

**Interim Condensed Financial Statements  
of Enel Finance International N.V.  
at 30 June 2016**



## Contents

|  |    |
|--|----|
| Director's report  | 1  |
| General information  | 4  |
| Reference scenario   | 4  |
| Significant events in 2015                                   | 4  |
| Overview of the Company's performance and financial position | 7  |
| Main Risks and uncertainties                                 | 9  |
| Related Parties  | 9  |
| Outlook  | 9  |
| Board of Directors composition                               | 9  |
| Subsequent events  | 9  |
| Personnel  | 9  |
| Statement of the Board of Directors                          | 9  |
| Financial statements for the year ended 31 December 2015     | 11 |
| Statement of comprehensive income                            | 12 |
| Statement of financial position                              | 13 |
| Statement of changes in equity                               | 19 |
| Statement of cash flows                                      | 15 |
| Notes to the financial statements                            | 16 |
| Other information  | 33 |



## **Interim Director's Report**

## General information

The Management of the Company hereby presents its interim condensed financial statements for the period ended on 30 June 2016.

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

## Reference scenario

Economic recovery proceeds at a moderate pace in the euro area, driven by domestic demand remained supported by the pass-through of EU monetary policy measures to the real economy. In the US, growth remains robust, while macroeconomic data in China remain consistent with gradual slowdown and some major emerging markets remain in recession.

The beginning of the year was characterized by high financial market volatility because of global growth concerns and a further fall in oil prices. Between early March and early June euro area financial markets returned to more stable conditions. Yields on long-term euro area sovereign bonds declined somewhat, closely mirroring movements in global long-term yields.

In foreign exchange markets, the euro appreciated markedly in effective terms between early December 2015 and mid-February 2016 amid the increase in global uncertainty. Since then, the euro has slightly depreciated in effective terms and against the US dollar amid widening long-term bond yield spreads between the United States and the euro area and expectations of further monetary policy stimulus from the ECB. Between early March and late April the currency appreciated, largely reflecting evolving market expectations regarding monetary policy stances across major economies. It was also supported by improved market sentiment towards the euro following better than expected data on economic activity in the euro area. From early May the euro weakened in effective terms.

## Significant events in the 1<sup>st</sup> half of 2016

### Exchange offer

Following adopted strategy to optimise liability structure through active management of maturities and cost of funding the Company has executed an Exchange Offer for certain bonds issued by the Company and guaranteed by Enel S.p.A. According to such exchange, the Company has partially repaid back notes for an aggregate amount of Euro 1,074 million under seven bonds, with final maturity date between 2017 and 2023, and issued a new 10 years bond for a total amount of Euro 1,257 million at a fixed rate of 1,375% and maturity date on 01 June 2026

### BEG litigation

Following an arbitration proceeding initiated by BEG SpA in Italy, Enelpower obtained a ruling in its favour in 2002, which was upheld by the Court of Cassation in 2010, in which the claim with regard to an alleged breach by Enelpower of the agreement concerning the construction of a hydroelectric power station in Albania was entirely rejected. Subsequently, BEG, acting through its subsidiary

Albania BEG Ambient Shpk, filed an action against Enelpower and Enel SpA in Albania concerning the matter, obtaining a ruling, upheld by the Albanian Supreme Court of Appeal, ordering Enelpower and Enel SpA to pay tortious damages of about Euro 25 million for 2004 as well as an unspecified amount of tortious damages for the subsequent years. Following the ruling, Albania BEG Ambient claimed a payment of more than Euro 430 million, a request that Enelpower and Enel rejected, vigorously contesting its legitimacy and filing an action in Albania for the revocation of the ruling for conflict with the ruling of the Italian Court of Cassation.

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

In February 2012, Albania BEG Ambient filed an action against Enel and Enelpower at the Tribunal de Grande Instance in Paris in order to declare the ruling of the Albanian court enforceable in France. Enel and Enelpower have challenged the claim. The proceeding is ongoing. Subsequently, again at the initiative of BEG Ambient:

- Enel France was served with two "Saise Conservatoire de Créances" (orders for the precautionary attachment of receivables) to block any receivables of Enel SpA in respect of Enel France;
- JP Morgan Luxembourg was served with analogous attachment of receivables regarding any potential credit of Enel SpA.

Albania BEG Ambient Shpk commenced in March 2014 an action against Enel SpA and Enelpower SpA before the Supreme Court of the State of New York seeking recognition and enforcement of the Albanian judgment in the State of New York in the alleged amount of USD 597,493,543. Enel SpA and Enelpower SpA believe plaintiff's claims to be improper and without merit, and have contested all aspects of the plaintiff's case and defend their interests vigorously in this matter.

On 22 April 2014, upon the motion of Enel and Enelpower, the judge vacated a previously entered temporary restraining order that restricted Enel's and Enelpower's transfer of certain assets up to the amount of judgment sought.

On 27 April 2015, Enel SpA and Enel Power SpA asked the trial to be remitted by the Court of the State of New York to the Federal Court. By the Federal Court's decision of 10 March 2016, this removal request of Enel SpA and Enelpower SpA, has been rejected consequently, the case will continue to be heard by the New York court.

In June 2014, Albania BEG Ambient Shpk obtained a conservatory attachment ex parte interim from the Hague Tribunal of sums up to 440 million and the seizure of the shares of two Dutch subsidiaries Enel Investment Holding B.V. and Enel Finance International N.V..

Enel S.p.A. and Enelpower contested this initiative and on 1 July 2014, the Dutch court - upholding the reasons Enel and Enelpower - i) provisionally estimates ABA's claim (in regard to which the judge in summary proceedings of this district court granted leave for a prejudgment attachment to be levied to secure recovery on 2 June 2014), further at Euro 25,188,500; ii) lift all the attachments and garnishment as soon as Enel provides ABA with a bank guarantee for Euro 25,188,500. Enel and Enelpower have appealed such decision and no bank guarantee has been released so far.

Albania BEG Ambient Shpk filed a second ex parte attachment request on 3 July 2014. Following the hearing held on 28 August 2014, on 18 September 2014, the court of the Hague has granted leave

for a prejudgment attachment to be levied for Euro 425 million. Enel and Enelpower have appealed this decision. The Court of Appeal of The Hague, by decision of 9 February 2016, upheld the appeal ordering to lift all the protective attachments after Enel provides a bank guarantee in the amount of Euro 440 million and Albania BEG Ambient provides a counter-guarantee of Euro 50 million (estimated value of the loss sustained as a consequence of attachments including the charges of the bank guarantee ). On 30 March 2016, Enel posted a bank guarantee, and the conservatory attachments levied on 6 June 2014 and 19 September 2014 were lifted. ABA did not post a counter guarantee by 20 April 2016 and the bank guarantee has therefore lapsed. Albania BEG Ambient Shpk has appealed the decision dated 9 February 2016 before Supreme Court and Enel and Enelpower have appeared in the proceedings on 20 May 2016.

At the end of July 2014, Albania BEG Ambient Shpk started a proceeding to seek recognition of the Albanian ruling in the Netherlands. The last hearing of the proceedings was held in the end of January 2016. With judgment served on 29 June 2016 the Amsterdam District Court: i) has recognized the Albanian judgment in the Netherlands ii) has ordered Enel and EnelPower to pay 433,091,870.00 Euros, as well as costs 60.673,78 Euros. The District Court has denied Albania BEG Ambient Shpk's other claims. Furthermore, although Albania BEG Ambient Shpk had requested the District Court to declare its decision provisionally enforceable, the District Court has denied this request.

Enel has filed a notice of appeal against the Judgment on 29 June 2016. In the appeal, the Amsterdam Court of Appeal will undertake a full de novo evaluation of the entire case, and will rehear the case as a whole.

On 14 July 2016 Albania BEG Ambient Shpk served conservatory third party attachments ex parte of sums up to 440mn€ and the seizure of the shares of three Dutch subsidiaries Enel Investment Holding B.V., Enel Finance International N.V. and Enel Green Power International B.V.. Enel will file summary proceedings against such attachments.

Albania BEG Ambient Shpk has also initiated the procedure for the enforcement of the judgment of the Court of Tirana at Luxembourg and in Ireland. In their defence Enel SpA and Enelpower challenged all requests of Albania BEG Ambient Shpk. (and, in Ireland, the jurisdiction of the Irish courts). On 8 March 2016 the Irish Court by its decision admitted the jurisdiction challenge raised by Enel SpA and Enelpower SpA pronouncing the lack of jurisdiction in Ireland. In Luxembourg, the proceedings are still ongoing and Enel SpA and Enelpower SpA are contesting the claims presented by Albania Beg Ambient Shpk. So far no decision has been made by the Court.

It has been terminated the proceedings regarding the suit lodged by Enelpower and Enel SpA with the Court of Rome asking the Court to ascertain the liability of BEG for having evaded the arbitration ruling issued in Italy in favor of Enelpower, through the legal action taken by Albania BEG Ambient in Albania. With this action, Enelpower and Enel have asked the Court to find BEG liable and order it to pay damages in the amount that one or the other could be required to pay to Albania BEG Ambient in the event of the enforcement of the judgment issued by the Albanian courts.

By judgment dated 16 June 2015, Court of Rome declared the lack of legitimacy of BEG SpA as well as inadmissibility of the claim for lack of legitimacy of Enel SpA and Enelpower, since the Albanian ruling has not yet been declared enforceable in any country, with compensation costs. Enel SpA and Enel Power SpA have appealed against this judgment at first instance in front of the Court of Appeal of Rome, requesting a complete revision of the judgment .

## Overview of the Company's performance and financial position

### Analysis of the Company financial position

Millions of euro

|  | at Jun. 30,<br>2016 | at Dec. 31,<br>2015 | Change         |
|--|---------------------|---------------------|----------------|
| <b>Net non-current assets:</b>           |                     |                     |                |
| -other non-current financial assets      | 1,007               | 1,395               | (388)          |
| -other non-current financial liabilities | (830)               | (68)                | (762)          |
| <b>Total net non-current assets</b>      | <b>177</b>          | <b>1,327</b>        | <b>(1,150)</b> |
| <b>Net current assets:</b>               |                     |                     |                |
| -net tax receivable/ (payable)           | 21                  | 9                   | 12             |
| -other current financial assets          | 204                 | 210                 | (6)            |
| -other current activities                | 4                   | 3                   | 1              |
| -other current financial liabilities     | (524)               | (422)               | (102)          |
| -other current liabilities               | (2)                 | (1)                 | (1)            |
| <b>Total net current assets</b>          | <b>(297)</b>        | <b>(201)</b>        | <b>(96)</b>    |
| <b>Gross capital employed</b>            | <b>(120)</b>        | <b>1,126</b>        | <b>(1,246)</b> |
| <b>Sundry provisions:</b>                |                     |                     |                |
| -deferred tax assets/ (liabilities)      | 308                 | 123                 | 185            |
| <b>Total provisions</b>                  | <b>308</b>          | <b>123</b>          | <b>185</b>     |
| <b>Net Capital Employed</b>              | <b>188</b>          | <b>1,249</b>        | <b>(1,061)</b> |
| <b>Total Shareholders' Equity</b>        | <b>946</b>          | <b>1,486</b>        | <b>(540)</b>   |
| <b>Net financial debt</b>                | <b>(758)</b>        | <b>(237)</b>        | <b>(521)</b>   |

The net non-current assets/(liabilities), at 30 June 2016, sharply decreased by Euro 1,150 million compared to 31 December 2015. The variation refers essentially to the increase of non-current derivative liability (Euro 762 million), to the decrease of non-current derivative assets (Euro 383 million) and depreciation of financial prepaid expenses (Euro 5 million). For further details please refer to paragraph "4 Non-current financial assets".

Net current assets/(liabilities) came to a negative Euro 297 million with a decrease of Euro 96 million compared to 31 December 2015. The variation is mainly due to the increase of interest payables (Euro 75 million) and increase of Euro 31 million fair value current derivatives (Euro 4 million decrease of assets and Euro 27 million increase of liabilities) partly offset by increase of receivables for income tax (Euro 11 million).

Deferred taxes totaled Euro 308 million increased by Euro 185 million and followed movement of cash flow hedge transaction accrued directly in other comprehensive income.

Net capital employed amounted 188 million at 30 June 2016, down Euro 1,061 million compared to 31 December 2015. The variation is due to the decrease of the Net Financial Debt (Euro 521 million) and decrease of shareholders' equity (Euro 540 million).

The debt-to-equity ratio at 30 June 2016 came to a negative 80% (negative 16% at 31 December 2015).

## Net financial debt

Millions of euro

|   | at Jun 30,<br>2016 | at Dec. 31,<br>2015 | Change       |
|---|--------------------|---------------------|--------------|
| <b>Long-term debt:</b>  |                    |                     |              |
| - bank loans  | -                  | -                   | -            |
| - bonds   | 17,658             | 18,137              | (479)        |
| - debt assumed and loans from Group companies                         | 297                | 297                 | 0            |
| <i>Long-term debt</i>   | <i>17,955</i>      | <i>18,434</i>       | <i>(479)</i> |
| - loans to Group companies  | (19,662)           | (20,262)            | 600          |
| <i>Long term financial receivables</i>                                | <i>(19,662)</i>    | <i>(20,262)</i>     | <i>600</i>   |
| <b>Net long-term financial debt</b>                                   | <b>(1,707)</b>     | <b>(1,828)</b>      | <b>121</b>   |
| <b>Short-term debt/(liquidity):</b>                                   |                    |                     |              |
| - bonds (short-term portion)  | 1,081              | 1,080               | 1            |
| - l/t receivables due from Group companies (short-term portion)       |                    |                     | 0            |
| <i>Current amount of long-term net financial debt</i>                 | <i>1,081</i>       | <i>1,080</i>        | <i>1</i>     |
| - commercial paper  | 375                | 97                  | 278          |
| - short-term loans from Group companies                               | 5,206              | 5,878               | (672)        |
| <i>Short-term loans</i>   | <i>5,581</i>       | <i>5,975</i>        | <i>(394)</i> |
| - short-term financial receivables due from Group companies           | (4,415)            | (3,805)             | (610)        |
| - other sundry receivables  | (7)                | (12)                | 5            |
| - financial Service Agreement with Enel S.p.A.                        | (1,242)            | (1,046)             | (196)        |
| - cash and cash equivalents   | (49)               | (601)               | 552          |
| <i>Cash and cash equivalents and short-term financial receivables</i> | <i>(5,713)</i>     | <i>(5,464)</i>      | <i>(249)</i> |
| <b>Net short-term financial debt</b>                                  | <b>949</b>         | <b>1,591</b>        | <b>(642)</b> |
| <b>NET FINANCIAL DEBT</b>   | <b>(758)</b>       | <b>(237)</b>        | <b>(521)</b> |

**Net financial debt** amounting to negative Euro 758 million at 30 June 2016 showed an increase of liquidity (Euro 521 million) compared with the corresponding period of last year.

**Net long-term financial debt** stood at negative Euro 1,707 million, increased by Euro 121 million principally as a result of early repayment of loans by Enel IberoAmerica S.A. (Euro 600 million), amortised costs of loan-term bonds (Euro 23 million) which partly offset by positive foreign exchange effect (Euro 407 million) on the outstanding bonds denominated in non-Euro currencies and transaction costs due to exercised exchange (Euro 96 million).

**Net short-term financial debt** decreased by Euro 642 million to Euro 949 million with the change principally referring to decrease of short-term loans from Group Companies (Euro 672 million) and increase of short-term financing granted to Group Companies (Euro 610 million) and Enel SpA (Euro 196 million). This effect was partly compensated by decrease of cash and cash equivalents (Euro 552 million) and issue new commercial papers issued in euro (Euro 278 million).



## **Main Risks and uncertainties**

Significant risks, risk appetite which could have a material effect on financial position and results as well as risk mitigation strategy have been described in the annual financial statements for 2015. Those categories and risks remain valid and should be read in conjunction with this interim report.

## **Related Parties**

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

## **Outlook**

The Company should evolve normally during the 2d half of 2016, with the aim to maintain the same funding and lending activities currently ongoing, keeping on supporting Enel Group in its developing and consolidation process.

## **Board of Directors composition**

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

## **Subsequent events**

On 14 July 2016, Board of Directors approved the substitution of the Issuer of the Euro 300 million notes with due date September 2023 issued by Enel Investment Holding B.V.

## **Personnel**

At 30 June 2016 the Company employs seven people.

## **Statement of the Board of Directors**

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

To our knowledge,

- > the interim condensed financial statements give a true and fair view of the assets, liabilities, financial position and result of Enel Finance International N.V.;

- > the Director's Report gives a true and fair view of the Company's position as per 30 June 2016 and the developments during the financial period ended 30 June 2016;
- > the Director's Report describes the principal risks the Company is facing.

These interim condensed financial statements are prepared according to International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") and it is externally fully audited by Ernst & Young Accountants LLP. Furthermore this annual report complies with the EU Transparency Directive enacted in the Netherlands in 2008 and subsequently came into force as from 1 January 2009. The Company's main obligations under the aforementioned Transparency Directive can be summarized as follows:

- > filing its approved interim condensed financial statements electronically with the AFM (Autoriteit Financiële Markten) in the Netherlands within five days after their approval;
- > making its interim condensed financial report generally available to the public by posting it on Enel S.p.A. official website within 2 months after the end of first sixth months of the 2016 fiscal year (by 31 August 2016);
- > making its interim condensed financial report generally available to the public by issuing an information notice on a financial newspaper or on a financial system at European level within 2 months after the end of first sixth months of the 2016 fiscal year (by 31 August 2016).

Amsterdam, 27 July 2016

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



## **Interim Condensed Financial statements**

**for the period ended 30 June 2016**

**prepared in accordance with International  
Financial Reporting Standards as adopted by the  
European Union**

# Statement of comprehensive income

| Millions of euro   | Note       | 1st half |         |
|--|------------|----------|---------|
|  |            | 2016     | 2015    |
| <b>Costs</b>   |            |          |         |
| Services   | 1          | (1)      | (1)     |
| Personnel  | 1          | (1)      | (1)     |
|  | (Subtotal) | (2)      | (2)     |
| <b>Operating income</b>  |            | (2)      | (2)     |
| <b>Financial income</b>  |            |          |         |
| Financial income other than from derivatives   | 2          | 956      | 612     |
| Financial income from derivatives  | 3          | 107      | 1,292   |
|  | (Subtotal) | 1,063    | 1,904   |
| <b>Financial expense</b>   |            |          |         |
| Financial expense other than from derivatives  | 2          | (531)    | (1,421) |
| Financial expense from derivative  | 3          | (512)    | (460)   |
|  | (Subtotal) | (1,043)  | (1,881) |
| <b>Net financial income/ (expense)</b>   |            | 20       | 23      |
| <b>Income/(Loss) before taxes</b>  |            | 18       | 21      |
| Income Taxes   | 4          | 4        | 5       |
| <b>Net income for the year</b>   |            | 14       | 16      |
| <b>Other components of comprehensive income recyclable to profit or loss in future periods:</b>          |            |          |         |
| - Effective portion of change in the fair value of cash flow hedges net of deferred taxes                | 13         | (555)    | 574     |
| <b>Total comprehensive income/(loss) for the period (attributable to the shareholder of the Company)</b> |            | (541)    | 590     |

# Statement of financial position

Millions of Euro

Note

|   |            | at Jun. 30,<br>2016 | at Dec. 31,<br>2015 |
|---|------------|---------------------|---------------------|
| <b>ASSETS</b>                               |            |                     |                     |
| <b>Non-current assets</b>                   |            |                     |                     |
| Deferred tax assets                         | 5          | 308                 | 123                 |
| Long-term loans and financial receivables   | 6          | 19,662              | 20,262              |
| Derivatives                                 | 7          | 972                 | 1,355               |
| Other non-current financial assets          | 8          | 36                  | 41                  |
|   | (Subtotal) | <b>20,978</b>       | <b>21,781</b>       |
| <b>Current assets</b>                       |            |                     |                     |
| Income tax receivable                       | 9          | 21                  | 10                  |
| Short-term loans and financial receivables  | 10         | 5,657               | 4,851               |
| Derivatives                                 | 7          | 3                   | 7                   |
| Other current financial assets              | 11         | 208                 | 215                 |
| Other current assets                        |            | 4                   | 3                   |
| Cash and cash equivalents                   | 12         | 49                  | 601                 |
|   | (Subtotal) | <b>5,942</b>        | <b>5,687</b>        |
| <b>TOTAL ASSETS</b>                         |            | <b>26,920</b>       | <b>27,468</b>       |
| <b>LIABILITIES AND SHAREHOLDER'S EQUITY</b> |            |                     |                     |
| Share capital                               | 13         | 1,479               | 1,479               |
| Share premium reserve                       | 13         | 43                  | 43                  |
| Cash flow hedge reserve                     | 13         | (923)               | (368)               |
| Retained earnings                           | 13         | 333                 | 302                 |
| Net income for the period                   | 13         | 14                  | 31                  |
| <b>Total shareholder's equity</b>           |            | <b>946</b>          | <b>1,487</b>        |
| <b>Non-current liabilities</b>              |            |                     |                     |
| Long-term loans and borrowings              | 14         | 17,955              | 18,434              |
| Derivatives                                 | 7          | 830                 | 68                  |
|   | (Subtotal) | <b>18,785</b>       | <b>18,502</b>       |
| <b>Current liabilities</b>                  |            |                     |                     |
| Current portion of long-term loans          | 14         | 1,081               | 1,080               |
| Short-term loans and borrowings             | 15         | 5,581               | 5,976               |
| Derivatives                                 | 7          | 33                  | 6                   |
| Other current financial liabilities         | 16         | 491                 | 416                 |
| Other current liabilities                   |            | 3                   | 1                   |
|   | (Subtotal) | <b>7,189</b>        | <b>7,479</b>        |
| <b>TOTAL EQUITY AND LIABILITIES</b>         |            | <b>26,920</b>       | <b>27,468</b>       |

## Statement of changes in equity

Millions of euro

|  | Share capital | Share premium reserve | Retained earnings | Cash flow hedge reserve | Net income for the period | Equity attributable to the shareholders |
|--|---------------|-----------------------|-------------------|-------------------------|---------------------------|---|
| <b>At 1 January 2015</b>                           | <b>1,479</b>  | <b>43</b>             | <b>270</b>        | <b>(1,101)</b>          | <b>32</b>                 | <b>723</b>                              |
| Allocation of net income from the previous year    | -             | -                     | 32                | -                       | (32)                      | -                                       |
| Comprehensive income for the year:                 | -             | -                     | -                 | 574                     | 16                        | 590                                     |
| of which:  |               |                       |                   |                         |                           |   |
| - other comprehensive income (loss) for the period | -             | -                     | -                 | 574                     | -                         | 574                                     |
| - net income for period                            | -             | -                     | -                 |                         | 16                        | 16                                      |
| <b>At 30 June 2015</b>                             | <b>1,479</b>  | <b>43</b>             | <b>302</b>        | <b>(527)</b>            | <b>16</b>                 | <b>1,313</b>                            |
| <b>At 1 January 2016</b>                           | <b>1,479</b>  | <b>43</b>             | <b>302</b>        | <b>(368)</b>            | <b>31</b>                 | <b>1,487</b>                            |
| Allocation of net income from the previous year    | -             | -                     | 31                | -                       | (31)                      | -                                       |
| Comprehensive income for the year:                 | -             | -                     | -                 | (555)                   |                           | (555)                                   |
| of which:  |               |                       |                   |                         |                           |   |
| - other comprehensive income (loss) for the period | -             | -                     | -                 | (555)                   |                           | (555)                                   |
| - net income for period                            | -             | -                     | -                 | -                       | 14                        | 14                                      |
| <b>At 30 June 2016</b>                             | <b>1,479</b>  | <b>43</b>             | <b>333</b>        | <b>(923)</b>            | <b>14</b>                 | <b>946</b>                              |

## Statement of cash flows

| Millions of euro  | Note   | 1st half       |                |
|---|--------|----------------|----------------|
|   |        | 2016           | 2015           |
| <b>Income for the period</b>  |        | <b>14</b>      | <b>16</b>      |
| <b>Adjustments for:</b>   |        |                |                |
| Financial (income)  | 2,3    | (1,063)        | (1,904)        |
| Financial expense   | 2,3    | 1,044          | 1,881          |
| Income taxes  | 4      | 4              | 5              |
| <i>Cash flow from operating activities before changes in net current assets</i> |        | <i>(1)</i>     | <i>(2)</i>     |
| (Increase)/Decrease in financial and non-financial assets/liabilities           |        | 2              | (25)           |
| Interest income and other financial income collected                            |        | 565            | 1,879          |
| Interest expense and other financial expense paid                               |        | (423)          | (1,784)        |
| Income taxes paid   |        | (15)           | (7)            |
| <b>Cash flows from operating activities (a)</b>                                 |        | <b>128</b>     | <b>61</b>      |
| <i>New loans granted to Enel S.p.A. and affiliates</i>                          |        | <i>(1,334)</i> | <i>(1,705)</i> |
| <i>Repayments and other movements from Enel S.p.A. and affiliates</i>           |        | <i>1,340</i>   | <i>3,647</i>   |
| <b>Cash flows from investing/disinvesting activities (b)</b>                    |        | <b>6</b>       | <b>1,942</b>   |
| Financial debt (new borrowings)   | 14, 15 | 1,382          | 346            |
| Financial debt (repayments and other changes)                                   |        | (1,872)        | (3,868)        |
| <b>Cash flows from financing activities (c)</b>                                 |        | <b>(490)</b>   | <b>(3,522)</b> |
| <b>Increase/(Decrease) in cash and cash equivalents (a+b+c)</b>                 |        | <b>(356)</b>   | <b>(1,519)</b> |
| <b>Cash and cash equivalents at the beginning of the year</b>                   |        | <b>1,647</b>   | <b>3,207</b>   |
| <b>Cash and cash equivalents at the end of the year</b>                         |        | <b>1,291</b>   | <b>1,689</b>   |
| <i>current account with banks</i>   |        | <i>49</i>      | <i>44</i>      |
| <i>current account with Enel S.p.A.</i>   |        | <i>1,242</i>   | <i>1,645</i>   |

# Notes to the financial statements

## Form and content of the financial statement

Enel Finance International N.V. ("the Company") was as a limited liability company under the laws of the Netherlands on 26 September 2008. The Company is registered with the trade register of the Dutch chamber of commerce under number 34313428 with business address at Herengracht 471, 1017 BS Amsterdam, the Netherlands. The Company is established for an indefinite duration.

The Company is a public company with limited liability, where 100% of the shares are held by Enel S.p.A., the ultimate parent company, having its seat in Rome, Italy.

Company's financial statements are included into the consolidated financial statements of Enel Group, which can be obtained from the investor relations section of Enel official website (<http://www.enel.com>).

### Corporate purpose

The Company operates as a financing company for the Group, raising funds through bond issuances, loans and other facilities and on turn lending the funds so raised to the companies belonging to the Enel Group. The Company is also part of the centralising financial process and acts as the primary reference for the management of financial needs or liquidity generated by the Enel Group companies.

The Company acts solely as a financing company for Enel Group and therefore is not engaged in market competition in the energy sector with third parties.

The Company is managed by a management board composed of five members, appointed by the general meeting of shareholders, which may dismiss them at any time. The management board has the power to perform all acts of administration and disposition in compliance with the corporate objects of the Company.

The joint signatures of any two members of the management board or the single signature of any person to whom such signatory shall have been appointed by the management board may bind the Company.

## Compliance with IFRS/IAS

The interim condensed financial statements for the six months ended at 30 June 2016 have been prepared in compliance with the international financial reporting standards (IFRS) issued by the International Accounting Standards Board (IASB) recognized in the European Community pursuant to Regulation (EC) no. 1606/2002 and in effect as of the close of the period, as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC) in effect at the same date. All of these standards and interpretations are hereinafter referred to as "IFRS-EU".

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



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

The accounting standards adopted, the recognition and measurement criteria and methods used for the condensed interim financial statements at 30 June 2016 are the same as those adopted for the financial statements at 31 December 2015 (please see the related report for more information).

These condensed interim financial statements may therefore not include all the information required to be reported in the annual financial statements and must be read together with the financial statements for the year ended 31 December 2015. No impairment evaluation has been performed in this half year financial statement.

### **Basis of presentation**

The financial statements consist of the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows, and the related notes.

The financial statements have been prepared on the historical costs basis except for the following material items:

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

The assets and liabilities reported in the financial position are classified on a "current/non-current basis". Current assets, which include cash and cash equivalents, are assets that are intended to be used during the normal operating cycle of the Company or in the twelve months following the balance-sheet date; current liabilities are liabilities that are expected to be settled during the normal operating cycle of the Company or within the twelve months following the close of the financial year.

The income statement is classified on the basis of the nature of expenses, while the indirect method is used for the cash flow statement.

The Group initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

### **Functional and presentation currency**

The financial statements are presented in euro, the functional currency of Enel Finance International N.V.. All figures are shown in millions of euro unless stated otherwise.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### Going Concern

Enel S.p.A. has provided financial support to the Company should it not be able to meet its obligations. This intent has been formally confirmed by Enel S.p.A. in a support letter issued on 20 January 2016 and valid until next year's approval date of the Financial Statements should the company remain under control of the Enel Group. Based upon this comfort letter received by the parent company, Company's management has prepared the financial statements on the basis of a positive going concern assumption.

### Solvency

Given the objectives of the company, the Company is strictly economically interrelated with Enel S.p.A.. In assessing the solvency as well as the general risk profile of the Company, the solvency of the Enel Group as a whole, headed by Enel S.p.A. should be considered.

## **Risk management**

### **Market risk**

Enel Finance International N.V., acting as a financial intermediary, provides the necessary resources to foreign operating Entities of the Group; the funding activity comprises direct access to the international capital markets. Therefore, Enel Finance International N.V. is exposed to interest rate and exchange rates risks, due to its net financial position.

In order to hedge these exposures, the Company employs financial derivative instruments such as interest rate swaps, currency forwards and cross currency interest rate swaps, that are negotiated both with Enel S.p.A. and on the market.

The fair value of a financial derivative is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the reporting entity transacts.

The fair value of listed instruments is the market price at 30 June 2016. The fair value of over the counter (OTC) instruments is calculated with standard pricing models for each instrument typology. The expected future cash flows are discounted with market interest rate curves, while foreign currency amounts are converted to Euro using the official European Central Bank exchange rates at 30 June 2016.

Moreover, according to the International Accounting Standards, the Company measures the credit risk both of the counterparty (Credit Valuation Adjustment or CVA) and of its non-performance credit risk (Debit Valuation Adjustment or DVA), in order to make the adjustment of the fair value of derivative financial instruments for the corresponding value of counterparty risk.

In particular, the Company measures the CVA/DVA based on the net exposure taking into account any existing arrangements that mitigate credit risk exposure in the event of default and, subsequently, allocating the adjustment on each financial instrument that constitutes the portfolio. In order to measure the CVA / DVA, the company uses a valuation technique based on the Potential Future Exposure, whose inputs are observable on the market.

The notional amount of a financial derivative is the nominal on which payments are calculated. Foreign currency amounts are converted to Euro at official European Central Bank exchange rates at 30 June 2016.

The transactions compliant with IAS 39 requirements can be designated as cash flow hedge, otherwise are classified as trading.

### Interest rate risk

Interest rate risk is the risk borne by an interest-bearing financial instrument due to variability of interest rates. The optimal debt structure results from the trade-off between reducing the interest rate exposure and minimizing the average cost of debt.

The Company is exposed to interest rate fluctuation both on liabilities and on assets.

Interest rate swaps are stipulated to mitigate the exposure to interest rates fluctuation, thus reducing the volatility of economic results. Through an interest rate swap, the Company agrees with a counterparty to exchange, with a specified periodicity, floating rate interest flows versus fixed rate interest flows, both calculated on a reference notional amount. In order to ensure effectiveness, all the contracts have notional amount, periodicity and expiry date matching the underlying financial liability and its expected future cash flows.

### Interest rate risk sensitivity analysis

The Company performs sensitivity analysis by estimating the effects of changes in the level of interest rates on financial instruments portfolio. In particular sensitivity analysis measures the potential impact of market scenarios both on equity, for the hedging component of derivatives in cash flow hedge, and on income statement for all derivatives that do not qualify for hedge accounting and the portion of net long term floating-rate debt not covered by derivatives.

These scenarios are represented by parallel translation, measured in basis points (bps) in the interest rate yield curve at the reporting date. All other variables held constant, the Company's income and equity before tax is impacted as follows:

Thousands of euro

| <i>Interest rate risk sensitivity analysis</i>   |                         | at Jun. 30, 2016         |          |                          |           |
|--|-------------------------|--------------------------|----------|--------------------------|-----------|
|  |                         | Pre-tax impact on income |          | Pre-tax impact on equity |           |
|  | Interest Rates scenario | increase                 | decrease | increase                 | decrease  |
| Change in interest expense related to long term gross floating-rate debt after hedging       | 25 bp                   | 125                      | (125)    | -                        | -         |
| Change in Fair value of Derivative financial instruments not qualifying for hedge accounting | 25 bp                   | 183                      | (183)    | -                        | -         |
| Change in Fair value of Derivative Financial instruments designated as hedging instruments   | 25 bp                   | -                        | -        | 155,941                  | (155,941) |

### Exchange rate risk

Exchange rate risk is a type of risk that arises from the change in price of one currency against another. Enel Finance International N.V. exposure to such risk is mainly due to foreign currencies denominated flows, originated by financial assets and liabilities.

In order to mitigate this risk, the Company enters into plain vanilla transactions such as currency forwards and cross currency interest rate swaps. In order to ensure effectiveness, all the contracts have notional amount and expiry date matching the underlying expected future cash flows.

Cross currency interest rate swaps are used to transform a long-term fixed – or floating – rate liability in foreign currency into an equivalent fixed – or floating – rate liability in euro, while currency forwards are used to hedge commercial papers and intercompany loans.

### Foreign exchange risk sensitivity analysis

The Company performs sensitivity analysis by estimating the effects on financial instruments portfolio of changes in the level of exchange rates. In particular sensitivity analysis measures the

potential impact of market scenarios both on equity, for the hedging component of cash flow hedges derivatives, and on income statement for those derivatives that do not qualify for hedge accounting and the portion of gross long-term foreign denominated debt not covered by derivatives.

These scenarios are represented by the 10% Euro appreciation/depreciation towards all foreign currencies in comparison with end of year level. All other variables held constant, the Company's income and equity before tax is impacted as follows:

Thousands of euro

| <i>Foreign exchange risk sensitivity analysis</i>  |                        | at Jun.30, 2016          |            |                          |            |
|--|------------------------|--------------------------|------------|--------------------------|------------|
|  |                        | Pre-tax impact on income |            | Pre-tax impact on equity |            |
|  |                        | Euro Appr.               | Euro Depr. | Euro Appr.               | Euro Depr. |
| -  | Exchange Rate scenario |                          |            |                          |            |
| Change in interest expense related to long term foreign denominated gross debt after hedging | 10%                    | -                        | -          | -                        | -          |
| Change in Fair value of Derivative financial instruments not qualifying for hedge accounting | 10%                    | 105,122                  | (128,390)  | -                        | -          |
| Change in Fair value of Derivative Financial instruments designated as hedging instruments   | 10%                    | -                        | -          | (1,234,368)              | 1,508,695  |

## Credit risk

Credit Risk is the risk that the Company will suffer losses when a counterparty defaults in meeting its obligations on a trade or transaction of any kind when it is supposed to.

Credit risk from intercompany loans and other financial receivable is managed by the Company. Enel Finance International N.V. is part of the centralising financial flow process and acts as the primary reference for the management of financial needs or liquidity generated by Enel Group entities. The Company manages its lending operations to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Group's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2016 are the carrying amounts.

## Liquidity risk

Liquidity Risk is the risk that the Company will become unable to settle obligations with immediacy, or will be able to meet them only at uneconomic conditions. In order to mitigate this risk Enel Finance International N.V. meets liquidity requirements primarily through cash flows generated by ordinary operations and drawing on a range of financing sources while managing any liquidity excess as appropriate. The Company has an access to committed credit line with Mediobanca (Euro 4,720 million). The outstanding commercial paper programs with a maximum ceiling on 6,000 million, of which only Euro 374 million drawn at 30 June 2016.

Furthermore Enel S.p.A. has confirmed through a letter dated 20 January 2016 its commitment to explicitly provide the Company with the financial support until the date of approval of full year 2016 financial statements of the Company.

## Notes to the financial statements

### 1 Result from operating activities – Euro (2) million

Result from operating activities is negative for Euro 2 million remained unchanged comparing to the same period of previous year.

### 2 Financial income/(expense) other than from derivatives – Euro 425 million

Millions of euro

|  | 1st half     |                |              |
|--|--------------|----------------|--------------|
|  | 2016         | 2016           | Change       |
| <b>Financial income:</b>   |              |                |              |
| Interest income  |              |                |              |
| - interest income on long-term financial assets                    | 492          | 532            | (40)         |
| - interest income on short-term financial assets                   | 34           | 22             | 12           |
| Total interest income  | 526          | 553            | (27)         |
| Positive exchange rate differences                                 | 430          | 59             | 371          |
| <b>Total finance income other than from derivatives</b>            | <b>956</b>   | <b>612</b>     | <b>344</b>   |
| <b>Financial expense:</b>  |              |                |              |
| Interest expense   |              |                |              |
| - interest expense on bank borrowings                              | (45)         | (45)           | -            |
| - interest expense on bonds  | (473)        | (542)          | 69           |
| - interest expense on commercial papers                            | (1)          | (4)            | 3            |
| Total interest expense   | (519)        | (591)          | 72           |
| Negative exchange rate differences                                 | (12)         | (830)          | 818          |
| <b>Total financial expense other than from derivatives</b>         | <b>(531)</b> | <b>(1,421)</b> | <b>890</b>   |
| <b>Net financial income/ (expense) other than from derivatives</b> | <b>425</b>   | <b>(809)</b>   | <b>1,234</b> |

Interest income from financial assets decreased to Euro 526 million, down Euro 27 million on 30 June 2016 with the variation mainly due to the lower interest income (Euro 25 million) from Endesa S.A., (Euro 8 million) from Enel Produzione S.p.A. and (Euro 7 million) from Enel Iberoamerica S.r.l. as a result of early repayment realized in 1 half of 2015. The above mentioned decrease was partially compensated by the interest from loan granted to Enel Global Trading S.p.A. (Euro 10 million) and Enel Energia (Euro 3 million).

Interests charges on financial debt totaled Euro 519 million having a decrease of Euro 73 million mainly due to:

- decrease of interests accrued on bonds which were partly replaced by new one with lower interest rate (Euro 2 million);
- decrease of interests demonivated in non-euro currencies (Euro 40 million)
- decrease of interests accrued for bonds repaid during 2015 (Euro 27 million);

The net foreign exchange gain amount to Euro 418 million and they are mainly due to appreciation (Euro 407 million) of the bonds denominated in foreign currencies and net exchange gains devoted to revolving facility agreement and short term deposit agreement with mainly Enel Green Power International (Euro 11 million).

The amount of the foreign exchange gain arisen from the appreciation of euro is entirely covered with the reversal of the Cash Flow Hedge equity reserve resulting in a financial loss.

### 3. Financial income/(expense) from derivatives –Euro (406) million

Millions of euro

|   | 1st half     |              |                |
|---|--------------|--------------|----------------|
|   | 2016         | 2016         | Change         |
| <b>Financial income from derivatives:</b>                       |              |              |                |
| - income from cash flow hedge derivatives                       | 33           | 848          | (815)          |
| - income from derivatives at fair value through profit or loss  | 74           | 444          | (370)          |
| <b>Total finance income from derivatives</b>                    | <b>107</b>   | <b>1,292</b> | <b>(1,185)</b> |
| <b>Financial expense from derivatives:</b>                      |              |              |                |
| - expense from cash flow hedge derivatives                      | (418)        | (5)          | (413)          |
| - expense from derivatives at fair value through profit or loss | (94)         | (455)        | 361            |
| <b>Total financial expense from derivatives</b>                 | <b>(512)</b> | <b>(460)</b> | <b>(52)</b>    |
| <b>Net income/(expense) from derivatives</b>                    | <b>(405)</b> | <b>832</b>   | <b>(1,237)</b> |

Net income/ (expenses) from cash flow hedge derivatives decreased by Euro 1,228 million comparing with the previous period mainly due to decrease of interest income for swaps (Euro 43 million) and increase of financial loss transfer to equity (Euro 1,185 million).

Net income/ (expenses) from derivatives at fair value through profit and loss decreased by Euro 9 million mainly due to change in fair value.

For more detail about derivative financial instruments, please refer to the note 7

### 4 Income tax expense – Euro11 million

Millions of euro

|  | 1st half |          |            |
|--|----------|----------|------------|
|  | 2016     | 2016     | Change     |
| Profit before income taxes                             | 18       | 21       | (3)        |
| Tax rate at nominal tax rate (25%)                     | 4        | 5        | (1)        |
| Tax effect on non-deductible expenses for tax purposes | -        | -        | 0          |
| <b>Current Taxation</b>                                | <b>4</b> | <b>5</b> | <b>(1)</b> |

Income tax accrued based on estimated average income tax rate 25%.

### 5 Deferred tax assets – Euro 307 million

Deferred tax asset accrued for deductible temporary differences that arose due to revaluation of derivative and relise to profit and loss forex revaluation of hedged items. The recorded deferred taxes will be utilised in future periods.

### 6 Long-term loans and financial receivables including portion falling due withing twelve month – Euro 19,662 million

Followinf table represents to medium long-term loans granted to Enel Group companies:

Millions of Euro

|  | at Dec.<br>31,<br>2015 | 31 Dec<br>2014 | Change       |
|--|------------------------|----------------|--------------|
| Loan receivable from Enel IberoAmerica S.A.              | 5,908                  | 6,508          | (600)        |
| Loan receivable from Enel Produzione S.p.A.              | 2,000                  | 2,000          | -            |
| Loan receivable from Enel Global Trading S.p.A.          | 700                    | 700            | -            |
| Loan receivable from Enel Distribuzione S.p.A.           | 5,500                  | 5,500          | -            |
| Loan receivable from Endesa SA                           | 3,000                  | 3,000          | -            |
| Loan receivable from Enel Sole S.r.l.                    | 100                    | 100            | -            |
| Loan receivable from Enel Green Power International B.V. | 2,455                  | 2,455          | -            |
| <b>Total loans to Enel Group Entities</b>                | <b>19,662</b>          | <b>20,262</b>  | <b>(600)</b> |

## 7. Derivatives – Euro 107 million

Derivative instruments refer to: (i) Cash flow hedge derivatives used by the Company to hedge the exchange rate and interest rate fluctuations of bonds and long-term loans or receivables; (ii) derivatives at fair value through profit and loss used by the Company to hedge the loan interest rate fluctuations. For further details see "Risk Management" section.

| Millions of euro                            | Non Current     |                |                |                | Current         |                |                |                |
|---|-----------------|----------------|----------------|----------------|-----------------|----------------|----------------|----------------|
|   | Notional amount |                | Fair value     |                | Notional amount |                | Fair value     |                |
|   | 30 Jun<br>2016  | 31 Dec<br>2015 | 30 Jun<br>2016 | 31 Dec<br>2015 | 30 Jun<br>2016  | 31 Dec<br>2015 | 30 Jun<br>2016 | 31 Dec<br>2015 |
| <b>DERIVATIVE ASSETS</b>                    |                 |                |                |                |                 |                |                |                |
| <b>Cash flow hedge</b>                      |                 |                |                |                |                 |                |                |                |
| on interest rate risk                       | -               | 6,900          | -              | 113            | -               | -              | -              | -              |
| on foreign exchange risk                    | 5,888           | 9,035          | 968            | 1,240          |                 |                |                |                |
| <b>Total</b>                                | <b>5,888</b>    | <b>15,935</b>  | <b>968</b>     | <b>1,353</b>   | <b>-</b>        | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| <b>At fair value through profit or loss</b> |                 |                |                |                |                 |                |                |                |
| on interest rate risk                       | 50              | 50             | 4              | 2              | -               | -              | -              | -              |
| on foreign exchange risk                    | -               | -              | -              | -              | 267             | 766            | 3              | 7              |
| <b>Total</b>                                | <b>50</b>       | <b>50</b>      | <b>4</b>       | <b>2</b>       | <b>267</b>      | <b>766</b>     | <b>3</b>       | <b>7</b>       |
| <b>TOTAL DERIVATIVE ASSETS</b>              | <b>5,938</b>    | <b>15,985</b>  | <b>972</b>     | <b>1,355</b>   | <b>267</b>      | <b>766</b>     | <b>3</b>       | <b>7</b>       |
| <b>DERIVATIVE LIABILITIES</b>               |                 |                |                |                |                 |                |                |                |
| <b>Cash flow hedge</b>                      |                 |                |                |                |                 |                |                |                |
| on interest rate risk                       | 8,400           | 600            | 426            | 44             | -               | -              | -              | -              |
| on foreign exchange risk                    | 2,823           | 88             | 396            | 17             | -               | -              | -              | -              |
| <b>Total</b>                                | <b>11,223</b>   | <b>688</b>     | <b>822</b>     | <b>61</b>      | <b>-</b>        | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| <b>At fair value through profit or loss</b> |                 |                |                |                |                 |                |                |                |
| on interest rate risk                       | 50              | 50             | 9              | 7              | -               | -              | -              | -              |
| on foreign exchange risk                    | -               | -              | -              | -              | 1,324           | 866            | 33             | 6              |
| <b>Total</b>                                | <b>50</b>       | <b>50</b>      | <b>9</b>       | <b>7</b>       | <b>1,324</b>    | <b>866</b>     | <b>33</b>      | <b>6</b>       |
| <b>TOTAL DERIVATIVE LIABILITIES</b>         | <b>11,273</b>   | <b>738</b>     | <b>831</b>     | <b>68</b>      | <b>1,324</b>    | <b>866</b>     | <b>33</b>      | <b>6</b>       |

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

| Milions of euro                             |                     | Non Current |            |        | Current   |        |           |        |
|---|---------------------|-------------|------------|--------|-----------|--------|-----------|--------|
|   | at Jun.<br>30, 2016 | Level1      | Level2     | Level3 | 30Jun2016 | Level1 | Level2    | Level3 |
| <b>DERIVATIVE ASSETS</b>                    |                     |             |            |        |           |        |           |        |
| <b>Cash flow hedge</b>                      |                     |             |            |        |           |        |           |        |
| on interest rate risk                       | 0                   | -           | 0          | -      | -         | -      | -         | -      |
| on foreign exchange risk                    | 968                 | -           | 968        | -      | -         | -      | -         | -      |
| <b>Total</b>                                | <b>968</b>          | -           | <b>968</b> | -      | -         | -      | -         | -      |
| <b>At fair value through profit or loss</b> |                     |             |            |        |           |        |           |        |
| on interest rate risk                       | 4                   | -           | 4          | -      | -         | -      | -         | -      |
| on foreign exchange risk                    | -                   | -           | -          | -      | 3         | -      | 3         | -      |
| <b>Total</b>                                | <b>-</b>            | -           | -          | -      | <b>3</b>  | -      | <b>3</b>  | -      |
| <b>TOTAL DERIVATIVE ASSETS</b>              | <b>968</b>          | -           | <b>968</b> | -      | <b>3</b>  | -      | <b>3</b>  | -      |
| <b>DERIVATIVE LIABILITIES</b>               |                     |             |            |        |           |        |           |        |
| <b>Cash flow hedge</b>                      |                     |             |            |        |           |        |           |        |
| on interest rate risk                       | 426                 | -           | 426        | -      | -         | -      | -         | -      |
| on foreign exchange risk                    | 396                 | -           | 396        | -      | -         | -      | -         | -      |
| <b>Total</b>                                | <b>822</b>          | -           | <b>822</b> | -      | -         | -      | -         | -      |
| <b>At fair value through profit or loss</b> |                     |             |            |        |           |        |           |        |
| on interest rate risk                       | 9                   | -           | 9          | -      | -         | -      | -         | -      |
| on foreign exchange risk                    | -                   | -           | -          | -      | 33        | -      | 33        | -      |
| <b>Total</b>                                | <b>9</b>            | -           | <b>9</b>   | -      | <b>33</b> | -      | <b>33</b> | -      |
| <b>TOTAL DERIVATIVE LIABILITIES</b>         | <b>831</b>          | -           | <b>831</b> | -      | <b>33</b> | -      | <b>33</b> | -      |

## 8 Other non-current financial assets – Euro 36 million

Other non-current financial assets totaled Euro 36 million as t 30 June 2016 having a decrease of Euro 5 million of cost portion accrued in the period.

At 30 June 2016 non-current financial assets do not include neither past due nor impaired items.

## 9 Income tax receivable – Euro 21 million

Income tax receivables increased for an amount of Euro 11 million reaching Euro 21 million at 30 June 2016. The variation is due to tax accrued for current period.

## 10 Short-term loans and financial receivables – Euro 5,657 million

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



Millions of euro

|   | at Jun<br>30,<br>2016 | at Dec.<br>31,<br>2015 | Change     |
|---|-----------------------|------------------------|------------|
| <b>Short-term loans granted to Enel Group Entities</b>                              |                       |                        |            |
| Revolving short-term facility agreement with Enel Produzione S.p.A.                 | 1,500                 | 2,000                  | (500)      |
| Revolving short-term facility agreement with Enel Global Trading S.p.A.             | 1,300                 | 1,300                  | -          |
| Multicurrency revolving facility agreement with Enel Green Power International B.V. | 1,177                 | 305                    | 872        |
| Revolving short-term facility agreement with Endesa SA                              | -                     | 200                    | (200)      |
| Revolving short-term facility agreement with Enel Green Power S.p.A.                | 300                   | -                      | 300        |
| Revolving short-term facility agreement with Enel IberoAmerica S.A.                 | 94                    | -                      | 94         |
| Short-term deposit agreement with Enel Green Power Rsa (PTY) Ltd                    | 44                    | -                      | 44         |
| Enel S.p.A. - Financial Services Agreement  | 1,242                 | 1,046                  | 196        |
| <b>Total short term loans granted to Enel Group affiliates</b>                      | <b>5,657</b>          | <b>4,851</b>           | <b>806</b> |

The Euro 806 million increase of short-term loans principally refers to: (i) increase (Euro 872 million) of Enel Green Power International B.V. debt exposure in relation to the "Multicurrency Short-Term Revolving" granted by the Company to the affiliate, (ii) increase of the short-term deposits (Euro 300 million) with Enel Green Power S.p.A.; (iii) revolving line granted to Enel IberoAmerica S.A. (Euro 94 million), (iv) increase (Euro 44 million) of Enel Green Power Rsa, (v) the increase of the short-term deposits (Euro 196 million) with Enel S.p.A.;

This increase was partly compensated by (i) the decreased revolving short-term facility granted to Enel Produzione S.p.A. (Euro 500 million); (ii) the decrease of revolving line granted to Endesa S.A (Euro 200 million);

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

Millions of Euro

|                                     | Financial relationship                      | Commitment amount until 30 Jun 2016 | Rate of Interest | Spread until 30 June 2016 | Commitment fee until 30 June 2016 |
|-------------------------------------|---|-------------------------------------|------------------|---------------------------|-----------------------------------|
| Enel Produzione S.p.A.              | Revolving credit facility                   | 1,500                               | Euribor          | 1.15%                     | N/A                               |
| Enel Trade S.p.A.                   | Revolving credit facility                   | 1,300                               | Euribor          | 1.35%                     | 0.45%                             |
| Enel Green Power International B.V. | Multicurrency short-term revolving facility | 2,500 <sup>(1)</sup>                | SAJibar3M        | 1,85%                     | 0.65%                             |
| Enel Green Power International B.V. | Multicurrency short-term revolving facility | 1,200                               | 3MEuribor        | 1.35%                     | 0.47%                             |
| Enel Green Power International B.V. | Multicurrency short-term revolving facility | 20                                  | 3MEuribor        | 1.20%                     | 0.47%                             |
| Enel Green Power S.p.A.             | Multicurrency short-term revolving facility | 500                                 | Euribor          | 1.00%                     | 0.35%                             |
| Enel IberoAmerica S.A.              | Short-term revolving facility               | 400                                 | Euribor          | 1.00%                     | 0.35%                             |
| Enel Latinoamérica S.A.             | Multicurrency short-term revolving facility | 250                                 | Euribor          | 1.20%                     | 0.42%                             |
| Enel Trade Romania S.r.l.           | Revolving credit facility                   | 10 <sup>(2)</sup>                   | 3MRobor          | 1.00%                     | 0.35%                             |
| Enel Trade Croatia doo              | Revolving credit facility                   | 2                                   | Euribor          | 1.45%                     | 0.50%                             |
| Enel Green Power Rsa (PTY) Ltd      | Revolving credit facility                   | 2,500 <sup>(1)</sup>                | SAJibar3M        | 2.30%                     | 0.80%                             |

(1) Millions ZAR

(2) Millions RON

## 11 Other current financial assets – Euro 208 million

Other current financial assets is mostly in line with the previous year principally referring to accrued income related to the long-term loan and short-term credit lines granted to Enel Group affiliates.

At 30 June 2016 current financial assets do not have neither past due nor impaired items.

## 12 Cash and cash equivalents – Euro 49 million

Cash and cash equivalent represent the cash availability deriving by the turnover of lending portfolio of the Company, temporary not invested in lending activities within Enel Group and placed in time deposits operations with primary bank counterparties.

For the purpose of cash flows statement, cash and cash equivalents also includes the positive amount of Financial Services Agreement held with the Parent Company. With reference to 30 June 2016, the amount of the Financial Services Agreement is positive for Euro 1,242 million and it has been classified as current financial assets in the statement of financial position.

## 13 Shareholder's equity – Euro 1,479 million

### Share capital – Euro 1.479 million

The authorized share capital of the company amounts to Euro 2.500 million, divided into 2.500 million of shares, each share with a nominal value of Euro 1,0 each.

The issued and paid-up share capital amounts to Euro 1.478,8 million represented by 1.478.810.370 shares with nominal value of Euro 1,0 each.

### Share premium reserve – Euro 43 million

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

### Cash flow hedge reserve – Euro (923) million

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

| Millions of Euro   | at Dec 31,<br>2015 | Gain/(Losses)<br>recognized in<br>equity for the<br>year | Released<br>to income<br>statement | Deferred<br>tax asset | at Jun 30,<br>2016 |
|--|--------------------|--|------------------------------------|-----------------------|--------------------|
| Gains/Losses on change in fair value of the effective portion of CFH Derivatives on interest and exchange rates (IAS 39) | (368)              | (1,147)  | 407                                | 185                   | (923)              |
| <b>Total gains/(losses) recognized in equity</b>   | <b>(368)</b>       | <b>(1,147)</b>   | <b>407</b>                         | <b>185</b>            | <b>(923)</b>       |

The decrease of cash flow hedge is mainly due to decrease of fair value measurement of cross currency interest rate swap derivatives on bonds (Euro 652 million) and interest rate swap derivatives on long-term floating rate loans (Euro 495 million) partly offset by the release (Euro 407 million) referred to positive variation of the underlying hedged financial liabilities when the latter impact the Company income statement. Deferred tax asset related to the temporary differences of stated above movements totaled Euro 123 million.

### Capital Management

It is policy of the Company to maintain a strong capital structure to preserve creditors and market confidence and so sustain future development of the business. The Board of Directors monitors the return on capital.

The return of capital is calculated as a percentage of financial result on total equity net of cash flow hedge reserve excluded in this key performance indicator because Company's management preferred to exclude evaluation equity reserves which might be quite volatile over the periods:

Millions of euro

|                              | at Jun.30<br>2016 | at Jun. 30<br>2015 |
|------------------------------|-------------------|--------------------|
| Total Equity                 | 946               | 1,313              |
| Cash flow hedge reserve      | (923)             | (527)              |
| Adjusted equity              | 1,869             | 1,840              |
| Net financial result         | 19                | 23                 |
| <b>Return of capital (*)</b> | <b>1%</b>         | <b>1%</b>          |

\* Key Performance Indicator determined on a yearly basis.

The Board's objective is to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the Company's approach to capital management during first six months of 2016. The Company is not subject to externally imposed capital requirements.

### **14 Long-term loans and borrowings (including the portion falling due within twelve months) – Euro 17,955 million**

This note provides information about the contractual terms of the Company's interest bearing loans and borrowings, which are measured at amortised cost. For more information about the Company's exposure to interest rate, foreign currency and liquidity risk see paragraph "Risk management".

The aggregate includes long-term payables in respect of bonds, bank loans, revolving credit facility and other loans in Euro and other currencies.

The following table shows long-term debt and repayment schedules at 30 June 2016, grouped by loan and interest rate type:

Millions of Euro

| Millions of Euro            |                  |                  |                  |                  | Portion falling due after more than 12 months |               |              |              |              |            |               |
|-----------------------------|------------------|------------------|------------------|------------------|---|---------------|--------------|--------------|--------------|------------|---------------|
| Maturing                    |                  | Balance          | Nominal value    | Balance          | Current portion                               | Maturing in   |              |              |              |            |               |
|                             |                  | at Jun. 30, 2016 | at Jun. 30, 2016 | at Dec. 31, 2016 |   | 2017          | 2018         | 2019         | 2020         | Beyond     |               |
| <u>Bond</u>                 |                  |                  |                  |                  |   |               |              |              |              |            |               |
| Listed Bond (Fixed rate)    | 2016-2040        | 12,978           | 13,552           | 13,360           | 1,081   | 11,898        | 636          | 1,474        | 125          | 671        | 8,992         |
| Listed Bond (Floating rate) | 2022-2025        | 445              | 450              | 444              | -   | 445           | -            | -            | -            | -          | 445           |
| Unlisted Bond (Fixed rate)  | 2017-2039        | 5,317            | 5,360            | 5,414            | -   | 5,316         | 1,349        | -            | 1,570        | -          | 2,397         |
| <b>Total Bond</b>           | <b>2016-2040</b> | <b>18,740</b>    | <b>19,362</b>    | <b>19,218</b>    | <b>1,081</b>                                  | <b>17,659</b> | <b>1,985</b> | <b>1,474</b> | <b>1,695</b> | <b>671</b> | <b>11,834</b> |

|  | Maturing         | Balance             | Nominal<br>value    | Balance             | Current<br>portion | Portion<br>falling<br>due after<br>more<br>than 12<br>months | Maturing in  |              |              |            |               |
|--|------------------|---------------------|---------------------|---------------------|--------------------|--|--------------|--------------|--------------|------------|---------------|
|  |                  |                     |                     |                     |                    |  | 2017         | 2018         | 2019         | 2020       | Beyond        |
|  |                  | at Jun. 30,<br>2016 | at Jun. 30,<br>2016 | at Dec. 31,<br>2016 |                    |  |              |              |              |            |               |
| <i>GMTN Internal Assumption towards EIH BV</i> |                  |                     |                     |                     |                    |  |              |              |              |            |               |
| Euro (Fixed-rate)                              | 2023             | 296                 | 300                 | 296                 | -                  | 296  | -            | -            | -            | -          | 296           |
| <b>Total GMTN Internal Assumption</b>          | <b>2023</b>      | <b>296</b>          | <b>300</b>          | <b>296</b>          | <b>-</b>           | <b>296</b>   | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>   | <b>296</b>    |
| <b>Total</b>                                   | <b>2016-2040</b> | <b>19,036</b>       | <b>19,662</b>       | <b>19,514</b>       | <b>1,081</b>       | <b>17,955</b>  | <b>1,985</b> | <b>1,474</b> | <b>1,695</b> | <b>671</b> | <b>12,130</b> |

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

Millions of Euro

|                                  | at Jun 30,<br>2016 | at Jun. 30,<br>2016 | at Dec. 31,<br>2015 | at Jun. 30, 2016                    |                            |
|----------------------------------|--------------------|---------------------|---------------------|-------------------------------------|----------------------------|
|                                  | Balance            | Nominal value       | Balance             | Current<br>average<br>interest rate | Effective<br>interest rate |
| <i>Total Euro</i>                | 10,094             | 10,651              | 10,464              | 3.88%                               | 4.66%                      |
| US dollar                        | 5,144              | 5,179               | 5,245               | 5.94%                               | 6.13%                      |
| British pound                    | 2,692              | 2,722               | 3,030               | 5.70%                               | 5.82%                      |
| Swiss Franc                      | 533                | 534                 | 535                 | 3.07%                               | 3.13%                      |
| Japanese yen                     | 276                | 276                 | 240                 | 2.43%                               | 2.46%                      |
| <i>Total non-Euro currencies</i> | 8,645              | 8,711               | 9,050               |                                     |                            |
| <b>Total</b>                     | <b>18,739</b>      | <b>19,362</b>       | <b>19,514</b>       |                                     |                            |

The table below reports the carrying amount and the fair value of long-term debt. For listed debt instruments, the fair value is given by official prices while for unlisted instruments the fair value is determined using appropriate valuation technique for each category of financial instrument and market data at the closing date of the year.

Millions of Euro

|  | at Jun. 30, 2016 |                | at Dec. 31, 2015 |                | 2016 - 2015   |            |
|--|------------------|----------------|------------------|----------------|---------------|------------|
|  | Book<br>Value*   | Fair<br>value* | Book<br>Value*   | Fair<br>value* | Book<br>Value | Fair value |
| Bonds in non-Euro currencies and Euro currency | 18,739           | 22,626         | 19,218           | 22,474         | (479)         | 152        |
| <b>Total long-term financial debt</b>          | <b>18,739</b>    | <b>22,626</b>  | <b>19,218</b>    | <b>22,474</b>  | <b>(479)</b>  | <b>152</b> |

\* Fair value and Book Value of Bonds do not take in consideration the GMTN Internal Assumption

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

Millions of Euro

|  | Nominal<br>value   | New<br>financing | Exchange   | Repayments | Exchange<br>rate<br>differences | Nominal<br>value   |
|--|--------------------|------------------|------------|------------|---------------------------------|--------------------|
|  | at Dec 31,<br>2015 |                  |            |            |                                 | at Jun.30,<br>2016 |
| Bonds in non-Euro currencies and Euro currency | 19,586             | 4                | 183        |            | (411)                           | 19,362             |
| <b>Total long-term financial debt</b>          | <b>19,586</b>      | <b>4</b>         | <b>183</b> | <b>0</b>   | <b>(411)</b>                    | <b>19,362</b>      |

Following adopted in previous years strategy the Company has executed an Exchange Offer for certain bonds issued by the Company and guaranteed by Enel S.p.A.

According with such exchange, the Company, has partially repaid back notes for an aggregate amount of Euro 1,074 million under seven bonds, with final maturity date between 2017 and 2023, and issued a new 10 years bond for a total amount of Euro 1,257 million at a fixed rate of 1,375% and maturity date on 01 June 2026

#### Debt covenants

The main long-term financial debts of the Company are governed by covenants containing undertakings by the borrowers (Enel S.p.A. and the Company) and by Enel S.p.A. as guarantor that are commonly adopted in international business practice. The main covenants for the Company are related to the bond issues carried out within the Global Medium-Term Notes Programme and the Forward Start Facility. The Forward Start Facility was signed on 8 February 2013 by Enel and by the Company with a pool of banks for a total amount of Euro 9.440 million. For more detailed description, please see the 2015 financial statements

To date none of the covenants have been triggered.

### **15 Short-term loans and borrowings – Euro 5,581 million**

Millions of Euro

|                                       | <b>at Jun. 30, 2016</b> |              | at Dec. 31, 2015 |              | Change       |              |
|---------------------------------------|-------------------------|--------------|------------------|--------------|--------------|--------------|
|                                       | Book value              | Fair value   | Book value       | Fair value   | Book value   | Fair value   |
| Short-term loans Enel Group companies | 5,171                   | 5,171        | 5,874            | 5,874        | (703)        | (703)        |
| Short-term bank loan third parties    | 35                      | 35           | 5                | 5            | 30           | 30           |
| Commercial papers                     | 375                     | 375          | 97               | 97           | 278          | 278          |
| <b>Short-term financial debt</b>      | <b>5,581</b>            | <b>5,581</b> | <b>5,976</b>     | <b>5,976</b> | <b>(395)</b> | <b>(395)</b> |

#### Short-term loans

At 30 June 2016 short-term loans decreased by Euro 703 million from 31 December 2015.

Millions of Euro

|  | Original currency | Euro countervalue at Jun.30, 2016 | Euro countervalue at Dec 31, 2015 | Change       |
|--|-------------------|-----------------------------------|-----------------------------------|--------------|
| <b>Intercompany Current Accounts denominated in Euro</b> |                   |                                   |                                   |              |
| Enel Servizio Elettrico S.p.A.                           | Euro              | 2,604                             | 2,894                             | (290)        |
| Enel Investment Holding B.V.                             | Euro              | 1,207                             | 1,214                             | (7)          |
| Enel Energia   | Euro              | 600                               | -                                 | 600          |
| Enel Global Trading S.p.A.                               | Euro              | 500                               | -                                 | 500          |
| Enel France S.A.   | Euro              | 80                                | 85                                | (5)          |
| Marcinelle Energie S.A.                                  | Euro              | 81                                | 82                                | (1)          |
| Enel Green Power International B.V.                      | Euro              | 47                                | 2                                 |              |
| Enel S.p.A.  | Euro              | -                                 | 1,355                             | (1,355)      |
| Enel IberoAmerica S.A.                                   | Euro              | -                                 | 231                               | (231)        |
|  | (Subtotal)        | <b>5,119</b>                      | <b>5,863</b>                      | <b>(744)</b> |

| <b>Intercompany Current Accounts denominated in Euro</b>             |                          |  |  |               |
|--|--------------------------|--|--|---------------|
|  | <b>Original currency</b> | <b>Euro countervalue at Jun.30, 2016</b> | <b>Euro countervalue at Dec 31, 2015</b> | <b>Change</b> |
| <b>Intercompany Current Accounts denominated in other currencies</b> |                          |  |  |               |
| Enel Green Power International B.V.                                  | MXN                      | 39                                       | -  | 39            |
| Enel Green Power International B.V.                                  | CAD                      | 3  | -  | 3             |
| Enel Green Power International B.V.                                  | TRY                      | 10                                       | 11                                       | (1)           |
|  | <i>(Subtotal)</i>        | <b>52</b>                                | <b>11</b>                                | <b>41</b>     |
| <b>Total</b>   |                          | <b>5,171</b>                             | <b>5,874</b>                             | <b>(703)</b>  |

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

- The Long Term Deposit Agreement with Enel Servizio Elettrico S.p.A. signed on 27 December 2011. The time deposits outstanding under the Agreement have a global balance of Euro 2,604 million;
- The deposit account agreement signed with Enel Investment Holding B.V. in November 2013 to provide a financial instrument to deposit its excess of liquidity resulting from the disposal of some assets and from the day by day activities; at 30 June 2016 the balance under this agreement is equal to Euro 1,207 million;
- The deposit agreement signed with Enel Energia in 28 June 2016. At 30 June 2016 balance remained Euro 600 million
- The deposit agreement signed with Enel Global Trading S.p.A. in 28 June 2016. At 30 June 2016 balance remained Euro 500 million

#### Commercial Papers

The payables represented by commercial papers relate to outstanding issuances at 30 June 2016 in the context of the Euro Commercial Paper Programme (hereinafter, also "ECP Programme"), launched in 2005 by the Company and guaranteed by Enel S.p.A.

The total nominal value of commercial papers issued and not yet reimbursed as of 30 June 2016 was Euro 375 million (Euro 97 million at 31 December 2015).

### **16 Other current financial liabilities – Euro 491 million**

Other current financial liabilities mainly relate to interest expenses accrued on debt outstanding at 30 June 2016 mainly due to interests arising from GMTN Programme.

## Related parties

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

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

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

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

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

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

The following table summarizes the financial relationships between the Company and its related parties at 30 June 2015 and respective period of previous year:

|                                     | Receivables                | Payables     | Income                 | Cost      |
|-------------------------------------|----------------------------|--------------|------------------------|-----------|
|                                     | <b>at Jun.30,<br/>2016</b> |              | <b>1 half<br/>2016</b> |           |
| <i>Shareholder</i>                  |                            |              |                        |           |
| Enel S.p.A                          | 2,238                      | 838          | 34                     | 29        |
| <i>(Subtotal)</i>                   | <i>2,238</i>               | <i>838</i>   | <i>34</i>              | <i>29</i> |
| <i>Other affiliated companies</i>   |                            |              |                        |           |
| Enel Distribuzione S.p.A.           | 5,565                      |              | 169                    |           |
| Enel IberoAmerica S.A.              | 6,024                      |              | 144                    | 0         |
| Enel Produzione S.p.A.              | 3,520                      |              | 61                     |           |
| Enel Energia S.p.A.                 |                            | 600          |                        | 6         |
| Enel Global Trading S.p.A.          | 2,005                      | 500          | 16                     |           |
| Enel Servizio Elettrico S.p.A.      |                            | 2,605        |                        |           |
| Enel Investment Holding B.V.        |                            | 1,517        |                        | 9         |
| Marcinelle Energie S.A.             |                            | 81           |                        |           |
| Enel France S.A.                    |                            | 80           |                        |           |
| Enel Green Power International B.V. | 3,682                      | 101          | 108                    | 12        |
| ENDESA S.A.                         | 3,017                      |              | 46                     |           |
| Enel Sole S.r.l.                    | 101                        |              | 1                      |           |
| Enel Green Power S.p.A.             | 301                        |              | 3                      |           |
| Enel Green Power Rsa (PTY) Ltd      | 44                         |              | 1                      |           |
| Endesa Latinoamérica S.A.           |                            |              |                        |           |
| <i>(Subtotal)</i>                   | <b>24,257</b>              | <b>5,484</b> | <b>549</b>             | <b>28</b> |
| <b>Total</b>                        | <b>26,495</b>              | <b>6,322</b> | <b>583</b>             | <b>56</b> |

Millions of euro

|                                     | Receivables                 | Payables     | Income                | Cost      |
|-------------------------------------|-----------------------------|--------------|-----------------------|-----------|
|                                     | <b>at Dec. 31,<br/>2015</b> |              | <b>1half<br/>2015</b> |           |
| Shareholder                         |                             |              |                       |           |
| Enel S.p.A                          | 2432                        | 1459         | 71.13                 | 20.2      |
| (Subtotal)                          | 2,432                       | 1,459        | 71                    | 20        |
| <i>Other affiliated companies</i>   |                             |              |                       |           |
| Enel Distribuzione S.p.A.           | 5,566                       | -            | 168                   |           |
| Enel IberoAmerica S.A.              | 6,533                       | 231          | 151                   |           |
| Enel Produzione S.p.A.              | 4,020                       | -            | 68                    |           |
| Enel Energia S.p.A.                 |                             |              | 3                     |           |
| Enel Global Trading S.p.A.          | 2,005                       | -            | 6                     |           |
| Enel Servizio Elettrico S.p.A.      | -                           | 2,894        |                       | 12        |
| Enel Investment Holding B.V.        | -                           | 1,517        |                       | 10        |
| Marcinelle Energie S.A.             | 0                           | 82-          |                       |           |
| Enel France S.A.                    | -                           | 85           |                       |           |
| Enel Green Power International B.V. | 2,801                       | 15           | 139                   | 41        |
| ENDESA S.A.                         | 3,216                       | -            | 71                    |           |
| Enel Sole S.r.l.                    | 101                         | -            | 1                     |           |
| Enel Green Power S.p.A.             |                             |              | 2                     |           |
| Endesa Latinoamérica S.A.           | 0                           | -            | 1                     |           |
| (Subtotal)                          | <b>24,242</b>               | <b>4,824</b> | <b>610</b>            | <b>63</b> |
| <b>Total</b>                        | <b>26,674</b>               | <b>6,283</b> | <b>681</b>            | <b>83</b> |

For further details of the each relation with related parties please refer to relevant disclosures in these financial statements.

## Contractual commitments and guarantees

The notes issued by the Company under the GMTN programme are guaranteed by Enel S.p.A. Commercial papers issued the context of the Euro Commercial Paper Programme launched in 2005 by the Company are also guaranteed by Enel S.p.A. Furthermore, Enel S.p.A has confirmed their commitment to provide the Company with support until next year's approval of the financial statements, should the Company remain under control of the Enel S.p.A. The Company has not given guarantees to third parties up to the reporting date.



## Compensation of Directors

The emoluments of the Company Directors as intended in Section 2:383 (1) of the Dutch Civil Code, which were charged in first six months of 2016, amounted to Euro 36 thousand and they are summarized in the following table:

| Thousands of euro    |                 |              |
|----------------------|-----------------|--------------|
|                      | at Jun.30, 2016 | Jun.30, 2015 |
| A.J.M. Nieuwenhuizen | 9               | 9            |
| F. Mauritz           | 9               | 9            |
| H. Marseille         | 9               | 9            |
| E. Di Giacomo        | 9               | 9            |
| A. Canta             | -               | -            |
| <b>Total</b>         | <b>36</b>       | <b>36</b>    |

## Subsequent events

On 14 July 2016, Board of Directors approved the substitution of the Issuer of the Euro 300 million notes with due date September 2023 issued by Enel Investment Holding B.V.