totaling €7,798 million, includes commercial paper issued by Enel Finance International, Enel Latinoamérica (formerly Endesa Latinoamérica) and Endesa Capital Finance amounting to €1,283 million, as well as bonds maturing within 12 months amounting to €4,770 million.

Finally, cash collateral paid to counterparties in over-the-counter derivatives transactions on interest rates, exchange rates and commodities totaled €1,381 million, while cash collateral received from such counterparties amounted to €1,384 million.

Cash and cash equivalents and short-term financial receivables came to €13,434 million, down €3,514 million compared with the end of 2014, mainly due to the decrease in cash with banks and short-term securities in the amount of €2,854 million and in the current portion of long-term financial receivables in the amount of €292 million.

Cash flows

Cash flows from operating activities in the first three months of 2015 were a positive €476 million, an improvement of €669 million over the year-earlier period. The change was mainly attributable to a reduction in the use of cash in connection with the change in net current assets in the two periods.

Cash flows from investing/disinvesting activities in the first three months of 2015 absorbed funds in the amount of €1,258 million, while in the corresponding period of 2014 they had absorbed liquidity totaling €1,037 million.

More specifically, cash requirements in respect of investments in property, plant and equipment and in intangible assets in the 1st Quarter of 2015 amounted to €1,340 million, up €257 million on the corresponding period of 2014, mainly due to increased activity in the renewable energy sector.

Cash flows generated by investments in entities or business units, net of cash and cash equivalents acquired, amounted to €17 million and regarded payments on account for the future acquisition of equity investments in Latin America by the Renewable Energy Division.

Cash flows generated by other investing/disinvesting activities in the 1st Quarter of 2015 were a positive €99 million and are essentially attributable to the disposal of investments in

San Floriano Energy and Geronimo Wind Energy, as well as ordinary disinvestments during the period.

Cash flows from financing activities absorbed liquidity in the amount of €2,270 million. In the first three months of 2014 they had generated liquidity totaling €1,958 million. The flow in the 1st Quarter of 2015 was essentially associated with the reduction of net financial debt (the net balance of repayments and new borrowing) in the amount of €2,293 million and the payment of dividends totaling €278 million. This was only partly offset by the receipt of €301 million (net of transaction costs) from the disposal of 49% of EGPNA Renewable Energy Partners, a generation company operating in the United States.

Thus, in the first three months of 2015, cash flows generated by operating activities amounted to €476 million, which only partly financed the requirements of investing activities totaling €1,258 million and financing activities in the amount of €2,270 million. The negative difference is reflected in the decrease in cash and cash equivalents, which at March 31, 2015 amounted to €10,388 million, compared with €13,255 million at the start of 2015. The decrease includes the impact (€185 million) of the appreciation of the various local currencies against the euro.

Significant events in the 1st Quarter of 2015

Enel Green Power extends framework accord with Vestas to develop additional wind capacity in the United States

On January 12, 2015, Enel Green Power, acting through its subsidiary Enel Green Power North America Inc. ("EGPNA"), extended the framework agreement signed at the end of 2013 with Vestas for the development of wind farms in the United States.

The 2013 agreement, which provided for Vestas to supply

wind turbines, has supported and will continue to support EGPNA's successful growth in the United States.

The capacity yet to be developed under the 2013 agreement, together with the current extension, will enable EGPNA to qualify up to approximately 1 GW of future wind capacity in the United States for Federal Production Tax Credits (PTCs).

New bond issue of up to €1 billion to back exchange offers for existing bonds is authorized

On January 26, 2015, the Board of Directors authorized one or more new bond issues, to be carried out by December 31, 2015, with a total maximum principal amount of up to €1 billion.

The authorization is intended to allow Enel to make new bond issues to serve any exchange offers for bonds pre-

viously issued by the Company under the Global Medium-Term Notes Program, in order to optimize the Enel Group's capital and financial structure and to permit it to seize any opportunities that may arise in international financial markets.

Exchange of bonds and issue of new bonds

On January 27, 2015, Enel Finance International NV ("EFI"), a wholly-owned subsidiary of Enel SpA, following a non-binding public exchange offer that ran from January 14 to January 21, purchased bonds issued by EFI and guaranteed by Enel in the total amount of €1,429,313,000. The consideration for the purchase was represented by (i) senior fixed-rate notes with a minimum lot size of €100,000 (and multiples of €1,000) issued by EFI (under the Global Medium-Term Notes Program of EFI and Enel) and guaranteed by Enel, in the principal amount of €1,462,603,000 and (ii) cash in the amount of €194,365,920.

The transaction was carried out as part of the optimization of EFI's financial management. It is intended to pursue active management of the Group's maturity structure and the cost of funds. The new notes, which EFI issued as part of the exchange offer under the Global Medium-Term Notes Program with an Enel guarantee, bear an interest rate of 1.966% and mature on January 27, 2025.

Disposal of SF Energy

On January 29, 2015, the agreement signed on November 7, 2014 by Enel Produzione, a subsidiary of Enel, for the sale of its stake in SF Energy was finalized at a price of €55 million. Of the entire stake, 50% was sold to SEL - Società Elettrica Altoa-

tesina (the counterparty in the agreement), while the remaining 50% was sold to Dolomiti Energia following exercise of its pre-emption rights. The disposal is part of the agreements signed on that date between Enel Produzione and SEL.

Renegotiation of revolving credit line of about €9.4 billion

On February 12, 2015, Enel SpA and its Dutch subsidiary Enel Finance International renegotiated the revolving credit facility of about €9.4 billion agreed on February 8, 2013, reducing its cost and extending the facility's maturity to 2020 from the original expiry date of April 2018.

The credit facility, which can be used by Enel and/or by Enel Finance International with a Parent Company guarantee, is not connected with the Group's debt refinancing program. It is intended to provide the Group's treasury with an extremely flexible and practical instrument for managing working capital.

The cost of the credit facility varies in relation to Enel's credit rating and bears a spread on Euribor that, based upon Enel's current rating, falls to 80 basis points from the previous 190 basis points, while the commitment fee has been reduced to 35% of the spread from the previous 40%, i.e. from 76 basis points to 28 basis points.

A number of Italian and foreign banks were involved in the transaction, with Mediobanca serving as the documentation agent.

Updates of disposal plan

On February 25, 2015, the Enel Board of Directors examined the updates of the plan for disposals of the Group's equity investments in Eastern Europe, announced to the market on July 10, 2014. Under the strategic guidelines set out in the

new business plan to be presented to the financial community, it decided to suspend the process of disposing of the distribution and sales assets in Romania and to continue with the disposal of the generation assets held in Slovakia.

Memorandum of understanding with ENEA

On March 18, 2015, Enel and ENEA signed a memorandum of understanding to innovate together in the generation technology sector, with a focus on renewables. The agreement provides for the parties to collaborate on technologies for the use of alternative fuels in traditional plants, such as biomass and plant waste, as well as on the development of technologies for the environment, the climate and to enhance the flexibility of using traditional power plants. A separate line of research will seek to optimize so-

lutions to generate electricity from wave motion in the sea, while other work will focus on new generation photovoltaic technology. Two Enel-ENEA working groups have been formed to address these research areas, with the aim of developing a joint detailed work plan on issues of common interest within six months. Following this initial exploratory phase, efforts will shift to implementing the activities of common interest.

Loan for operations in South Africa

On March 30, 2015, Enel Green Power, acting through its subsidiary Enel Green Power RSA, signed a loan agreement for a total of 2,100 million South African rand (equivalent to about €160 million) with KfW IPEX-Bank, the latter as lender, sole lead arranger and agent, with partial credit insurance coverage provided by the German export credit agency, Euler Hermes. The loan, secured by a parent company guarantee from Enel Green Power, will provide Enel

Green Power RSA with two separate lines of financing, with maturities of 7 and 17 years respectively, bearing an interest rate in line with the market benchmark. The loan will be used to finance the investment in the Gibson Bay wind farm, located in Eastern Cape Province. The plant will have 37 turbines with a capacity of 3 MW each, for a total installed capacity of 111 MW and capable of generating about 420 GWh of power a year.

Disposal of certain assets in North America

On March 31, 2015, Enel Green Power North America ("EGPNA") entered into an agreement with General Electric Energy Financial Services for the sale of a 49% stake in a newly created company, EGPNA Renewable Energy Partners ("EGPNA REP"), for a total of approximately \$440 million. EGPNA REP owns generation assets totaling 560 MW of capacity, with a mix of operational generation technologies including wind, geothermal, hydro and solar. It also owns a 200 MW wind plant now under construction. All of the assets are located in North America. Within the new company, in addition to a minority stake, GE Energy Financial Services will also receive, for an initial period of three years,

a right of first refusal to invest in operating assets developed out of EGPNA's project pipeline and other operating assets offered for sale by EGPNA. The \$440 million is subject to certain price adjustments, customary for transactions of this nature. The amount associated with plants in operation was paid immediately, while the closing for the plant under construction will take place once it enters service, which is scheduled for December 2015. Enel Green Power provided parent company guarantees customary for transactions of this nature for its North American subsidiary's obligations under this agreement.

Reference scenario

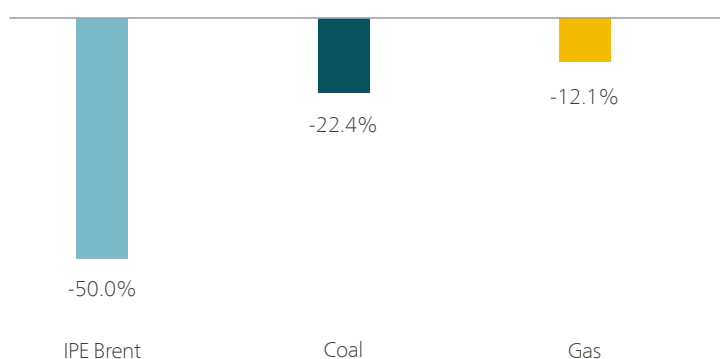
Developments in the main market indicators

	1st Quarter	
	2015	2014
Market indicators		
Average IPE Brent oil price (\$/bbl)	53.9	107.9
Average price of CO ₂ (€/ton)	7.1	6.2
Average price of coal (\$/t CIF ARA) ⁽¹⁾	61.0	78.6
Average price of gas (€/MWh) ⁽²⁾	21.4	24.3
Average dollar/euro exchange rate	1.126	1.370
Six-month Euribor (average for the period)	0.13%	0.40%

(1) API#2 index.

(2) TTF index.

Change in average fuel prices in the 1st Quarter 2015 compared with the 1st Quarter 2014



Electricity and natural gas markets

Electricity demand

GWh	1st Quarter		
	2015	2014	Change
Italy	78,117	78,193	-0.1%
Spain	64,805	63,346	2.3%
Russia	209,447	210,002	-0.3%
Slovakia	7,669	7,440	3.1%
Argentina	34,854	32,587	7.0%
Brazil	121,769	121,905	-0.1%
Chile	12,436	12,119	2.6%
Colombia	16,002	15,386	4.0%

Source: national TSOs.

In Europe, electricity demand performed unevenly in response to macroeconomic conditions in the various countries. More specifically, in Italy demand fell by 0.1%, while in Spain it rose by 2.3%. The same conflicting trend was seen

in Eastern Europe, with demand falling in Russia (-0.3%) and rising in Slovakia (+3.1%). In Latin America, demand in Brazil remained essentially stable (-0.1%), but continued to grow in Argentina (+7.0%) and in Colombia (+4.0%).

Electricity prices

	Average baseload price 1st Quarter of 2015 (€/MWh)	Change in average baseload price 1st Quarter of 2015 – 1st Quarter of 2014	Average peakload price 1st Quarter of 2015 (€/MWh)	Change in average peakload price 1st Quarter of 2015 – 1st Quarter of 2014
Italy	51.8	-1.4%	59.0	-6.0%
Spain	45.9	75.8%	53.9	58.5%
Russia	14.9	-32.1%	17.3	-30.1%
Slovakia	32.9	-2.1%	43.2	-1.5%
Brazil	120.4	-39.7%	129.3	-50.5%
Chile	120.8	-0.2%	161.2	-7.5%
Colombia	67.0	11.3%	87.6	14.2%

Natural gas demand

Millions of m ³	1st Quarter			
	2015	2014	Change	
Italy				
Distribution networks	14,416	12,715	1,701	13.4%
Industry	3,495	3,537	(42)	-1.2%
Thermal generation	5,073	4,592	481	10.5%
Other ⁽¹⁾	533	552	(18)	-3.3%
Total Italy	23,517	21,396	2,121	9.9%
Spain	9,535	7,541	1,994	26.4%

(1) Includes other consumption and losses.

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

Natural gas demand in Italy in the 1st Quarter of 2015 amounted to 23,517 million cubic meters, an increase of 9.9% on the same period of 2014.

The expansion in consumption for domestic and civil uses, as

well as in thermal generation (due to increased demand from electricity generators using conventional resources) reflects an increase in gas stocks.

Italy

Domestic electricity generation and demand

Millions of kWh

1st Quarter

	2015	2014	Change	
Net electricity generation:				
- thermal	44,484	42,709	1,775	4.2%
- hydroelectric	9,459	12,806	(3,347)	-26.1%
- wind	5,214	4,620	594	12.9%
- geothermal	1,438	1,339	99	7.4%
- photovoltaic	4,468	4,063	405	10.0%
Total net electricity generation	65,063	65,537	(474)	-0.7%
Net electricity imports	13,504	13,392	112	0.8%
Electricity delivered to the network	78,567	78,929	(362)	-0.5%
Consumption for pumping	(450)	(736)	286	38.9%
Electricity demand	78,117	78,193	(76)	-0.1%

Source: Terna - Rete Elettrica Nazionale (monthly report – March 2015).

Electricity demand in Italy in the 1st Quarter of 2015 decreased slightly (by 0.1%) compared with the year-earlier period, to 78.1 TWh. Of total electricity demand, 82.7% was met by net domestic electricity generation for consumption (82.9% in the 1st Quarter of 2014) with the remaining 17.3% being met by net electricity imports (17.1% in the 1st Quarter of 2014).

Net electricity imports in the 1st Quarter of 2015 increased

by 0.1 TWh, marking an insignificant change (+0.8%) compared with the same period of 2014.

Net electricity generation in the 1st Quarter of 2015 declined by 0.7% (-0.5 TWh) to 65.1 TWh. More specifically, the decrease in hydroelectric generation (-3.3 TWh) attributable to poorer water availability was only partly offset by the rise in thermal generation (+1.8 TWh), as well as in other renewables generation.

Spain

Electricity generation and demand in the peninsular market

Millions of kWh	1st Quarter			
	2015	2014	Change	
Net electricity generation	67,913	66,323	1,590	2.4%
Consumption for pumping	(1,558)	(2,015)	457	22.7%
Net electricity exports ⁽¹⁾	(1,550)	(962)	(588)	-61.1%
Electricity demand	64,805	63,346	1,459	2.3%

(1) Includes the balance of trade with the extra-peninsular system.

Source: Red Eléctrica de España (*Estadística diaria* – March 2015 report). The volumes reported for the 1st Quarter of 2014 are updated to April 4, 2015.

Electricity demand in the peninsular market in the 1st Quarter of 2015 rose by 2.3% compared with the same period of 2014, to 64.8 TWh. Demand was entirely met by net domestic generation for consumption.

Net electricity generation in the 1st Quarter of 2015 increased by 2.4% (+1.6 TWh), essentially due to the rise in demand.

Net electricity exports in the 1st Quarter of 2015 rose by 61.1% compared with the 1st Quarter of 2014.

Electricity generation and demand in the extra-peninsular market

Millions of kWh	1st Quarter			
	2015	2014	Change	
Net electricity generation	3,211	3,147	64	2.0%
Net electricity imports	324	274	50	18.2%
Electricity demand	3,535	3,421	114	3.3%

Source: Red Eléctrica de España (*Estadística diaria* – March 2015 report). The volumes reported for the 1st Quarter of 2014 are updated to April 5, 2015.

Electricity demand in the extra-peninsular market in the 1st Quarter of 2015 increased by 3.3% compared with the 1st Quarter of 2014 to 3.5 TWh. Of total demand, 90.8% was met by net generation for consumption (92.0% in the 1st Quarter of 2014).

Net electricity imports in the 1st Quarter of 2015 amounted to 0.3 TWh and regarded trade with the Iberian Peninsula.

Net electricity generation in the 1st Quarter of 2015 rose by 2.0% compared with the same period of the previous year.

Regulatory and rate issues

Compared with the Annual Report 2014, which readers are invited to consult for a more detailed discussion of developments, the following section reports the main changes

in the period with regard to regulatory and rate issues in the countries in which Enel operates.

Italy

Generation

Electricity

Generation and wholesale market

With Resolution no. 95/2015/R/eel, the Authority for Electricity, Gas and the Water System (the "Authority") proposed to the Ministry for Economic Development (MED) that the opening of the Capacity Market be moved forward, with an initial phase of implementation beginning on January 1, 2017 and ending no later than 31, 2020, with the launch of full operation of the mechanism. Under the Authority's proposal, during the initial phase, there would be no direct foreign demand and resources permitted in the market, but their contribution would be measured for statistical purposes. The Authority also proposes that, during that phase, the minimum remuneration for existing capacity be determined on the basis of the avoidable fixed costs of a combined-cycle plant. This

proposal has been submitted to the MED for approval.

On February 24, 2015, the market coupling model for the Italian, Austrian, French and Slovenian day-ahead trading markets was launched. Market coupling is a mechanism for integrating day-ahead markets that, in setting the electricity prices for the different segments of the European market involved, also allocates the transport capacity available between those segments, thereby optimizing the use of interconnections.

With Resolution no. 92/2015/R/eel, the Authority specified the criteria for reintegrating plants essential to the security of the gas system for 2013 and approved an advance of the integration fee owed for 1st Half of 2013.

Gas

Wholesale market

With regard to storage, the decree of February 6, 2015 of the MED confirmed the criteria for allocating capacity through auctions.

Distribution

Electricity

Distribution and metering

With Resolution no. 146/2015/eel, the Authority published the reference rates for distribution and sales activities for 2015 to be used in determining, for each operator, the level

of revenues to be recognized for the performance of their activities.

Sales

Gas

Retail market

With regard to the financial terms for enhanced protection customers, the Authority also confirmed the current procedures for determining the component covering natural gas supply for the 2015-2016 gas year, with full indexing of

the spot prices reported on the Dutch Title Transfer Facility (TTF), in anticipation of the production of greater liquidity in the Italian wholesale markets.

Iberian Peninsula

Spain

Royal Decree 198/2015 implementing Article 112-*bis* of the Water Act and regulating the levy on the use of inland waters for the production of electricity in intercommunity basins

Law 15/2012, which amended the Water Act and introduced, starting from January 1, 2013, a levy on the use of inland waters equal to 22% for hydroelectric generation, was amended by Royal Decree 198/2015 (the levy is reduced by 90% for hydroelectric plants with capacities of no more than 50 MW and for pumping plants with capacities greater than 50 MW). This decree specified that the levy shall apply only to intercommunity basins, i.e. those basins over which the state retains tax authority. For the purposes of applying

the 90% reduction in the levy, the decree indicates that the capacity of the plant is equal to the sum of the capacities of the units installed.

As to pumping plants, the tax base must be broken down into electricity produced through pumping and electricity from other sources. It also establishes that electricity generated through pumping is treated at equal to 70% of electricity consumed for pumping.

Energy efficiency

Law 18/2014 concerning urgent measures for expansion, competition and efficiency introduced the National Energy Efficiency Fund to help achieve the energy efficiency targets. Order no. IET/289/2015 sets out the methodology for assigning the amounts required, indicates those required to contribute and their required portions and such amounts

and establishes the method for calculating the economic equivalence for 2015.

Endesa must contribute €30.2 million to the Fund, corresponding to the amounts required for 2015, and €1.9 million arising from the adjustments for 2014.

Eastern Europe

Russia

Temporary suspension of the system of guarantees for electricity purchases

On December 24, 2014, the Market Council published a number of amendments to the market operating rules, by which it: (i) increased the penalties that apply in the event of late payments; (ii) extended the period for temporary exemption from the requirement to furnishing guarantees

for electricity purchases until the end of May 2015 (originally running from December 21, 2014 to the end of February 2015), which applies to operators with no payment arrears for an amount of up to 30% of the volumes purchased on the market monthly.

Essential plants

On January 1, 2015, government decree no. 2578-p came into force, providing for: (i) the recognition of essential power plants with a total capacity of up to 7.5 GW (including the Nevinnomysskaya plant with a capacity of 1.1 GW) for the period from January 1, 2015 to November 30, 2015 (11

months); (ii) the recognition of essential plants to supply heat with a total capacity of up to 3.2 GW for the period from January 1, 2015 to June 30, 2015 (6 months); (iii) the establishment of the regulated rates that apply to essential plants.

Update of National Energy Strategy

On March 24, 2015, Russia's Prime Minister ordered the Ministry of Energy to finish the updating of the national energy strategy by October 1, 2015 (the most recent revision dates back to 2009), asking it to focus on modernizing the

thermal generation sector, on incentives for hydrocarbon exploration and on improving the rules on payments for energy resources.

Latin America

Argentina

Resolution no. 32/2015

In March 2015, the *Secretaría de Energía* issued Resolution no. 32/2015, which establishes the introduction, starting from February 1, 2015, of a theoretical new regulatory framework that will have no impact on the rates charged to end users. The difference between the theoretical framework and that applicable to end users consists of a temporary additional income component for distributors, to be set by ENRE and CAMMESA. The two entities are also responsible for the associated transfer of the funds. The resolution confirms that these transfers are to be treated as payments on account in anticipation of the general rate revision to be undertaken by ENRE in the next few months.

Likewise, and starting from the same date, the resolution establishes that the funds collected through the *Programa de Uso Racional de la Energía Eléctrica* (PUREE) be treated as a true rate component for distribution companies, in recognition of the higher costs that they incur. The resolution extended the compensation under the *Mecanismo de Monitoreo de Costos* and of PUREE beyond that in the situation prior to January 31, 2015, allowing the receivables accrued under these two instruments to be set off against the trade payables due to CAMMESA. The balance will be paid in accordance with a payment schedule yet to be determined. The regulations require every company to submit a plan of

investments to be made by 2015, an agreement on the use of the supplemental funds transferred (including the prohi-

bition on the payment of dividends), as well as the withdrawal of legal action for the recovery of receivables.

Brazil

Compensation for the effects of the drought

Brazil continued to suffer from a severe drought in 2014. In November, the system hit its highest risk of having to ration electricity. To cover the supplemental cost of electricity for the distribution companies, the government created the Regulated Contracting Environment (RCE) account using bank loans that would have to be repaid over the next two years as a result of rate increases to be introduced. In 2014, Brazi-

lian distributors drew a total of 18 billion real (around €5.7 billion) on the RCE account; however, they were unable to cover the entire deficit. In March 2015, a new loan through the RCE account was approved to cover the deficit for November and December 2014. The term of payment for all loans was extended to 54 months starting from November 2015.

Chile

Law on the sale of electricity on the regulated end market

On January 29, 2015, in the Official Journal an amended law was published concerning the process of bidding to supply electricity to regulated market customers. Among the changes introduced by this law was the requirement that CNE be more involved in these processes, the increase in the duration of public tendered contracts from three to

five years, the inclusion of a reserve price as the maximum limit for each bid, the possibility for the winning bidder to delay delivery in the event of force majeure, the addition of short-term bids, as well as an increase in the eligibility threshold for regulated market customers from 2,000 to 5,000 kW.

Renewable Energy

Portugal

Decree 102/2015 was published, completing the regulation of the so-called "over-equipment" of wind farms under Decree Law 94/2014. This decree establishes the procedures and technical requirements for delivering electricity genera-

ted in excess of the authorized capacity to the network. The technical specifications are linked to real-time communication and the remote disconnection functions.

Chile

On January 29, 2015, Law 20.805 was approved, introducing changes to the system of auctions for the supply of customers on the regulated market. The primary changes involve increasing the term of the contract (from 15 to 20 years), as well as the range within which customers are

allowed to remain within the regulated market (from a range of 0.5-2 MW to a range of 0.5-5 MW), introducing short-term auctions and, finally, offering new plants the option of delaying the date at which they are to begin supplying electricity.

Mexico

On February 17, 2015, in the Official Journal, the competent Ministry announced the composition of the Board of Directors of the former market monopolist, CFE (*Comisión Federal de Electricidad*), thereby initiating the unbundling process. Under the government's plan, a separate company will be set up for each business line in which CFE will conduct business (Generation, Transmission, Distribution and Sales). On February 24, 2015 the first rules defining the mechanisms by which the new market will operate were published.

Under the announced timetable, the first long-term auction for supplying regulated-market customers will be held in October 2015, while the wholesale market will be launched in January 2016.

On March 31, 2015, the Energy Ministry (SENER) fixed the percentage of clean energy certificates to be auctioned in the first long-term auction in October 2015. The percentage, equal to 5% of the total electricity consumption, is the first step in reaching the target of 25% by 2018.

Peru

On February 27, 2015, the regulator, OSINERGMIN, approved the new methodology for calculating the *Energía Firme* which, in the case of renewable plants, will be determined based upon output, establishing precise criteria that differ

depending upon whether the plant is an existing plant, a new plant or a winner in the renewable power auction process.

United States

On March 11, 2015, the Internal Revenue Service (IRS) issued Notice 2015-25 containing additional guidelines for defining the concept of "continuous efforts" required for eligibility to receive the Production Tax Credit (PTC). The new guidelines extended the Commercial Operation Date (COD)

for project eligibility to January 1, 2017. Therefore, a project upon which work was begun prior to January 1, 2015 and with a COD of before January 1, 2017 automatically satisfies the "continuous efforts" test.

South Africa

On April 11, 2015, the South African Department of Energy (DoE) announced the results of Round 4 of the Renewable Energy Independent Power Producer Procurement Pro-

gramme (REIPPPP). The fourth auction for renewable power plants allocated 1,121 MW, bringing the total installed capacity to be developed by private investors to 5,243 MW.

Outlook

Enel has already initiated the action plans designed to ensure achievement of the targets set out in the business plan announced to the financial markets. Consistent with our industrial strategy, the Group's efforts are aimed at achieving high levels of operating efficiency, relaunching industrial growth and actively managing our portfolio in order to create value.

In this context, the programmes undertaken by the Global Business Lines to optimize costs and manage assets efficiently have already produced results in the early months of the year that are in line with the trend forecast for all of 2015.

With regard to industrial growth, to which Enel is again devoting major investment programs in high potential markets and businesses in 2015, especially in renewable energy and new smart distribution grids, performance has met expectations in terms of additional installed capacity and the expansion of our customer base in both Latin America and Europe.

The active management of our portfolio envisages the di-

sposal of non-strategic assets, enabling the reinvestment of the proceeds with a view to creating value and rationalizing the corporate structure. A number of the asset disposal programs provided for in the business plan are already under way and the reorganization of our operations in Latin America has begun in order to simplify governance arrangements and promote the creation of value for all the shareholders of the companies involved.

In a macroeconomic environment displaying significant signs of an upturn in the growth of electricity demand in the mature European markets and the continuing rapid pace of growth in the emerging economies, Enel can leverage its diversified asset portfolio and the new streamlined, business-focused organizational structure to fully exploit opportunities for value creation, with a consequent beneficial impact on performance. In addition, the positive contribution of the extraordinary corporate operations under way and the improvement in the cash flow generated by operations will enable us to finance investment in development and the new dividend policy.

Condensed consolidated quarterly financial statements at March 31, 2015

Condensed Consolidated Income Statement

Millions of euro	Notes	1st Quarter	
		2015	2014 restated
Total revenue	5.a	19,970	18,182
Total costs	5.b	17,427	15,664
Net income/(expense) from commodity contracts measured at fair value	5.c	82	45
Operating income		2,625	2,563
Financial income		1,946	676
Financial expense		2,713	1,477
Total financial income/(expense)	5.d	(767)	(801)
Share of income/(expense) from equity investments accounted for using the equity method	5.e	24	4
Income before taxes		1,882	1,766
Income taxes	5.f	703	654
Net income from continuing operations		1,179	1,112
Net income from discontinued operations		-	-
Net income for the period (shareholders of the Parent Company and non-controlling interests)		1,179	1,112
Attributable to shareholders of the Parent Company		810	868
Attributable to non-controlling interests		369	244
<i>Basic earnings (loss) per share attributable to shareholders of the Parent Company (euro)</i>		<i>0.09</i>	<i>0.09</i>
<i>Diluted earnings (loss) per share attributable to shareholders of the Parent Company (euro)</i>		<i>0.09</i>	<i>0.09</i>
<i>Basic earnings (loss) per share from continuing operations attributable to shareholders of the Parent Company (euro)</i>		<i>0.09</i>	<i>0.09</i>
<i>Diluted earnings (loss) per share from continuing operations attributable to shareholders of the Parent Company (euro)</i>		<i>0.09</i>	<i>0.09</i>

Statement of Consolidated Comprehensive Income

Millions of euro

1st Quarter

	2015	2014 restated
Net income for the period (Group and non-Group)	1,179	1,112
Other comprehensive income recyclable to profit or loss		
Effective portion of change in the fair value of cash flow hedges	(179)	(84)
Share of the other comprehensive income of equity investments accounted for using the equity method	(6)	(7)
Change in the fair value of financial assets available for sale	39	12
Exchange rate differences	1,095	(413)
Income/(Loss) recognized directly in equity	949	(492)
Total comprehensive income/(loss) for the period	2,128	620
Attributable to:		
- shareholders of the Parent Company	1,204	584
- non-controlling interests	924	36

Condensed Consolidated Balance Sheet

Millions of euro

Notes

		at Mar. 31, 2015	at Dec. 31, 2014
LIABILITIES			
Non-current assets			
Property, plant and equipment and intangible assets		91,868	89,844
Goodwill		14,080	14,027
Equity investments accounted for using the equity method		879	872
Other non-current assets ⁽¹⁾		14,125	12,932
Total non-current assets	6.a	120,952	117,675
Current assets			
Inventories		3,192	3,334
Trade receivables		13,668	12,022
Cash and cash equivalents		10,349	13,088
Other current assets ⁽²⁾		14,574	13,737
Total current assets	6.b	41,783	42,181
Assets held for sale	6.c	6,830	6,778
TOTAL ASSETS		169,565	166,634
LIABILITIES AND SHAREHOLDERS' EQUITY			
Equity attributable to the shareholders of the Parent Company	6.d	32,723	31,506
Non-controlling interests		20,775	19,639
Total shareholders' equity		53,498	51,145
Non-current liabilities			
Long-term borrowings		46,879	48,655
Provisions and deferred tax liabilities		17,346	16,958
Other non-current liabilities		3,989	3,905
Total non-current liabilities	6.e	68,214	69,518
Current liabilities			
Short-term borrowings and current portion of long-term borrowings		8,763	8,377
Trade payables		12,420	13,419
Other current liabilities		21,201	18,885
Total current liabilities	6.f	42,384	40,681
Liabilities held for sale	6.g	5,469	5,290
TOTAL LIABILITIES		116,067	115,489
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		169,565	166,634

(1) Of which long-term financial receivables and other securities at March 31, 2015 equal to €2,513 million (€2,522 million at December 31, 2014) and €180 million (€179 million at December 31, 2014), respectively.

(2) Of which short-term portion of long-term financial receivables, short-term financial receivables and other securities at March 31, 2015 equal to €1,274 million (€1,566 million at December 31, 2014), €1,787 million (€2,154 million at December 31, 2014) and €25 million (€140 million at December 31, 2014), respectively.

Statement of Changes in Consolidated Shareholders' Equity

Share capital and reserves attributable to the shareholders of the Parent Company

Millions of euro	Share capital	Share premium reserve	Legal reserve	Other reserves	Reserve from translation of financial statements in currencies other than euro	Reserve from cash flow hedge	Reserve from measurement of financial instruments AFS
At January 1, 2014	9,403	5,292	1,881	2,262	(1,100)	(1,618)	128
Effect of application of IFRS 11	-	-	-	-	16	26	-
At January 1, 2014 restated	9,403	5,292	1,881	2,262	(1,084)	(1,592)	128
Dividends and interim dividends	-	-	-	-	-	-	-
Transactions in non-controlling interests	-	-	-	-	-	-	-
Change in scope of consolidation	-	-	-	-	-	-	-
Comprehensive income for the period	-	-	-	-	(234)	(56)	12
of which:							
- income/(loss) recognized directly in equity	-	-	-	-	(234)	(56)	12
- net income/(loss) for the period	-	-	-	-	-	-	-
At March 31, 2014 restated	9,403	5,292	1,881	2,262	(1,318)	(1,648)	140
At January 1, 2015	9,403	5,292	1,881	2,262	(1,321)	(1,806)	105
Dividends and interim dividends	-	-	-	-	-	-	-
Transactions in non-controlling interests	-	-	-	-	-	-	-
Comprehensive income for the period	-	-	-	-	505	(146)	39
of which:							
- income/(loss) recognized directly in equity	-	-	-	-	505	(146)	39
- net income/(loss) for the period	-	-	-	-	-	-	-
At March 31, 2015	9,403	5,292	1,881	2,262	(816)	(1,952)	144

Reserve from disposal of equity interests without loss of control	Reserve from transactions in non-controlling interests	Reserve from equity investments accounted for using the equity method	Reserve for employee benefits	Retained earnings and loss carried forward	Equity attributable to the shareholders of the Parent Company	Non-controlling interests	Total shareholders' equity
721	62	(16)	(528)	19,454	35,941	16,898	52,839
-	-	(42)	-	-	-	(7)	(7)
721	62	(58)	(528)	19,454	35,941	16,891	52,832
-	-	-	-	-	-	(335)	(335)
-	9	-	-	-	9	-	9
-	-	-	-	(6)	(6)	(404)	(410)
-	-	(6)	-	868	584	36	620
-	-	(6)	-	-	(284)	(208)	(492)
-	-	-	-	868	868	244	1,112
721	71	(64)	(528)	20,316	36,528	16,188	52,716
(2,113)	(193)	(74)	(671)	18,741	31,506	19,639	51,145
-	-	-	-	-	-	(76)	(76)
13	-	-	-	-	13	288	301
-	-	(4)	-	810	1,204	924	2,128
-	-	(4)	-	-	394	555	949
-	-	-	-	810	810	369	1,179
(2,100)	(193)	(78)	(671)	19,551	32,723	20,775	53,498

Condensed Consolidated Statement of Cash Flows

Millions of euro

1st Quarter

	2015	2014 restated
Income before taxes	1,882	1,766
Adjustments for:		
Depreciation, amortization and impairment losses of property, plant and equipment and intangible assets	1,225	1,270
Exchange rate adjustments of foreign currency assets and liabilities (including cash and cash equivalents)	1,074	106
Financial (income)/expense	634	614
Change in inventories and trade receivables and payables	(2,453)	(3,049)
Interest and other financial expense paid and collected	(1,066)	(769)
Other changes	(820)	(131)
Cash flows from operating activities (A)	476	(193)
Investments in property, plant and equipment and intangible assets	(1,340)	(1,083)
Investments in entities (or business units) less cash and cash equivalents acquired	(17)	-
Disposals of entities (or business units) less cash and cash equivalents sold	-	23
(Increase)/Decrease in other investing activities	99	23
Cash flows from (investing)/disinvesting activities (B)	(1,258)	(1,037)
New issues and other contracting of long-term financial debt	2,090	1,983
Repayments and other changes in net financial debt	(4,383)	451
Receipts/(Outlays) for disposals/(acquisitions) of non-controlling interests	301	(180)
Dividends and interim dividends paid	(278)	(296)
Cash flows from financing activities (C)	(2,270)	1,958
Impact of exchange rate fluctuations on cash and cash equivalents (D)	185	(77)
Increase/(Decrease) in cash and cash equivalents (A+B+C+D)	(2,867)	651
Cash and cash equivalents and short-term securities at the beginning of the period ⁽¹⁾	13,255	7,900
Cash and cash equivalents and short-term securities at the end of the period ⁽²⁾	10,388	8,551

(1) Of which cash and cash equivalents equal to €13.088 million at January 1, 2015 (€7.873 million at January 1, 2014), short-term securities equal to €140 million at January 1, 2015 (€17 million at January 1, 2014) and cash and cash equivalents pertaining to "Assets held for sale" in the amount of €27 million at January 1, 2015 (€10 million at January 1, 2014).

(2) Of which cash and cash equivalents equal to €10.349 million at March 31, 2015 (€8.522 million at March 31, 2014), short-term securities equal to €25 million at March 31, 2015 (€29 million at March 31, 2014) and cash and cash equivalents pertaining to "Assets held for sale" in the amount of €14 million at March 31, 2015 (none at March 31, 2014).

Notes to the condensed consolidated quarterly financial statements at March 31, 2015

1

Accounting policies and measurement criteria

The accounting standards adopted and measurement criteria used for the Interim Financial Report at March 31, 2015, which has not been audited, are consistent with those used to prepare the consolidated financial statements at December 31, 2014, to which the reader is referred for more information. This Report also applies the following interpretations and amendments to existing accounting standards adopted for the first time as of January 1, 2015:

- > "IFRIC 21 – Levies"; the interpretation addresses the accounting treatment of a liability in respect of the obligation to pay a levy that is not covered by another standard (for example, income taxes), other than fines or sanctions imposed for violations of the law, due to the government, whether local, national or international. More specifically, the interpretation established that the liability shall be recognized when the obligating event giving rise to the liability to pay the levy, as set out in the applicable law, occurs. If the obligating event occurs over a specified period of time (for example, the generation of revenue over a specified period of time), the liability shall be recognized gradually over that period. If the obligation to pay the levy is triggered upon reaching a given threshold (for example, upon reaching a minimum amount of revenue generated), the corresponding liability is recognized at the time the threshold is reached. The effects of the application of the new standard are described in note 2 below.
- > "Annual improvements to IFRSs 2011-2013 cycle"; the

document contains formal modifications and clarifications of existing standards that did not have a significant impact on this Interim Financial Report. More specifically, the following standards were amended:

- "IFRS 3 – Business combinations"; the amendment clarifies that IFRS 3 does not apply to the financial statements of a joint arrangement in accounting for the formation of the joint arrangement itself;
- "IFRS 13 – Fair value measurement"; the amendment clarifies that the exception provided for in that standard of measuring financial assets and liabilities on the basis of the net exposure of the portfolio (the "portfolio exception") shall apply to all contracts within the scope of IAS 39 or IFRS 9 even if they do not meet the definitions in IAS 32 for financial assets or liabilities;
- "IAS 40 – Investment property"; under IAS 40, a property interest held by a lessee under an operating lease may be classified as investment property if and only if the property would otherwise meet the definition of an investment property and if the lessee uses the fair value model to measure such investments. The amendment also clarifies that management judgment must be used to determine whether the acquisition of an investment property represents the acquisition of an asset or group of assets or is a business combination under the provisions of IFRS 3. That judgment must be consistent with the guidance of IFRS 3.

"Annual improvements to IFRSs 2011-2013 cycle" amended the Basis for Conclusions of "IFRS 1 – First-time adoption of International Financial Reporting Standards" to clarify that a first-time adopter may adopt a new IFRS whose adoption is not yet mandatory if the new IFRS permits early application.

Use of estimates

Preparing the condensed consolidated quarterly financial statements requires management to make estimates and assumptions that may impact the value of revenues, costs, assets and liabilities and the disclosures concerning contingent assets and liabilities at the date of these condensed consolidated quarterly financial statements. Changes in the conditions underlying the assumptions and judgments could have a substantial impact on future results. For the purposes of preparing these condensed consolidated quar-

terly financial statements, consistent with the consolidated financial statements at December 31, 2014, the use of estimates regarded the same situations that were involved in estimation processes in the preparation of the annual financial statements. For a more extensive discussion of the most significant measurement processes for the Group, please see the section "Use of estimates" in note 2 to the consolidated financial statements at December 31, 2014.

Seasonality

The turnover and performance of the Group could be impacted, albeit slightly, by developments in weather conditions. More specifically, in warmer periods of the year, gas sales decline, while during periods in which factories are

closed for holidays, electricity sales decline. In view of the impact these variations have on performance, no additional disclosure (required under IAS 34.21) for developments in the 12 months ended March 31, 2015 is provided.

2

Restatement of comparative disclosures

As a result of the application, as from January 1, 2015 with retrospective effect, of the new interpretation "IFRIC 21 – *Levies*", a liability is recognized when the obligating event giving rise to the liability to pay the levy occurs, as set out in the applicable law. In this case, a number of indirect taxes on real estate held in Spain have been recognized in the full amount at the start of the period and no longer deferred over the course of the year.

In the 1st Quarter of 2014, this change led to a €45 million increase in "Other operating expenses", and a corresponding tax benefit of €15 million recognized under "Income taxes". This change caused the "Net income for the period" for 1st Quarter of 2014 to fall by €30 million compared with the figure reported in the Interim Financial Report at March 31, 2014. This is fully ascribable to Iberian Peninsula. Specifically, out of the €45 million mentioned above, €42 million is attributable to generation plants and €3 million to network infrastructure.

Main changes in the scope of consolidation

2014

- > Loss of control, as from January 1, 2014, of SE Hydropower, under agreements signed in 2010 upon the acquisition of the company, providing for the change in governance arrangements as from that date. This resulted in the Enel Group no longer meeting the requirements for control of the company, which has instead become an entity under joint control. With these new governance arrangements, the investment was reclassified as a joint operation under IFRS 11;
- > acquisition, through a tender offer in effect between January 14, 2014 and May 16, 2014, of an additional 15.18% stake in Coelce, an electricity distribution company in Brazil, already under the Group's control prior to the tender offer;
- > acquisition, on April 22, 2014, of 50% of Inversiones Gas Atacama, a company operating in the natural gas transport and electricity generation sector in Chile in which the Group already held 50%; therefore, the company is now consolidated on a line-by-line basis rather than using equity method accounting;
- > acquisition, on May 12, 2014, of 26% of Buffalo Dunes Wind Project, a company operating in the wind generation sector in the United States in which the Group already held 49%; therefore, the company is now consolidated on a line-by-line basis rather than using equity method accounting;
- > acquisition, on July 22, 2014, of the remaining 50% of Enel Green Power Solar Energy, an Italian company operating in the development, design, construction and operation of photovoltaic plants, in which the Group had previously held 50%; therefore, the company is now consolidated on a line-by-line basis rather than using equity method accounting;
- > acquisition, on September 4, 2014, of the remaining 39% of Generandes Perú (previously controlled through a stake of 61%), a company that controls, with an interest of 54.20%, Edegel, a company operating in the power ge-

neration sector in Peru;

- > acquisition, on September 17, 2014, of 100% of Osage Wind LLC, a company that owns a 150 MW wind development project in the United States. In October 2014, a stake of 50% in the company was sold. Consequently, the company, a joint venture, began to be accounted for using the equity method;
- > disposal, on November 21, 2014, of 21.92% of Endesa, in a public offering;
- > disposal in December 2014 of the entire stake (36.2%) held in LaGeo, a geothermal generation company in El Salvador;
- > disposal in December 2014 of 100% of Enel Green Power France, a renewables generator in France.

In addition, following the internal reorganization of the Group designed to restructure the holdings of the Iberia and Latin America Division, there were a number of changes in non-controlling interests in a number of subsidiaries. More specifically, on October 23, 2014 Endesa (of which the Group holds 92.06%) sold 100% of Endesa Latinoamérica (an investment holding company that owned 40.32% of Enersis) and 20.3% of Enersis, the parent company for operations in Latin America, to Enel Energy Europe, now Enel Iberoamérica (a wholly-owned subsidiary). The operation increased the Group's stake in Enersis by 4.81%.

2015

- > Disposal, on January 29, 2015, of SF Energy, a hydroelectric generation company in Italy;
- > acquisition, on March 6, 2015, of the share not previously held by the Group, amounting to 66.7%, of 3SUN, a photovoltaic firm. Through this acquisition, the Group obtained control of the company, which is now consolidated on a line-by-line basis;
- > disposal, on March 31, 2015, of 49% di EGPNA Renewable Energy Partners, an electricity generation company in the United States. Since the Group have maintained control of the company, the transaction is one involving a non-controlling interest.

Acquisition of 3SUN

On March 6, 2015, Enel Green Power completed the acquisition of an additional 66.7% stake in 3SUN from STM and Sharp as provided for under the agreement signed between the parties in July 2014.

Therefore, as a result of this acquisition, the Group has full ownership of 3SUN, and the company is now consolidated

on a line-by-line basis rather than using the equity method. As provided for under IFRS 3 Revised, the transaction qualifies as a step acquisition and, therefore, the fair value adjustments of the part of the net assets already held were recognized through profit or loss for the period. The process of allocating the purchase price to the fair value of the assets acquired and the liabilities and contingent liabilities assumed is not yet definitive.

Effects of the transaction

Millions of euro

Net assets acquired	39
Value of the business combination:	
- carrying amount of interest previously held	1
- fair value remeasurement of the interest previously held	12
- cost of acquisition made in 2015	-
Total	13
Negative goodwill	(26)

Pending the completion of the purchase price allocation process, the following table reports the provisional fair va-

lues of the assets acquired and liabilities and contingent liabilities assumed at the acquisition date.

Millions of euro

Provisional amounts recognized at the acquisition date

Property, plant and equipment	124
Intangible assets	7
Other current and non-current assets	90
Total assets	221
Shareholders' equity attributable to the shareholders of the Parent Company	39
Financial debt	148
Trade payables	29
Deferred tax liabilities and other liabilities	6
Total liabilities and shareholders' equity	221

Disposal of interest in EGPNA Renewable Energy Partners

On March 31, 2015, the Group, acting through its subsidiary Enel Green Power North America, entered into an agreement for the sale of a 49% stake in a newly created company, EGPNA Renewable Energy Partners, whose portfolio contains a number of operating companies in the wind and hydroelectric power sector.

The Group will continue to indirectly own 51% of the company, which will be consolidated on a line-by-line basis, and will continue to be responsible for the administration, operation and maintenance of EGPNA Renewable Energy Partners assets.

The disposal generated proceeds of €309 million, which, excluding transaction costs of €8 million, amounted to a total of €301 million, taking into account the value assigned to certain projects subject to conditions that had not occurred as of the date of this Report.

The gain on the transaction, calculated as the difference between the net sale price and the percentage of shareholders' equity sold to non-controlling interests, is equal to €19 million and was allocated to an equity reserve, since the Group has maintained control over the company.

Effects of the transaction

Millions of euro

Value of the transaction ⁽¹⁾	301
Net assets transferred	282
Reserve for transactions in non-controlling interests	19
- of which attributable to the shareholders of the Parent Company	13
- of which attributable to non-controlling shareholders	6

(1) Excluding transaction costs.



Segment information

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

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

Financial position by segment

At March 31, 2015

Millions of euro	Italy	Iberian Peninsula	Latin America	Eastern Europe	Renewable Energy	Other, eliminations and adjustments	Total
Property, plant and equipment	22,443	23,715	12,916	7,026	12,814	178	79,092
Intangible assets	1,181	14,792	11,581	909	2,301	75	30,839
Trade receivables	8,870	2,633	2,005	337	450	(597)	13,698
Other	3,861	1,588	964	627	649	(280)	7,409
Operating assets	36,355 ⁽¹⁾	42,728	27,466	8,899 ⁽³⁾	16,214	(624)	131,038
Trade payables	7,300	2,246	2,501	618	712	(715)	12,662
Sundry provisions	3,330	3,936	748	2,604	203	433	11,254
Other	6,857	2,280	1,430	1,307	514	(446)	11,942
Operating liabilities	17,487 ⁽²⁾	8,462	4,679	4,529 ⁽⁴⁾	1,429	(728)	35,858

(1) Of which €301 million regarding units classified as "held for sale".

(2) Of which €16 million regarding units classified as "held for sale".

(3) Of which €4,370 million regarding units classified as "held for sale".

(4) Of which €2,767 million regarding units classified as "held for sale".

At December 31, 2014

Millions of euro	Italy	Iberian Peninsula	Latin America	Eastern Europe	Renewable Energy	Other, eliminations and adjustments	Total
Property, plant and equipment	22,528	23,865	11,950	6,702	11,765	161	76,971
Intangible assets	1,241	14,817	11,572	912	2,248	72	30,862
Trade receivables	8,010	2,185	1,656	409	440	(598)	12,102
Other	3,951	1,488	800	501	599	(340)	6,999
Operating assets	35,730 ⁽¹⁾	42,355 ⁽³⁾	25,978 ⁽⁴⁾	8,524 ⁽⁵⁾	15,052	(705)	126,934
Trade payables	8,276	2,467	2,181	747	892	(853)	13,710
Sundry provisions	3,417	3,979	766	2,572	193	413	11,340
Other	6,088	2,517	1,318	1,304	560	(276)	11,511
Operating liabilities	17,781 ⁽²⁾	8,963	4,265	4,623 ⁽⁶⁾	1,645	(716)	36,561

(1) Of which €347 million regarding units classified as "held for sale".

(2) Of which €22 million regarding units classified as "held for sale".

(3) Of which €4 million regarding units classified as "held for sale".

(4) Of which €10 million regarding units classified as "held for sale".

(5) Of which €4,255 million regarding units classified as "held for sale".

(6) Of which €2,790 million regarding units classified as "held for sale".

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

Millions of euro

	at Mar. 31, 2015	at Dec. 31, 2014
Total assets	169,565	166,634
Equity investments accounted for using the equity method	879	872
Non-current financial assets	6,112	4,980
Long-term tax receivables included in "Other non-current assets"	566	501
Current financial assets	9,992	9,484
Cash and cash equivalents	10,349	13,088
Deferred tax assets	7,044	7,067
Tax receivables	1,426	1,547
Financial and tax assets of "Assets held for sale"	2,159	2,161
Segment assets	131,038	126,934
Total liabilities	116,067	115,489
Long-term borrowings	46,879	48,655
Non-current financial liabilities	2,449	2,441
Short-term borrowings	2,802	3,252
Current portion of long-term borrowings	5,961	5,125
Current financial liabilities	7,722	6,618
Deferred tax liabilities	9,605	9,220
Income tax payable	657	253
Other tax payables	1,448	887
Financial and tax liabilities of "Liabilities held for sale"	2,686	2,477
Segment liabilities	35,858	36,561

Information on the Condensed Consolidated Income Statement

5.a Revenue - €19,970 million

Millions of euro	1st Quarter			
	2015	2014 restated	Change	
Revenue from the sale of electricity	11,938	11,744	194	1.7%
Revenue from the transport of electricity	2,381	2,361	20	0.8%
Fees from network operators	185	176	9	5.1%
Transfers from the Electricity Equalization Fund and similar bodies	285	376	(91)	-24.2%
Revenue from the sale of natural gas	1,550	1,409	141	10.0%
Revenue from the transport of natural gas	216	188	28	14.9%
Remeasurement at fair value after changes in control	12	50	(38)	-76.0%
Gains on the disposal of assets	18	85	(67)	-78.8%
Other services, sales and revenues	3,385	1,793	1,592	88.8%
Total	19,970	18,182	1,788	9.8%

In the 1st Quarter of 2015, **revenue from the sale of electricity** amounted to €11,938 million, an increase of €194 million compared with the same period of the previous year. This increase is essentially attributable to the following factors:

- > an increase of €240 million in revenue from electricity sales to end users, essentially attributable to higher revenue from regulated markets (€280 million) due to the increase in volumes sold, partially offset by a decrease in revenue on free markets (€40 million);
- > an increase of €77 million in revenue from electricity trading, mainly as a result of a rise in volumes handled.

These effects were only partially offset by the decline in revenue from the sale of electricity to wholesale buyers totaling €123 million, mainly concentrated abroad.

Revenue from the transport of electricity amounted to €2,381 million in the 1st Quarter of 2015, an increase of €20 million, largely due to higher revenue on the transport of electricity for the regulated market.

In the 1st Quarter of 2015, revenue from **transfers from the Electricity Equalization Fund and similar bodies** came to €285 million, a decrease of €91 million compared with the same period of 2014. The decline is essentially attributable to the higher margin on extra-peninsular generation in Spain, associated with an increase in revenue from sales and a reduction in fuel costs.

Revenue from the sale of natural gas amounted to €1,550 million in the 1st Quarter of 2015, an increase of €141 million, essentially attributable to the increase in volumes sold to end users.

Revenue from the transport of natural gas in the 1st Quarter of 2015 came to €216 million, up €28 million (14.9%) compared with the same period of the previous year, due to the increase in volumes sold.

Gains from **remeasurement at fair value after changes in control** came to €12 million in the 1st Quarter 2015, and

refer to the adjustment to their current value of assets and liabilities pertaining to the Group already held by Enel prior to the acquisition of full control of 3SUN. In the 1st Quarter 2014, the item amounted to €50 million, relating the assets and liabilities of SE Hydropower, corresponding to the value of the interest still held by the Group in the company following its loss of control of the company, which occurred as a result of the reorganization of the governance structure without any exchange of shares.

Gains on the disposal of assets in the 1st Quarter 2015 totaled €18 million, a decrease of €67 million compared with the same period of 2014. The amount reported mainly relates to the gain on the disposal of San Floriano Energy, while

that reported for the previous period referred to the price adjustment in the sale of Artic Russia.

Revenue from **other services, sales and revenues** amounted to €3,385 million in the 1st Quarter of 2015 (€1,793 million in the 1st Quarter 2014), an increase of €1,592 million (88.8%). The rise is mainly attributable to the following:

- > an increase of €1,030 million in revenue from fuel sales due to the rise in volumes of gas handled with respect to sales to customers;
- > an increase of €329 million in revenue from the sale of environmental certificates largely due to the rise in the number of CO₂ emissions allowances handled.

5.b Costs - €17,427 million

Millions of euro	1st Quarter			
	2015	2014 restated	Change	
Electricity purchases	5,766	5,604	162	2.9%
Consumption of fuel for electricity generation	1,312	1,473	(161)	-10.9%
Fuel for trading and natural gas for sale to end users	3,079	1,608	1,471	91.5%
Materials	492	318	174	54.7%
Personnel	1,155	1,109	46	4.1%
Services, leases and rentals	3,793	3,784	9	0.2%
Depreciation, amortization and impairment losses	1,398	1,428	(30)	-2.1%
Costs of environmental certificates	184	202	(18)	-8.9%
Other operating expenses	514	437	77	17.6%
Capitalized costs	(266)	(299)	33	-11.0%
Total	17,427	15,664	1,763	11.3%

Costs for **electricity purchases** in the 1st Quarter of 2015 came to €5,766 million, an increase of €162 million (2.9%), essentially due to the rise in purchases on the Power Exchange (€89 million), particularly in Italy, and to the increase in business through bilateral contracts (€29 million), as well as the increase in other costs for electricity purchases on domestic and foreign markets (€44 million).

Costs for the **consumption of fuel for electricity generation** in the 1st Quarter of 2015 amounted to €1,312 million, a decrease of €161 million (-10.9%) compared with the year-earlier period. The decline reflects the fall in volumes of thermal generation, which focused on using fuels with lower average unit costs.

Costs for the purchase of **fuel for trading and natural gas for sale to end users** came to €3,079 million in the 1st Quarter of 2015, an increase of €1,471 million (91.5%) compared with the 1st Quarter of 2014. The increase reflects the rise in trading on commodity markets, mentioned above in the discussion on revenue.

Costs for **materials** amounted to €492 million in the 1st Quarter of 2015, up €174 million on the same period of the previous year.

Personnel costs in the 1st Quarter of 2015 totaled €1,155 million, an increase of €46 million (4.1%) compared with the 1st Quarter of 2014. This change is almost solely attributable

to the charge for salary and contribution increases in Latin America. The Enel Group workforce at March 31, 2015 numbered 68,892, of whom 35,437 employed in Group companies headquartered abroad. In the 1st Quarter of 2015 the workforce contracted, reflecting the negative balance between new hires and terminations (-378 employees).

The increase connected with the change in the scope of consolidation (309 employees) that occurred in the 1st Quarter 2015 is mainly attributable to the change in the method for consolidating 3SUN, which, as a result of the acquisition of full control, is now consolidated on a line-by-line basis, and to a lesser extent to the acquisition of minor companies.

The overall change compared with December 31, 2014, breaks down as follows:

Balance at December 31, 2014 ⁽¹⁾	68,961
Hirings	613
Terminations	(991)
Change in scope of consolidation	309
Balance at March 31, 2015 ⁽¹⁾	68,892

(1) Includes 4,430 and 4,350 employees classified as "held for sale" at December 31, 2014 and at March 31, 2015, respectively.

Costs for **services, leases and rentals** in the 1st Quarter of 2015 amounted to €3,793 million, in line with the 1st Quarter of 2014. More specifically, the increase is essentially due to the rise in transport costs.

Depreciation, amortization and impairment losses amounted to €1,398 million in the 1st Quarter of 2015, a decrease of €30 million compared with the €1,428 million reported for the 1st Quarter of 2014. This decline is mainly

associated with the reduction in depreciation and amortization, which reflects the impairment losses recognized at the end of 2014, partly offset by the rise in net writedowns of trade receivables.

Costs of environmental certificates came to €184 million in the 1st Quarter of 2015, down €18 million on the corresponding period of 2014. This decrease is mainly due to the reduction in the number and average market price of the certificates required in order to comply with the regulations of the relevant countries.

Other operating expenses in the 1st Quarter of 2015 amounted to €514 million, an increase of €77 million with respect to the year-earlier period. More specifically, the item reflects the positive adjustment of the provisions for risks and litigation recognized in the 1st Quarter of 2014 (€63 million) that was performed following the signing of the settlement agreement between Enel Distribuzione, A2A and A2A Reti Elettriche requiring the payment of €89 million by Enel Distribuzione to A2A Reti Elettriche in exchange for A2A completely waiving any further claim, including any claims against Enel SpA, raised in the dispute pending before the Court of Appeal of Milan. This was partially offset by the decrease in allocations to provisions for environmental expenses as a result of specific agreements signed with a number of local authorities.

In the 1st Quarter of 2015, **capitalized costs** came to €266 million, reflecting developments in capital expenditures.

5.c Net income/(expense) from commodity contracts measured at fair value - €82 million

Net income from commodity contracts measured at fair value amounted to €82 million in the 1st Quarter of 2015, compared with net income of €45 million in the first three months of 2014. More specifically, the result for the first three months of 2015 is essentially attributable to the net

realized income for the period in the amount of €44 million (€40 million in the 1st Quarter 2014) and net unrealized income from the fair value measurement of derivatives positions open at the end of the period in the amount of €38 million (€5 million in the 1st Quarter 2014).

5.d Net financial expense - €(767) million

Net financial expense in the 1st Quarter of 2015 amounted to €767 million, compared with €801 million in the same period of 2014.

More specifically, the decline of €34 million is essentially attributable to an increase in net income from derivatives, partly offset by exchange rate losses.

5.e Share of income/(expense) from equity investments accounted for using the equity method - €24 million

The **share of income/(expense) from equity investments accounted for using the equity method** in the 1st Quarter of 2015 came to €24 million, up €20 million on the €4 million reported for the first three months of 2014. The increase is essentially attributable to the higher losses recognized by Elcogas in the 1st Quarter 2014, the effects of which were

partly offset by the impact of the change in the scope of consolidation, mainly relating to the disposal of LaGeo, and the deterioration in the results reported by a number of joint ventures, including Hydro Dolomiti Enel and RusEnergosbyt, the latter as a result of exchange rate movements between the ruble and the euro.

5.f Income taxes - €703 million

Income taxes for the 1st Quarter of 2015 amounted to €703 million (€654 million in the 1st Quarter 2014), equal to 37.4% of taxable income. The increase of the latter as compared with the 1st Quarter of 2014 (37.0%) is mainly the re-

sult of the negative effects of the rise in tax rates imposed in Colombia and Chile more than offsetting the benefit of the ruling that the application of the IRES surtax (the so-called "Robin Hood Tax") is unconstitutional.

6

Information on the Condensed Consolidated Balance Sheet

6.a Non-current assets - €120,952 million

Property, plant and equipment and intangible assets (including investment property) amounted to €91,868 million at March 31, 2015, an increase of €2,024 million. The change is mainly accounted for by exchange rate gains (€1,752 million), changes in the scope of consolidation (€131 million, referring to the acquisition of 3SUN), investments in the period (€1,253 million) net of depreciation and amortization on those assets (€1,184 million) and other smaller changes. More specifically, the exchange rate gains refer to the appreciation of the US dollar, the Russian ruble and the South American currencies against the euro (with the exception of the Brazilian real) compared with the exchange rates prevailing at December 31, 2014.

Goodwill, amounting to €14,080 million, increased by €53 million compared with December 31, 2014, due to the adjustment of goodwill denominated in foreign currencies at current exchange rates.

Equity investments accounted for using the equity method amounted to €879 million, up €7 million compared with the end of the previous year, essentially due to the portion of the net income reported by companies accounted for using the equity method attributable to the Group, which more than offset dividends distributed.

Other non-current assets totaled €14,125 million and break down as follows:

Millions of euro

	at Mar. 31, 2015	at Dec. 31, 2014	Change	
Deferred tax assets	7,044	7,067	(23)	-0.3%
Receivables and securities included in net financial debt	2,693	2,701	(8)	-0.3%
Other non-current financial assets	3,419	2,279	1,140	50.0%
Receivables due from the Electricity Equalization Fund and similar bodies	59	59	-	-
Other long-term receivables	910	826	84	10.2%
Total	14,125	12,932	1,193	9.2%

The increase of €1,193 million for the period is essentially due to the rise in the fair value of financial derivatives (+€1,104 million, mainly attributable to the depreciation of the euro in the 1st Quarter 2015), to the increase in the value of other equity investments (+€58 million, of which

€39 million referring to the investment in Bayan Resources in Indonesia) and to the increase in tax receivables (+€65 million). These were only partly offset by the decrease in financial assets related to services under concession arrangements in Brazil (-€47 million).

6.b Current assets - €41,783 million

Inventories totaled €3,192 million, a decrease of €142 million, mainly associated with the decline in inventories of gas, nuclear fuel and green certificates, only partly offset by the increase in CO₂ emission allowances.

Trade receivables amounted to €13,668 million, up €1,646

million. The rise is mainly associated with the timing of invoicing and receipt schedules in a number of countries.

Other current assets, which totaled €14,574 million, break down as follows:

Millions of euro

	at Mar. 31, 2015	at Dec. 31, 2014	Change	
Current financial assets included in debt	3,086	3,860	(774)	-20.1%
Other current financial assets	6,906	5,624	1,282	22.8%
Tax receivables	1,426	1,547	(121)	-7.8%
Receivables due from the Electricity Equalization Fund and similar bodies	932	1,010	(78)	-7.7%
Other short-term receivables	2,224	1,696	528	31.1%
Total	14,574	13,737	837	6.1%

The increase of €837 million in the period is largely due to:

- > an increase of €1,282 million in other current financial assets, mainly due to an increase in financial assets in respect of derivatives (€1,261 million), also essentially connected with movements in foreign currencies;
- > a decrease of €774 million in current financial assets included in debt, essentially due to the decrease in financial receivables in respect of the rate deficit in Spain of €495 million (with collections during the quarter amounting to €758 million and new receivables in connection with extra-peninsular generation totaling €263 million) and the decline in cash collateral of €273 million;

- > an increase of €528 million in other short-term receivables, mainly associated with the rise in prepaid expenses, receivables in respect of derivatives on energy commodities that have not yet been settled, as well as the recognition of a payment on account in respect of future rate revisions established by Argentine regulators with *Resolución* no. 32/2015;
- > a decrease of €121 million in tax receivables, essentially due to the decrease in tax receivables for income taxes (€62 million) and in receivables for indirect taxes on electricity and natural gas consumption (€42 million).

6.c Assets held for sale - €6,830 million

The item essentially includes the assets, valued at their estimated realizable value, of Slovenské elektrárne, SE Hydropower and other assets of minor companies that, in view of the

decisions taken by management, meet the requirements of IFRS 5 for classification as assets held for sale. There were no significant changes as compared with December 31, 2014.

6.d Equity attributable to the shareholders of the Parent Company - €32,723 million

The change in the first three months of 2015 in equity attributable to the shareholders of the Parent Company reflects the recognition of net income for the period (€810 million) and the net gain for the first three months of 2015 recognized directly in equity (+€394 million).

With regard to Enel's shareholders, on April 22, 2015, the People's Bank of China reported that it held 186,168,232 Enel shares, equal to 1.9798% of the share capital (2.07% at December 31, 2014).

6.e Non-current liabilities - €68,214 million

Long-term borrowings totaled €46,879 million (€48,655 million at December 31, 2014), consisting of bonds in the amount of €37,909 million (€39,749 million at December 31, 2014) and bank debt and other borrowings in the amount of €8,970 million (€8,906 million at December 31, 2014).

Provisions and deferred tax liabilities came to €17,346 million at March 31, 2015 (€16,958 million at December 31, 2014) and include post-employment and other employee benefits totaling €3,679 million (€3,687 million at De-

cember 31, 2014), provisions for risks and charges totaling €4,062 million (€4,051 million at December 31, 2014) and deferred tax liabilities totaling €9,605 million (€9,220 million at December 31, 2014).

Other non-current liabilities amounted to €3,989 million (€3,905 million at December 31, 2014), essentially reflecting the increase in a number of advances received from the Argentine regulator CAMMESA.

6.f Current liabilities - €42,384 million

Short-term borrowings and short-term portion of long-term borrowings rose by €386 million, from €8,377 million at the end of 2014 to €8,763 million at March 31, 2015, mainly due to the increase in the short-term portion of bonds in the amount of €714 million and in cash collateral in the amount of €927 million. This was only partly offset by the

decline in commercial paper of €1,316 million.

Trade payables came to €12,420 million (€13,419 million at December 31, 2014), down €999 million.

Other current liabilities, which came to €21,201 million, break down as follows:

Millions of euro

	at Mar. 31, 2015	at Dec. 31, 2014	Change	
Payables due to customers	1,652	1,599	53	3.3%
Payables due to Electricity Equalization Fund and similar bodies	4,406	4,005	401	10.0%
Current financial liabilities	7,722	6,618	1,104	16.7%
Social security contributions payable and payables to employees	713	711	2	0.3%
Tax payables	2,105	1,140	965	84.6%
Other	4,603	4,812	(209)	-4.3%
Total	21,201	18,885	2,316	12.3%

The increase of €2,316 million is essentially due to:

- > an increase of €1,104 million in current financial liabilities, due essentially to the increase in financial liabilities in respect of financial derivatives;
- > an increase of €965 million in tax payables, attributable essentially to the estimate for income taxes for the period and the increase in other tax payables, mainly due to VAT and taxes and surcharges on electricity and gas consumption in Italy;
- > an increase of €401 million in payables due to the Elec-

tricity Equalization Fund and similar bodies, mainly attributable to the rate components in the Italian electrical system for covering general system expenses and for the equalization mechanisms.

The item "other" includes the payables in respect of put options granted to minority shareholders and for the purchase of equity investments amounting to €855 million (€822 million at December 31, 2014). In this regard, there was no change in the fair value hierarchy level or in the assumptions made in determining their value.

6.g Liabilities held for sale - €5,469 million

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

the quarter essentially reflects new borrowings by Slovenské elektrárne.

Net financial position

Pursuant to the CONSOB instructions of July 28, 2006, the following table reports the net financial position at March 31, 2015, and December 31, 2014, reconciled with net fi-

ancial debt as prepared in accordance with the presentation procedures of the Enel Group.

Millions of euro

	at Mar. 31, 2015	at Dec. 31, 2014	Change	
Cash and cash equivalents on hand	1,183	758	425	56.1%
Bank and post office deposits	9,166	12,330	(3,164)	-25.7%
Securities	25	140	(115)	-82.1%
Liquidity	10,374	13,228	(2,854)	-21.6%
Short-term financial receivables	1,657	1,977	(320)	-16.2%
Factoring receivables	129	177	(48)	-27.1%
Short-term portion of long-term financial receivables	1,274	1,566	(292)	-18.6%
Current financial receivables	3,060	3,720	(660)	-17.7%
Bank debt	(33)	(30)	(3)	-10.0%
Commercial paper	(1,283)	(2,599)	1,316	50.6%
Short-term portion of long-term bank borrowings	(931)	(824)	(107)	-13.0%
Bonds issued (short-term portion)	(4,770)	(4,056)	(714)	-17.6%
Other borrowings (short-term portion)	(259)	(245)	(14)	-5.7%
Other short-term financial payables	(1,486)	(623)	(863)	-
Total short-term financial debt	(8,762)	(8,377)	(385)	-4.6%
Net short-term financial position	4,672	8,571	(3,899)	-45.5%
Debt to banks and financing entities	(7,121)	(7,022)	(99)	-1.4%
Bonds	(37,909)	(39,749)	1,840	4.6%
Other borrowings	(1,849)	(1,884)	35	1.9%
Long-term financial position	(46,879)	(48,655)	1,776	3.7%
NET FINANCIAL POSITION as per CONSOB instructions	(42,207)	(40,084)	(2,123)	-5.3%
Long-term financial receivables and securities	2,693	2,701	(8)	-0.3%
NET FINANCIAL DEBT	(39,514)	(37,383)	(2,131)	-5.7%

None of these items regard transactions with related parties.

Other information



Related parties

As an operator in the field of generation, distribution, transport and sale of electricity and the sale of natural gas, Enel carries out transactions with a number of companies directly

or indirectly controlled by the Italian State, the Group's controlling shareholder.

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

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

Finally, Enel also maintains relationships with the pension funds FOPEN and FONDENEL, Fondazione Enel and Enel Cuore, an Enel non-profit company devoted to providing social and healthcare assistance.

All transactions with related parties were carried out on normal market terms and conditions, which in some cases are determined by the Authority for Electricity, Gas and the Water System.

The following table summarizes transactions with related parties and with associated companies and companies subject to joint control outstanding at March 31, 2015 and carried out during the period, respectively.

	Single Buyer	EMO	Terna	Eni	ESO	Poste Italiane
Income statement						
Revenue from sales and services	-	1,773	1,131	367	112	9
Other revenue	-	-	15	-	93	-
Financial income	-	-	-	-	-	-
Electricity, gas and fuel purchases	955	1,235	98	348	1	-
Services and other materials	-	161	505	35	2	27
Other operating expenses	1	-	4	-	-	-
Net income/(expense) from commodity contracts measured at fair value	-	-	2	-	-	-
Financial expense	-	-	-	-	-	-
Balance sheet						
Trade receivables	-	144	1,101	38	80	5
Other current assets	-	7	6	2	139	-
Trade payables	622	128	554	144	1,049	46
Other current liabilities	-	-	4	-	-	-
Other information						
Guarantees given	-	-	3	-	-	-
Guarantees received	-	-	-	150	-	10
Commitments	-	-	2	16	-	16

In November 2010, the Board of Directors of Enel SpA approved a procedure governing the approval and execution of transactions with related parties carried out by Enel SpA directly or through subsidiaries. The procedure (available at http://www.enel.com/it-IT/group/governance/rules/related_parties/) sets out rules designed to ensure the transparency and procedural and substantive propriety of transactions with related parties. It was adopted in implementation

of the provisions of Article 2391-*bis* of the Italian Civil Code and the implementing regulations issued by CONSOB. In the 1st Quarter of 2015, no transactions were carried out for which it was necessary to make the disclosures required in the rules on transactions with related parties adopted with CONSOB Resolution no. 17221 of March 12, 2010, as amended with Resolution no. 17389 of June 23, 2010.

Other	Total	Companies subject to joint control and associated companies	General total	Total item	% of total
17	3,409	38	3,447	19,346	17.8%
7	115	-	115	624	18.4%
-	-	6	6	1,946	0.3%
-	2,637	62	2,699	10,091	26.7%
12	742	32	774	4,351	17.8%
1	6	-	6	698	0.9%
-	2	-	2	82	2.4%
-	-	7	7	2,713	0.3%
19	1,387	49	1,436	13,668	10.5%
5	159	24	183	14,574	1.3%
37	2,580	85	2,665	12,420	21.5%
-	4	-	4	21,201	-
-	3	-	3		
25	185	-	185		
19	53	-	53		

Contractual commitments and guarantees

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

Millions of euro

	at Mar. 31, 2015	at Dec. 31, 2014	Change
Guarantees given:			
- sureties and other guarantees granted to third parties	4,860	4,304	556
Commitments to suppliers for:			
- electricity purchases	52,224	54,384	(2,160)
- fuel purchases	77,356	63,605	13,751
- various supplies	1,888	1,782	106
- tenders	1,963	1,785	178
- other	3,194	2,345	849
Total	136,625	123,901	12,724
TOTAL COMMITMENTS AND GUARANTEES	141,485	128,205	13,280

Commitments for electricity amounted to €52,224 million at March 31, 2015, of which €18,964 million refer to the period April 1, 2015-2019, €10,917 million to the period 2020-2024, €7,575 million to the period 2025-2029 and the remaining €14,768 million beyond 2029.

Commitments for the purchase of fuels are determined with

reference to the contractual parameters and exchange rates applicable at the end of the period (given that fuel prices vary and are mainly set in foreign currencies). The total at March 31, 2015 was €77,356 million, of which €37,160 million refer to the period April 1, 2015-2019, €21,462 million to the period 2020-2024, €12,920 million to the period 2025-2029 and the remaining €5,814 million beyond 2029.

Contingent liabilities and assets

Compared with the consolidated financial statements at December 31, 2014, which the reader is invited to consult for more information, the following main changes have occurred in contingent assets and liabilities.

Porto Tolle thermal plant - Air pollution - Criminal proceedings against Enel directors and employees

In February 2015, Enel lodged an appeal with the Court of Cassation against the July 10, 2014 ruling of the Court of Appeal of Venice.

El Quimbo - Colombia

A number of legal actions (so-called "*acciones de grupo*" and "*acciones populares*") brought by residents and fishermen in the affected area are pending with regard to the El Quimbo project, which involves the construction of a 400 MW hydro-electric plant in the Huila region (Colombia) by Emgesa. More specifically, the first *acción de grupo*, currently in the preliminary stage, was brought by around 1,140 residents of the municipality of Garzón, who claim that the construction of the plant would reduce their business revenues by 30%. A second action was brought, between August 2011 and December 2012, by residents and businesses/associations of five municipalities of Huila claiming damages related to the

closing of a bridge (Paso El Colegio).

With regard to *acciones populares*, or class action lawsuits, in 2008 a suit was filed by a number of residents of the area demanding, among other things, that the environmental permit be suspended. Another *acción popular* was brought by a number of fish farming companies over the alleged impact that filling the Quimbo basin would have on fishing in the Betania basin downstream from Quimbo. In February 2015, the Court ordered the precautionary suspension of filling operations until a number of specific requirements have been met. Emgesa has asked that the precautionary measure be revoked. The proceeding is under way.

Nivel de Tension Uno proceedings - Colombia

This dispute involves an *acción de grupo* brought by Centro Médico de la Sabana hospital and other parties against Codensa seeking restitution in the amount of around €119 million in allegedly excess fees paid. The action is based upon the alleged failure of Codensa to apply a subsidized rate that they

claim the users should have paid as Tensione Uno category users (voltage of less than 1 kV), as established in Resolution no. 82/2002, as amended by Resolution no. 97/2008. The suit is at a preliminary stage.

Events after the reporting period

Enel Green Power signs agreement with Japanese conglomerate Marubeni for renewables in the Asia-Pacific region

On April 1, 2015, Enel Green Power and the Japanese conglomerate Marubeni Corporation signed a two-year Memorandum of Understanding ("MoU") to cooperate on evaluating potential business opportunities in renewable projects, mainly in the Asia-Pacific region. Cooperation under the MoU will focus on geothermal, wind, solar and hydro projects

mainly located in the Philippines, Thailand, India, Indonesia, Vietnam, Malaysia and Australia, as well as other areas that may be identified at a later stage. Only projects in the development phase will be considered, therefore excluding projects under construction or already in operation from the scope of the cooperation.

Award of South African public tender for renewables

On April 13, 2015, Enel Green Power was awarded the right to enter into power supply contracts with the South African utility Eskom for 425 MW of wind power projects in the fourth phase of the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) tender, sponsored by the South African government. In line with REIPPPP rules, Enel Green Power took part in the tender through vehicle companies in which it holds the majority of the shares, in partnership with major local players.

The three wind projects (Oyster Bay - 142 MW, Nxuba - 141 MW

and Karusa - 142 MW) will be constructed in the Eastern Cape and Northern Cape Provinces, in areas with abundant wind resources. The Oyster Bay and Nxuba projects will be completed and enter service in 2017, while Karusa will enter service in 2018. Once fully operational, the three projects, which will require a total investment of about €500 million, will be able to generate around 1,560 GWh per year, thereby significantly contributing to meeting the rising demand for energy in South Africa in a way that is sustainable for the environment.

Disposal of stake in SE Hydropower

On April 15, 2015, the sale by Enel Produzione of a 40% stake in SE Hydropower for a price of €345 million, pursuant to the agreement signed on November 7, 2014, was completed. The stake was sold to SEL - Società Elettrica Altoatesina SpA ("SEL") upon meeting the final condition precedent set forth in the agreement.

The sale falls within the scope of the agreements signed on the same date by Enel Produzione and SEL and already announced by Enel to the market.

Rationalization of Latin American companies

On April 22, 2015, the Board of Directors of Enel examined and agreed upon the possibility that the boards of directors of Enersis and its subsidiaries Empresa Nacional de Electricidad ("Endesa Chile") and Chilectra could begin assessing a

corporate reorganization to separate power generation and distribution activities in Chile from those in the other Latin America countries. This initiative is part of the previously announced Group rationalization and simplification program.

The reorganization would eliminate a number of duplications and overlaps among the companies that report to Enersis, which are impeding the full valuation of the associated assets for all shareholders, reducing the visibility of the various businesses and making the decision-making process unnecessarily complex. Clearly differentiating operations in Chile

from those in other Latin American countries would facilitate value creation for Enersis, Endesa Chile and Chilectra, and all of their shareholders. The competent bodies of Enersis, Endesa Chile and Chilectra will assess the possible conditions and procedures for the implementation of the corporate reorganization, in compliance with the applicable law.

Standard & Poor's changes its outlook for Enel

On May 5, 2015, Standard & Poor's announced that it had revised its outlook for Enel from stable to positive. The rating agency noted that the positive outlook reflected the exceptional resilience the Group has shown in the adverse economic and regulatory climate in the key mature markets in which it operates (Italy and Spain). In particular, the agency found that

Enel's credit metrics could improve over the reference period (2015-2017) thanks to the actions envisaged in the strategic plan, including the asset disposal strategy, the rationalization of operating expenses, the flexibility of investments and the optimization of debt and cash flow management.

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

The officer responsible for the preparation of the company's financial reports, Alberto De Paoli, hereby certifies, pursuant to Article 154-*bis*, paragraph 2, of the Consolidated Law on Financial Intermediation, that the accounting information contained in the Interim Financial Report at March 31, 2015 corresponds with that contained in the accounting documentation, books and records.

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