press release

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Enel Board approves results for first half of 2006

Revenues: €19,065 million (€16,152 million in H1 2005, +18%)
EBITDA: €4,361 million (€4,202 million in H1 2005, +3.8%)
EBIT: €3,565 million (€3,086 million in H1 2005, +15.5%)
Group net income: €1,978 million (€1,915 million in H1 2005, +3.3%)

Interim 2006 dividend payment of €0.20 per share, payable from 23 November 2006

Rome, 7 September 2006 – The Board of Directors of Enel SpA, chaired by Piero Gnudi, met yesterday evening and approved the results for the first half of 2006.

Consolidated financial highlights (millions of euro):

	H1 2006	**H1 2005**	**Change**
Revenues	**19,065**	16,152	+18%
EBITDA	**4,361**	4,202	+3.8%
EBIT	**3,565**	3,086	+15.5%
Group net income	**1,978**	1,915	+3.3%
Net financial debt	**14,077***	12,312**	+14.3%

** At 30 June 2006 **At 31 December 2005*

Fulvio Conti, CEO, commented: **"Our strong performance in the first half reflects both increasing efficiency across all divisions and the strong growth of our international business. I am very pleased with these results and expect net consolidated income for the full year to be higher than 2005, excluding the contribution from Wind and Terna."**

OPERATIONAL HIGHLIGHTS

In the first six months of 2006 electricity demand in Italy rose by 2.1%, from 163.4 TWh (terawatt-hours, or billions of kilowatt-hours) to 166.8 TWh (statistics from Terna as of July 2006). 87.7% of demand was covered by domestic production while the remaining 12.3% came from net imports which decreased from 26.7 TWh to 20.6 TWh. The decline in imports was attributable to the increase in demand at the European level, which led to an increase in prices on the principal foreign markets. Gas consumption rose by 1.6%, from 44.7 billion cubic metres to 45.4 billion cubic metres. The strong increase in volumes used by thermal electric generation more than offset a 2.1% decline in sales to end users.

In this context, Enel, despite seeing total sales decline from 73.9 TWh to 71.1 TWh (-3.8%), experienced significantly increased **electricity sales** on the free market, which rose by 10%, from 9 TWh to 9.9 TWh.

In the **gas market**, Enel continued its strategic focus on offers for small and medium-sized enterprises, increasing the customer base by10%, despite a decline in volumes sold.

In **power generation,** Enel's power stations generated 53.1 TWh in the period (55.5 TWh in the first half of 2005) with a flexible and balanced fuel mix: generation from renewables, rising from 28% to 29.1% of the total, while that from coal increased from 25.3% to 25.7%. The decrease in electricity generated in gas combined-cycle plants (16.7%, compared with 20.3% in the same period last year) is attributable to gas shortages at the start of 2006, which required increased use of fuel oil. Enel's market share (net generation plus imports) was equal to 34.8% in the first half of 2006, compared with 38% in the first half of 2005.

The volume of **electricity distributed** by Enel in Italy rose by 1.7%, from 124.2 TWh to 126.3 TWh, broadly in line with growth in demand. The volume of **gas distributed** decreased by 1.7%, reflecting the decline in sales to final users.

Enel's **international operations** expanded on all fronts as a result of organic growth and the contribution of the Romanian electricity distribution companies and Slovenske Elektrarne. Enel's foreign electricity sales rose from 3.3 TWh to 4.9 TWh (+48.5%) and electricity distributed increased from 3.8 TWh to 6.2 TWh (+63.2%). Generation capacity increased from 3,786 MW (megawatts or thousands of kilowatt) to 9,996 MW (+164%). Enel's generation mix was expanded with the return of nuclear power to the portfolio, which, due to the Slovakian power stations (2,400 MW), now accounts for approximately 26% of all of the power produced by the Group internationally (a total of 9.8 TWh in the first half of 2006, compared with 7 TWh in the same period last year).

FINANCIAL HIGHLIGHTS

Revenues totalled €19,065 million in the first half of 2006, representing an increase of 18% on the €16,152 million in the first half of 2005. The rise is attributable in part to increased revenues from international operations and in part to greater electricity revenues in the domestic market, which essentially covered the higher generation costs driven by the rise in fuel prices.

EBITDA totalled €4,361 million in the period, up €159 million or 3.8% on the €4,202 million in the year-earlier period, due to the growth recorded by the International Division and the good performance of Domestic Sales and Domestic Infrastructure and Networks, as well as the improvement in the margin achieved by the Parent Company. The Domestic Generation and Energy Management Division saw EBITDA decline due to a smaller contribution from non-recurring items and the impact of the recognition at fair value of contracts for difference with the Single Buyer that were only partially offset by the improvement of the generation margin.

EBIT came to €3,565 million in the first half of the year, up €479 million (+15.5%) compared with the €3,086 million recorded in the first six months of 2005.

Group net income totalled €1,978 million, a 3.3% increase compared to the €1,915 million posted in the same period of 2005. **Group ordinary net income** rose by 8.5% in the first half of 2006, from €1,587 million in the first half of 2005 to €1,722 million in the same period this year. This comparison excludes gains of €328 million on the disposal of 13.86% of Terna from the figures for the first half of 2005 and €256 million in income from the exchange of 30.97% of Wind for 20.9% of Weather Investments in the first half of 2006

Net capital employed amounted to €33,072 million at 30 June 2006, 57.4% of which was financed by shareholders' equity of €18,995 million and 42.6% by net financial debt of €14,077 million, which increased by €1,765 million (+14.3%) from its level at 31 December 2005, primarily as a result of the acquisition of 66% of Slovenske Elektrarne and the consolidation of its debt. The debt/equity ratio at 30 June 2006 was 0.74, compared with 0.63 at end-2005.

Group employees at June 30, 2006 numbered 59,503, an increase of 7,725 on the 51,778 at December 31, 2005. The rise reflects the change in the Group's scope of consolidation, notably the acquisition of

Slovenske Elektrarne (7,582 employees), while the net balance of new hires and reductions was negative, at 1,010.

Significant post-period events

July: Acquisition for €14.2 million of Erelis, a French wind plant development company with projects totalling approximately 500 MW of power.

August: Acquisition for €118 million of joint control of Fortuna, a company with 300 MW of hydroelectric capacity in Panama, accounting for 30% of power generation in that country.

Outlook

In the first half of 2006 Enel continued its international expansion. In April it completed the acquisition of 66% of Slovenske Elektrarne, the largest power generator in Slovakia and the second largest in Central and Eastern Europe, which, with approximately 7,000 MW of capacity well balanced between thermal, hydro and nuclear, enables electricity generation at highly competitive costs. Also in the first half, Enel acquired a 49.5% stake in the Russian electricity trader RusEnegoSbyt and reached an agreement to acquire the entire share capital of 11 companies with concessions for 22 hydro plants in Brazil with an installed capacity of about 98 MW. The company also won the tender to acquire 67.5% of Electrica Muntenia Sud (a distribution company serving more than 1.1 million customers in the Bucharest region).

Enel will continue to pursue its international expansion strategy in the second half of 2006, evidenced by the recent acquisitions in the renewables sector in France and Panama.

In Italy, Enel will continue to develop programmes to increase operating efficiency and reduce costs. Enel will maximise synergies between the electricity and gas sectors, will continue to optimise fuel supplies and plant efficiency and pursue an increasingly secure, efficient fuel mix through the repowering programme of power plants. Net financial debt is expected to stand at approximately €15 billion at the end of the year, taking into account cash flows from current operations and scheduled acquisitions.

On the basis of the results achieved in the first half of the year, and the initiatives undertaken by Enel, net of Wind and Terna's contribution we expect Group ordinary net income for 2006 to exceed that posted in 2005.

Enel SpA's results in the first half of 2006

Enel SpA's unconsolidated semiannual report at 30 June 2006 was prepared using the accounting principles established in the IFRS. The figures of 2005 used for the purposes of comparison were also calculated in accordance with the IFRS as specified in the document "Enel SpA's transition to IFRS" approved by the Board of Directors on July 27, 2006.

Results (millions of euro)

	H1 2006	H1 2005		Change
Revenues	**592**	504		+17.5%
EBIT	**284**	322		-11.8%
Net equity income	**3,025**	1,424		+112.4%
Net income for period	**3,264**	1,772		+84.2%

Revenues amounted to €592 million in the first half of 2006, up 17.5% on the €504 million posted in the first half of 2005. The rise is mainly attributable to increased revenues from power sales as a result of an increase in prices during the period.

EBIT came to €284 million, down €38 million on the year-earlier period. Excluding the gain on the disposal of 13.86% of Terna (equal to €443 million for the Parent Company) from the result for the first half of 2005 and income of €146 million generated in the exchange of 30.97% of Wind for 20.9% of Weather Investments from the figures for the first six months of this year, EBIT rose by €259 million.

Net equity income totalled €3,025 million (€1,424 million in the first half of 2005). It includes dividends from subsidiaries amounting to €3,069 million (€1,536 million in the first half of 2005) and net financial expenses of €44 million (€112 million in the year-earlier period).

Net income for the period amounted to €3,264 million, compared with €1,772 million in the first half of 2005. The difference of €1,492 million is largely attributable to the increase in income from equity investments.

Net financial debt declined from €2,805 million at the end of 2005 to €2,394 million at June 30, 2006.

Shareholders' equity at June 30, 2006 totalled €15,673 million (€15,025 million at December 31, 2005). The change is primarily due to net income for the period less distributed dividends.
The Debt to Equity ratio stood at 0.15 at June 30, 2006 compared to 0.19 at December 31, 2005.

BOARD APPROVES DISTRIBUTION OF INTERIM DIVIDEND FOR 2006

Given that the Parent Company posted net income of €3,264 million in the first half of 2006, and due to the performance expected for the remainder of 2006, the Board of Directors has voted to distribute an interim dividend for 2006 of €0.20 per share.

Pursuant to Article 2433-bis of the Civil Code, the external auditor KPMG SpA issued a favourable opinion on September 6, 2006.

The interim dividend, gross of any withholding tax, will be paid as from November 23, 2006, with the ex-dividend date for coupon no. 8 falling on November 20, 2006.

BOND ISSUES AND MATURING BONDS

In the first half of the year Enel SpA issued a new tranche of a bond to the value of €51 million with a 2024 expiry, placed privately with a leading Italian insurance company.

Following the acquisition of 66% of Slovenske Elektrarne, at June 30, 2006 Enel has consolidated the €195 million bond, issued by Slovenske Elektrarne in 2004 and maturing in 2011.

Between July 1 2006 and December 31, 2007 bonds totalling €507 million will be maturing, all issued by Enel SpA.

Taking into account the large size of the maturing bonds, we report that on November 28, 2006 a fixed-rate bond of €150 million placed privately with institutional investors will fall due.

At 10 am (Rome time) today, 7 September 2006, at Enel's Auditorium, Viale Regina Margherita 125, Rome, Enel will present the first half 2006 results and an update on the progress of the business plan to financial analysts and institutional investors. The presentation will be followed by a press conference.
Documentation relating to the presentation will be available on Enel's website in the investor relations section from the beginning of the event.
The income statement, balance sheet and cash flow statement for the Enel Group and Enel SpA follow. These tables and the related notes (the latter concerning Group's data only) have been delivered to the Board of Statutory Auditors and the external auditor for their evaluation.

The following section presents the results for Enel's divisions

Domestic Sales

Results (millions of euro)**:**

	H1 2006	H1 2005	Change
Revenues	**10,533**	9,186	+14.7%
EBITDA	**162**	75	+116%
EBIT	**113**	30	+276.7%
Capex	**14**	16	-12.5%

Revenues from electricity and gas sales amounted to €10,533 million in the first six months of the year, an increase of €1,347 million (+14.7%) on the year-earlier period. The rise is mainly due to greater revenues from electricity sales allocated to cover the rise in the price of fuels used for generation.

EBITDA came to €162 million for the period, up €87 million on the same period of 2005 (+116%). The increase is largely due to the growth in the margin on electricity sales from non-recurring items resulting from electricity purchases in previous periods. The rise more than offset the contraction in the margin on gas following a number of regulatory changes to the mechanism for adjusting gas supply prices.

EBIT totalled €113 million in the first six months, up €83 million compared to the same period of 2005.

Enel is making significant progress towards achieving its 2007 target of sales to the free market, having increased the total number of customers from 60,000 to 220,000 at the end of August. Sales contracted for 2007 currently stand at 29 TWh, which represent 97% of the 2007 target.

Domestic Generation and Energy Management

Results (millions of euro)**:**

	H1 2006	H1 2005	Change
Revenues	**7,932**	6,597	+20.2%
EBITDA	**1,850**	2,234	-17.2%
EBIT	**1,413**	1,657	-14.7%
Capex	**316**	320	-1.3%

Revenues came to €7,932 million in the first half of 2006, up €1,335 million (+20.2%) on the first half of the previous year.

EBITDA amounted to €1,850 million, down €384 million (-17.2%) with respect to the corresponding period of 2005 owing to a smaller contribution from prior-year items (-€262 million) and to the impact of fair value measurement of contracts for differences with the Single Buyer (-€422 million), which were only partly offset by an increase in the generation margin (up € 308 million).

EBIT for the period totalled €1,413 million, down €244 million (-14.7%) on the same period last year.

Enel's repowering programme of thermal plants is progressing according to plan. In addition, in the first half of 2006 the renewables development was strengthened as eight plants were put on line with an overall capacity of approximately 60 MW.

Domestic Infrastructure and Networks

Results (millions of euro)**:**

	H1 2006	**H1 2005**	**Change**
Revenues	**2,767**	2,621	+5.6%
EBITDA	**1,736**	1,579	+9.9%
EBIT	**1,334**	1,217	+9.6%
Capex	**648**	712	-9%

Revenues totalled €2,767 million in the first half of the year, up €146 million (+5.6%) on the same period last year due to increased revenues from electricity operations (€162 million), which include €85 million in gains on the disposal of the grids of a number of municipalities in the province of Modena. This more than offset the decline in gas revenues (-€16 million) owing to the reduction in gas transported and to the fact that non-recurring revenues had been recognized in the first half of 2005.

EBITDA totalled €1,736 million in the first half of 2006, an increase of €157 million (+9.9%) with respect to the same period last year. The rise is attributable to better performance from the electricity sector (€178 million), which offset the decrease in the margin in the gas sector (€21 million) associated with the factors mentioned above.

After depreciation, amortisation and impairment losses totalling €402 million (€362 million in the year-earlier period), **EBIT** amounted to €1,334 million in the period, up €117 million (+9.6%) on the first half of 2005.

Enel continued to focus on improving processes and on network technology. The Automatic Meter Management System project, launched in 2002, is due for completion at year end.

International

Results (millions of euro)**:**

	H1 2006	H1 2005	Change
Revenues	**1,276**	802	+59.1%
EBITDA	**373**	215	+73.5%
EBIT	**251**	128	+96.1%
Capex	**130**	116	+ 12.1%

Revenues rose by €474 million (+59.1%) from €802 million to €1,276 million in the first half of 2006. The increase is largely attributable to the consolidation of Slovenske Elektrarne (€244 million) and the acquisition of the two Romanian electricity distribution companies in the second quarter of 2005 (€169 million).

EBITDA came to €373 million, up €158 million (+73.5%) on the first half of 2005, mainly as a result of the consolidation of Slovenske Elektrarne (€ 70 million) and the contribution of Romanian distribution companies (€ 44 million), Maritza (€ 31 million) and the US subsidiaries (€ 25 million)

EBIT totalled €251 million in the period, an increase of €123 million (+96.1%) on the first half of 2005.

Services and Other Activities

Revenues amounted to €510 million in the first half of this year, compared with €693 million in the same period last year (-26.4%). The change is mainly attributable to the transfer of engineering and construction operations to the Domestic Generation and Energy Management Division (-€262 million). **EBITDA** totalled €97 million, a moderate decrease with respect to the figures for the first six months of 2005 (€104 million). **EBIT** also fell slightly, from €63 million in the first half of 2005 to €55 million in the first six months of 2006.

Consolidated Income Statement

Millions of euro		1st Half 2006	1st Half 2005
Revenues			
Revenues from sales and services		18,575	15,824
Other revenues		490	328
	[Subtotal]	19,065	16,152
Income from equity exchange transaction		263	-
Costs			
Raw materials and consumables		11,646	9,624
Services		1,564	1,497
Personnel		1,371	1,366
Depreciation, amortization and impairment losses		1,059	1,116
Other operating expenses		187	273
Capitalized costs		(428)	(485)
	[Subtotal]	15,399	13,391
Net income/(charges) from commodity risk management		**(364)**	**325**
Operating income (1)		**3,565**	**3,086**
Financial income		161	153
Financial expense		(442)	(505)
Income (expense) from investments accounted for using the equity method		(8)	3
Income before taxes		**3,276**	**2,737**
Income taxes		1,249	1,114
Income from continuing operations		**2,027**	**1,623**
Income from discontinued operations		**-**	**383**
Income for the period (shareholders of Parent Company and minority interests)		**2,027**	**2,006**
Attributable to minority interests		49	91
Attributable to shareholders of Parent Company		1,978	1,915
Earnings per share (euro)		0.33	0.33
Diluted earnings per share (euro)		0.33 (2)	0.33
Earnings from continuing operations per share		0.33	0.27
Diluted earnings from continuing operations per share		0.33	0.27
Earnings from discontinued operations per share		-	0.06
Diluted earnings from discontinued operations per share		-	0.06

(1) Ebitda: calculated as "Operating income" plus "Depreciation, amortization and impairment losses" and "Income from equity exchange transaction".

(2) Calculated by adjusting the average number of ordinary shares for the period (6,182,821,431) to take account of the diluting effect of stock options for the period (€17 million),

Consolidated Balance Sheet

Millions of euro

ASSETS		at June 30, 2006	at Dec. 31, 2005
Non-current assets			
Property, plant and equipment		32,110	30,188
Investment property		8	-
Intangible assets		2,704	2,182
Deferred tax assets		1,450	1,778
Investments accounted for using the equity method		2,040	1,797
Non-current financial assets (1)		533	836
Other non-current assets		628	975
	[Subtotal]	**39,473**	**37,756**
Current assets			
Inventories		1,112	884
Trade receivables		7,872	8,316
Tax receivables		855	789
Current financial assets (2)		340	569
Cash and cash equivalents		496	476
Other current assets		2,998	1,712
	[Subtotal]	**13,673**	**12,746**
TOTAL ASSETS		**53,146**	**50,502**

(1) Of which long-term financial receivables for €110 million (€63 million as of December 31, 2005) and other investments for €91 million as of June 30, 2006.

(2) Of which short-term financial receivables for €224 million (€384 million as of December 31, 2005) and other investments for €25 million (€28 as of December 31, 2005) as of June 30, 2006.

Millions of euro

LIABILITIES AND SHAREHOLDERS' EQUITY		at June 30, 2006	at Dec. 31, 2005
Equity attributable to the shareholders of the Parent Company			
Share capital		6,171	6,157
Other reserves		4,402	4,251
Retained earnings (losses carried forward)		5,934	5,923
Net income for the period (1)		1,978	2,726
	[Subtotal]	**18,485**	**19,057**
Equity attributable to minority interests		510	359
TOTAL SHAREHOLDERS' EQUITY		**18,995**	**19,416**
Non-current liabilities			
Long-term loans		11,487	10,967
Termination indemnities and other employee benefits		2,667	2,662
Provisions for risks and charges		2,110	1,267
Deferred tax liabilities		2,470	2,464
Non-current financial liabilities		114	262
Other non-current liabilities		918	846
	[Subtotal]	**19,766**	**18,468**
Current liabilities			
Short-term loans		2,676	1,361
Current portion of long-term loans		860	935
Trade payables		5,761	6,610
Income tax payable		22	28
Current financial liabilities		466	294
Other current liabilities and income tax payable for the period		4,600	3,390
	[Subtotal]	**14,385**	**12,618**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**53,146**	**50,502**

(1) In 2005 net of interim dividend, equal to €1,169 million.

Consolidated Statement of Cash Flows

Millions of euro	1st Half 2006	1st Half 2005
Income for the period (shareholders of Parent Company and minority interests)	2,027	2,006
Adjustments for:		
Amortization of intangible assets	75	209
Depreciation of property, plant and equipment	972	1,531
Exchange rate gains and losses (including cash and cash equivalents)	(1)	(18)
Provisions	223	202
Financial (income)/expense	225	492
Income taxes	1,249	1,240
(Gains)/losses and other non-monetary items	(337)	(363)
Cash flows from operating activities before changes in net current assets	*4,433*	*5,299*
Increase/(Decrease) in provisions including termination benefits	(444)	(262)
(Increase)/Decrease in inventories	(145)	49
(Increase)/Decrease in trade receivables	555	(700)
(Increase)/Decrease in financial and non-financial assets/liabilities	(189)	(163)
Increase/(Decrease) in trade payables	(885)	(236)
Interest income and other financial income collected	129	112
Interest expense and other financial expense paid	(380)	(635)
Income taxes paid	(118)	(487)
Cash flows from operating activities (a)	**2,956**	**2,977**
of which from discontinued operations	-	*631*
Investments in property, plant and equipment	(1,049)	(1,426)
Investments in intangible assets	(88)	(1,134)
Investments in entities (or business units) less cash and cash equivalents acquired	(803)	(187)
Disposals of entities (or business units) less cash and cash equivalents sold	510	584
(Increase)/Decrease in other investing activities	65	149
Cash flows from investing/disinvesting activities (b)	**(1,365)**	**(1,014)**
of which from discontinued operations	-	*(352)*
Change in net financial debt	1,067	214
Dividends paid	(2,715)	(2,303)
Increase in share capital and reserves due to the exercise of stock options	76	288
Capital contributed by minority shareholders	-	-
Cash flows from financing activities (c)	**(1,572)**	**(1,801)**
of which from discontinued operations	-	*(282)*
Impact of exchange rate fluctuations on cash and cash equivalents (d)	**(6)**	**16**
Increase/(Decrease) in cash and cash equivalents (a+b+c+d)	**13**	**178**
of which from discontinued operations	-	*(3)*
Cash and cash equivalents at beginning of the period	508	363
of which from discontinued operations	-	*133*
Cash and cash equivalents at end of the period	521	541
of which from discontinued operations	-	*130*

Enel Spa - Income Statement

Millions of euro		1° Half	
		2006	2005
Revenues			
Revenues from sales and services		552	492
Other revenues		40	12
	[Subtotal]	592	504
Income from equity exchange transaction and relevant investment disposals		146	443
Costs			
Electricity		298	286
Services		103	96
Personnel		41	44
Depreciation, amortization and impairment losses		6	158
Other operating expenses		6	41
	[Subtotal]	454	625
Operating income		**284**	**322**
Dividends		3,069	1,536
Financial income/(expense)		(44)	(112)
Income before taxes		**3,309**	**1,746**
Income taxes		45	(26)
Income for the period		**3,264**	**1,772**

Enel Spa – Balance sheet

Mililons of euro

ASSETS		at June 30, 2006	at Dec. 31, 2005
Non-current assets			
Property, plant and equipment		9	12
Intangible assets		11	14
Deferred tax assets		284	537
Investments		17,671	17,676
Non-current financial assets [(1)]		1,822	1,851
Other non-current assets		65	350
	[Subtotal]	**19,862**	**20,440**
Current assets			
Trade receivables		240	260
Tax receivables		724	576
Current financial assets [(2)]		8,097	5,677
Cash and cash equivalents		54	45
Other current assets		437	777
	[Subtotal]	**9,552**	**7,335**
TOTAL ASSETS		**29,414**	**27,775**

(1) Of which long-term financial receivables for €1,536 million as of June 30, 2006 (€1,568 million as of December 31, 2005).
(2) Of which short-term financial receivables for €7,798 million as of June 30, 2006 (€5,383 million as of December 31, 2005).

Millions of euro

LIABILITIES AND SHAREHOLDERS' EQUITY		at June 30, 2006	at Dec. 31, 2005
Shareholders' equity			
Share capital		6,171	6,158
Other reserves		4,417	4,331
Retained earnings (losses carried forward)		1,821	3,010
Net income for the period [(1)]		3,264	1,526
TOTAL SHAREHOLDERS' EQUITY		**15,673**	**15,025**
Non-current liabilities			
Long-term loans		8,248	7,155
Termination indemnities and other employee benefits		438	440
Provisions for risks and charges		50	868
Deferred tax liabilities		86	111
Non-current financial liabilities		66	100
	[Subtotal]	**8,888**	**8,674**
Current liabilities			
Short-term loans		3,007	1,968
Current portion of long-term loans		527	678
Trade payables		304	357
Current financial liabilities		331	419
Other current liabilities and income tax payable for the period		684	654
	[Subtotal]	**4,853**	**4,076**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**29,414**	**27,775**

(1) In 2005 net of interim dividend, equal to €1,169 million.

Enel Spa - Statement of Cash Flows

Millions of euro	1st Half 2006	1st Half 2005
Income for the period	3,264	1,772
Adjustments for:		
Amortization of intangible assets	4	3
Depreciation of property, plant and equipment	2	1
Provisions	12	11
Financial (income)/expense and (income)/expense from investments	(3,025)	(1,424)
Income taxes	45	(25)
(Gains)/losses and other non-monetary items	(177)	(299)
Cash flows from operating activities before changes in net current assets	*125*	*39*
Increase/(Decrease) in provisions including termination benefits	(108)	(23)
(Increase)/Decrease in trade receivables and other assets	627	(45)
Increase/(Decrease) in trade payables and other liabilities	(9)	44
Interest income and other financial income collected	139	98
Interest expense and other financial expense paid	(238)	(175)
Income taxes paid	-	(297)
Cash flows from operating activities (a)	**536**	**(359)**
Investments in intangible assets	(2)	(1)
(Increase)/Decrease in other investing activities	(552)	424
Cash flows from investing/disinvesting activities (b)	**(554)**	**423**
Change in net financial debt	(403)	397
Dividends paid	(2,715)	(2,214)
Increase in share capital and reserves due to the exercise of stock options	76	288
Dividends collected	3,069	1,536
Cash flows from financing activities (c)	**27**	**7**
Impact of exchange rate fluctuations on cash and cash equivalents (d)	-	-
Increase/(Decrease) in cash and cash equivalents (a+b+c+d)	**9**	**71**
Cash and cash equivalents at beginning of the period	45	20
Cash and cash equivalents at end of the period	54	91