Enel
FIFTY YEARS
1962 2012

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Press Release

ENEL: BOARD OF DIRECTORS APPROVES RESULTS AT MARCH 31st, 2012

- *Revenues: 21,193 million euros (+8.5%)*
- *EBITDA: 4,302 million euros (-2.2%)*
- *EBIT: 2,902 million euros (-4.4%)*
- *Group net income: 1,184 million euros (-1.4%)*
- *Group net ordinary income: 1,003 million euros (-15.1%)*
- *Net financial debt: 45,617 million euros (+2.2%)*

Roma, May 10th, 2012 – The Board of Directors of Enel SpA, chaired by Paolo Andrea Colombo, today examined and approved the interim financial report at March 31st, 2012.

Consolidated financial highlights (millions of euros):

	Q1 2012	Q1 2011	Change
Revenues	21,193	19,536	+8.5%
EBITDA	4,302	4,399	-2.2%
EBIT	2,902	3,036	-4.4%
Group net income	1,184	1,201	-1.4%
Group net ordinary income	1,003	1,182	-15.1%
Net financial debt	45,617	44,629*	+2.2%

** At December 31st, 2011.*

Fulvio Conti, Chief Executive Officer and General Manager of Enel, stated: “The negative economic trend experienced since last year continued into the first quarter of 2012, with lower demand mainly impacting Italy and Spain partially offset by the growth in the markets of Latin America, Russia and Eastern Europe. Against this backdrop, the financial results for the period were ahead of our expectations and essentially in line with 2011 results. The management initiatives undertaken to optimise investments, enhance efficiency and cut costs will enable Enel to achieve all of the targets already announced for 2012 in spite of the negative effects of the regulatory measures introduced in Spain to date”.

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Unless otherwise specified, the balance sheet figures at March 31st, 2012, exclude assets and liabilities held for sale, which essentially regard Endesa Ireland and other minor positions that on the basis of the status of negotiations for its sale to third parties meet the requirements of IFRS 5 for such classification.

This press release uses a number of “alternative performance indicators” not envisaged in the IFRS-EU accounting standards (EBITDA, net financial debt, net capital employed, Group net ordinary income). In accordance with

Enel SpA – Registered Office 00198 Roma, Viale Regina Margherita 137 – Companies Register of Roma and Tax I.D. 00811720580 – R.E.A. of Roma 756032 - VAT Code 00934061003
Stock Capital Euro 9,403,357,795 (at December 31, 2011) fully paid-in

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recommendation CESR/05-178b published on November 3rd, 2005, the criteria used to calculate these indicators are described at the end of the press release.

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OPERATIONAL HIGHLIGHTS

Electricity and gas sales

Electricity sold by the Enel Group in the first three months of 2012 amounted to 82.5 TWh, an increase of 2.5 TWh (+3.1%) compared with corresponding period of the previous year, entirely attributable to sales abroad. Gas sold to end users amounted to 3.4 billion cubic metres, an increase of 0.1 billion cubic metres compared with the first quarter of 2011, mainly due to increased consumption in foreign markets.

Power generation

Net electricity generated by the Enel Group in the first three months of 2012 amounted to 78.0 TWh (+6.1% compared with the 73.5 TWh posted in the first three months of the previous year), of which 19.7 TWh in Italy and 58.3 TWh abroad.
The Enel Group's plants in Italy generated 19.7 TWh, in line with the corresponding quarter of 2011.
Domestic electricity demand in the first three months of 2012 totalled 83.0 TWh, down 1.9% compared with the same period of 2011, while net imports declined by 0.3 TWh (-2.6%).
Net electricity generated abroad by the Enel Group in the first three months of 2012 amounted to 58.3 TWh, an increase of 4.5 TWh (+8.4%) compared with first quarter of the previous year. The rise is essentially attributable to the greater contribution of the plants of Endesa (+3.8 TWh) in both the Iberian peninsula and in Latin America, as well as the increase of 1.7 TWh in Russia connected with the completion of a number of combined-cycle plants.
Of the electricity generated by Enel Group power plants in Italy and the rest of the world, 61.5% came from thermal generation, 24.2% from renewables (hydroelectric, wind, geothermal, biomass, cogeneration and solar) and 14.3% from nuclear power.

Distribution of electricity

Electricity distributed by the Enel Group network in the first quarter of 2012 totalled 110.6 TWh, of which 61.5 TWh in Italy and 49.1 TWh abroad.
The volume of electricity distributed in Italy declined by 1.1 TWh (-1.8%) compared with the first three months of the previous year, broadly in line with developments in domestic electricity demand.
Electricity distributed abroad amounted to 49.1 TWh, an increase of 1.3 TWh (+2.7%) compared with first three months of the previous year, mainly due to the greater contribution of Endesa (+1.3 TWh) in both the Iberian peninsula and in Latin America.

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CONSOLIDATED FINANCIAL HIGHLIGHTS

Consolidated results for the first three months of 2012

Revenues in the first three months of 2012 amounted to 21,193 million euros, an increase of 1,657 million euros (+8.5%) compared with the same period of 2011. The rise was essentially attributable to higher revenues from the sale of electricity on wholesale markets.

EBITDA in the first quarter of 2012 came to 4,302 million euros, down 97 million euros (-2.2%) compared with the same period of 2011, essentially due to the decline in the margin on generation activities in Italy.

EBIT in the first quarter of 2012 amounted to 2,902 million euros, a decrease of 134 million euros (-4.4%) compared with the same period of 2011, including an increase of 37 million euros in depreciation, amortisation and impairment losses.

Group net income in the first quarter of 2012 amounted to 1,184 million euros, a reduction of 17 million euros (-1.4%) compared with the same period of 2011. More specifically, the gain on the disposal of 5.1% of Terna, 185 million euros included under financial income for the period, together with the virtually complete exemption of such gains from taxation, partially offset the aforementioned decline in EBIT and the effect of the application of the so-called Robin Hood Tax in Italy.

Group net ordinary income in the first three months of 2012 amounted to 1,003 million euros, a decline of 179 million euros (-15.1%) compared with the same period of the previous year.

Net capital employed at March 31st, 2012 totalled 101,194 million euros (99,069 million euros at December 31st, 2011). It was funded by shareholders' equity attributable to shareholders of the Parent Company and non-controlling interests of 55,577 million euros and net financial debt of 45,617 million euros. At March 31st, 2012, the debt/equity ratio came to 0.82, in line with the figure at the end of 2011.

Capital expenditure in the first quarter of 2012 amounted to 1,314 million euros, an increase of 16.1%, which was especially concentrated in the Renewable Energy and Infrastructure and Networks Divisions.

At March 31st, 2012, Enel Group **employees** numbered 75,248 (of which 38,581 employed abroad). The workforce at the end of the first quarter of 2012 declined by 112 employees, accounted for by the net negative balance between new hires and terminations.

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RECENT KEY EVENTS

On **March 8th, 2012**, the rating agency Standard & Poor's announced that it had lowered its long-term rating for Enel SpA to "BBB+" (from "A-"). The agency also announced that it had confirmed its short-term rating of "A-2" for Enel. Following the removal of the negative CreditWatch, the outlook was rated as stable.
The change in the Enel SpA rating mainly reflects the deterioration in the macroeconomic situation in Italian and Spanish markets and the higher volatility of margins in the power generation sector. The downgrade was accompanied by an analogous revision of the stand-alone rating of the Company and follows Standard & Poor's downgrade of its rating of Italian sovereign debt.
Finally, the agency noted that the measures Enel is taking to counter the effects of the current trend will help improve the financial risk profile of the Enel Group despite the weakness of the economic outlook that Standard & Poor's has projected for the Italian and Spanish markets.

On **March 19th, 2012**, Enel signed a Memorandum of Understanding with Huaneng Clean Energy Research Institute (the research arm of the Huaneng Group, China's largest power company) for cooperation in the development of clean coal technologies, renewable energy and distributed generation. The agreement sets out a framework for implementing best practices for environmentally sustainable energy generation. Enel and the Huaneng Group have already been collaborating for three years on a feasibility study for the construction of a carbon capture and storage facility at a Chinese coal-fired plant and the use of CO_2 for enhanced oil recovery. Enel's contribution will apply to the following areas of expertise: flue gas purification, carbon capture and storage, analysis of the pilot project for urban electricity generation integrated with sustainable technologies, renewable energy generation and implementation of a regulatory framework to foster additional pilot emissions reduction programs and the development of emissions trading programs in China.

On **March 30th, 2012**, Confagricoltura and Enel signed a framework agreement for the joint development of renewable energy and energy efficiency. Confagricoltura and Enel will develop synergies in the most appropriate renewable energy resources for the agricultural sector. Enel will offer companies technical and commercial support, helping to select the best renewables plants on the basis of the specific features of local areas. Confagricoltura and Enel will also cooperate in adding value to agricultural by-products, recovering unplanted fields for agro-energy purposes and developing pilot projects in the areas of energy efficiency, smart grids and electric mobility for the transport of people and goods in agricultural areas.

On **April 2nd, 2012**, the Group announced that its subsidiary Enel Green Power North America (EGPNA) signed an equity partnership agreement with EFS Chisholm, a subsidiary of GE Capital, for the development of the Chisholm View wind project in Oklahoma, on March 30th, 2012. The facility, which envisages a total investment of about 375 million US dollars, will have a total installed capacity of 235.2 MW and is supported by a long-term power purchase agreement for the electricity generated by the plant. Under the accord, EGPNA will invest about 184 million dollars and hold 49% of the project. It also has an option to increase its stake by another 26%, which can be exercised on a number of specified dates.

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On **April 3rd, 2012**, the Enel Group announced that it had retained its position in the prestigious FTSE4Good index, which measures the conduct of companies in the areas of environmental sustainability, relations with stakeholders, respect for human rights and the fight against corruption. Enel also keeps its overall score of 4 out of 5 in ESG performance (Environmental – Social – Governance). With this achievement, Enel confirms its leadership position in the world's main sustainability indices: for the last eight years, the Group has been included in the Dow Jones Sustainability Index Europe and the selective World index. In addition, in 2011 Enel was the only utility admitted to the CPLI – Carbon Performance Leadership Index of the Carbon Disclosure Project.

On **April 3rd, 2012**, Roma Capitale, Enel and Acea signed a Protocol for the installation of 200 recharging points for electric vehicles in Rome, to be provided in equal parts by Enel and Acea. The points will have technology to ensure the interoperability of the infrastructure of the two companies and with the recharging points already installed by Enel as part of its E-Mobility Italy project.

On **April 25th, 2012**, the subsidiary Enel Distribuzione SpA presented an audience made up of representatives of the 10 electricity utilities in Japan, the energy market authorities and academics and journalists with its technology solutions in the smart grids field, as well as the areas of collaboration with the Japanese electronics giant NEC, together with which Enel intends to develop global solutions and synergies in that sector.

On **April 30th, 2012**, the Ordinary and Extraordinary Shareholders' Meeting of Enel SpA was held in Rome. It approved the financial statements of the Company at December 31st, 2011, authorising a dividend for full-year 2011 of 0.26 euros per share and the distribution in June 2012 of 0.16 euros per share as the balance of the 2011 dividend, taking account of the 0.10 euros per share already distributed in November 2011. The Shareholders' Meeting also approved the section of the report on remuneration that discusses the policy adopted by the Company for 2012 with regard to the remuneration of directors, the General Manager and Executives with strategic responsibilities. Finally, the Meeting approved a number of amendments to the bylaws proposed by the Board of Directors to ensure gender balance on corporate boards.

On **May 2nd, 2012**, Enel Green Power SpA, acting through its subsidiary Enel Green Power International BV, agreed a 12-year loan of 180 million euros with the Danish government's Export Credit Agency ("EKF") and Citigroup, with the latter acting as agent and arranger. The loan bears an interest rate in line with the market benchmark and is guaranteed by Enel Green Power. The financing will be used to cover part of the investment (which will total about 670 million euros) for the wind farms Zephir I in Romania, with an installed capacity of 120 MW, Caney River in the United States (200 MW), and Cristal in Brazil (90 MW), all owned by Enel Green Power.

On **May 7th, 2012**, the TOB (the acronym for "Triangle-based Omni-purpose Building") was presented. It is an innovative power generation system for isolated areas, consisting of a wooden gazebo covered with photovoltaic panels and a storage system that could revolutionise the energy world, marking a watershed for millions of people who still live without electricity.

The TOB projects is part of the broader "Enabling Electricity" program conceived by the Enel Group to help foster access to power in remote areas and disadvantaged communities around the world. The program is Enel's response to the appeal of the Secretary General of the United Nations, Ban Ki-Moon, who has devoted 2012 to the fight against energy poverty, proclaiming it the International Year of Sustainable Energy for All.

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OUTLOOK

In the first quarter of 2012, the economic environment was once again characterised by considerable uncertainty in mature European economies, especially Italy and Spain, while the emerging markets of Eastern Europe, Russia and Latin America continued to experience positive growth trends.

Against this backdrop, geographical diversification, a well-balanced mix of technologies, as well as regulated and unregulated businesses, together with the programmes undertaken to boost operational efficiency and optimise investments, are enabling Enel to achieve the performance and financial targets announced to the financial community for 2012, despite the adverse impact of the regulatory measures introduced in Spain to present.

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At 6:00 p.m. CET today, May 10th, 2012, a conference call will be held to present the results for the first quarter of 2012 to financial analysts and institutional investors. Journalists are also invited to listen in on the call. Documentation relating to the conference call will be available on Enel's website (www.enel.com) in the Investor section from the beginning of the conference call.
Tables presenting the results of the individual Divisions (which do not take account of intersegment eliminations) are attached below, as are the condensed income statement, the statement of comprehensive income, the condensed balance sheet and the condensed cash flow statement for the Enel Group. A descriptive summary of the alternative performance indicators is also attached.

The officer responsible for the preparation of the corporate financial reports, Luigi Ferraris, declares, pursuant to Article 154-bis, paragraph 2, of the Consolidated Law on Financial Intermediation, that the accounting information contained in this press release corresponds with that contained in the accounting documentation, books and records.

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Results of the Divisions

The results of the Divisions are discussed consistently with the new organisational model adopted by the Group in February 2012, exercising the possibility for the simplification of disclosures which takes into account the materiality thresholds established under IFRS 8 – Operating Segments. This representation is used by management in assessing Group performance for the two quarters in examination.

Sales Division

Results (millions of euros):

	Q1 2012	Q1 2011	Change
Revenues	5,325	4,930	+8.0%
EBITDA	176	179	-1.7%
EBIT	94	122	-22.9%
Capex	3	1	-

Generation and Energy Management Division

Results (millions of euros):

	Q1 2012	Q1 2011	Change
Revenues	6,035	5,094	+18.5%
EBITDA	448	566	-20.8%
EBIT	296	426	-30.5%
Capex	34	39	-12.8%

Infrastructure and Networks Division

Results (millions of euros):

	Q1 2012	Q1 2011	Change
Revenues	1,806	1,783	+1.3%
EBITDA	954	984	-3.0%
EBIT	724	759	-4.6%
Capex	309	238	+29.8%

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Iberia and Latin America Division

Results (millions of euros):

	Q1 2012	Q1 2011	Change
Revenues	8,491	8,097	+4.9%
EBITDA	1,881	1,820	+3.4%
EBIT	1,172	1,152	+1.7%
Capex	356	417	-14.6%

International Division

Results (millions of euros):

	Q1 2012	Q1 2011	Change
Revenues	2,300	2,025	+13.6%
EBITDA	423	449	-5.8%
EBIT	335	294	+13.9%
Capex	262	229	+14.4%

Renewable Energy Division

Results (millions of euros):

	Q1 2012	Q1 2011	Change
Revenues	605	606	-0.2%
EBITDA	379	390	-2.8%
EBIT	266	299	-11.0%
Capex	275	204	+34.8%

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ALTERNATIVE PERFORMANCE INDICATORS

The following section describes a number of alternative performance indicators, not envisaged under the IFRS-EU accounting standards, which are used in this press release in order to facilitate the assessment of the Group's performance and financial position.

- **EBITDA:** an indicator of Enel's operating performance, calculated as "Operating income" plus "Depreciation, amortisation and impairment losses";

- **Net financial debt**: an indicator of Enel's financial structure, determined by "Long-term loans", the current portion of long-term loans and "Short-term loans and the current portion of long-term loans" less "Cash and cash equivalents", current and non-current financial assets (financial receivables and securities other than equity investments) included in "Other current assets" and "Other non-current assets";
- **Net capital employed**: calculated as the sum of "Current assets", "Non-current assets" and "Net assets held for sale", net of "Current liabilities" and "Non-current liabilities", excluding the items considered in the definition of net financial debt;
- **Group net ordinary income**: defined as the part of "Group net income" derived from ordinary business operations.

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Condensed Consolidated Income Statement

Millions of euro	1st Quarter			
	2012	2011	Change	
Total revenues	21,193	19,536	1,657	8.5%
Total costs	17,041	15,206	1,835	12.1%
Net income/(charges) from commodity risk management	150	69	81	-
GROSS OPERATING MARGIN	**4,302**	**4,399**	**(97)**	**-2.2%**
Depreciation, amortization and impairment losses	1,400	1,363	37	2.7%
OPERATING INCOME	**2,902**	**3,036**	**(134)**	**-4.4%**
Financial income	961	1,140	(179)	-15.7%
Financial expense	1,596	1,878	(282)	-15.0%
Total financial income/(expense)	**(635)**	**(738)**	**103**	**14.0%**
Share of gains/(losses) on investments accounted for using the equity method	**26**	**58**	**(32)**	**-55.2%**
INCOME BEFORE TAXES	**2,293**	**2,356**	**(63)**	**-2.7%**
Income taxes	792	830	(38)	-4.6%
Income from continuing operations	**1,501**	**1,526**	**(25)**	**-1.6%**
Net income from discontinued operations	**-**	**-**	**-**	**-**
NET INCOME FOR THE PERIOD (shareholders of the Parent Company and non-controlling interests)	**1,501**	**1,526**	**(25)**	**-1.6%**
Attributable to shareholders of the Parent Company	1,184	1,201	(17)	-1.4%
Attributable to non-controlling interests	317	325	(8)	-2.5%
Net earnings attributable to shareholders of the Parent Company per share (euro) (1)	*0.13*	*0.13*	-	-

(1) Diluted earnings per share are equal to basic earnings per share.

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Statement of Consolidated Comprehensive Income

Millions of euro	1st Quarter	
	2012	2011
Net income for the period	**1,501**	**1,526**
Other components of comprehensive income:		
Effective portion of change in the fair value of cash flow hedges	(404)	284
Income recognized in equity by companies accounted for using the equity method	1	-
Change in the fair value of financial investments available for sale	(196)	(9)
Exchange rate differences	399	(993)
Income / (Loss) recognized directly in equity	**(200)**	**(718)**
Comprehensive income for the period	**1,301**	**808**
Attributable to:		
- shareholders of the Parent Company	755	1,124
- non-controlling interests	546	(316)

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Condensed Consolidated Balance Sheet

Millions of euro

	at Mar. 31, 2012	at Dec. 31, 2011	Change
ASSETS			
Non-current assets			
- Property, plant and equipment and intangible assets	102,014	101,570	444
- Goodwill	18,419	18,342	77
- Equity investments accounted for using the equity method	1,169	1,085	84
- Other non-current assets (1)	12,170	12,842	(672)
Total	**133,772**	**133,839**	**(67)**
Current assets			
- Inventories	2,978	3,148	(170)
- Trade receivables	13,818	11,570	2,248
- Cash and cash equivalents	8,994	7,015	1,979
- Other current assets (2)	13,168	13,852	(684)
Total	**38,958**	**35,585**	**3,373**
Assets held for sale	**398**	**381**	**17**
TOTAL ASSETS	**173,128**	**169,805**	**3,323**
LIABILITIES AND SHAREHOLDERS' EQUITY			
- Equity attributable to the shareholders of the Parent Company	39,545	38,790	755
- Equity attributable to non-controlling interests	16,032	15,650	382
Total shareholders'equity	**55,577**	**54,440**	**1,137**
Non-current liabilities			
- Long-term loans	49,563	48,703	860
- Provisions and deferred tax liabilities	22,295	22,336	(41)
- Other non-current liabilities	3,707	3,620	87
Total	**75,565**	**74,659**	**906**
Current liabilities			
- Short-term loans and current portion of long-term loans	15,058	14,471	587
- Trade payables	11,623	12,931	(1,308)
- Other current liabilities	15,235	13,246	1,989
Total	**41,916**	**40,648**	**1,268**

Liabilities held for sale	**70**	**58**	**12**
TOTAL LIABILITIES	**117,551**	**115,365**	**2,186**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**173,128**	**169,805**	**3,323**

(1) Of which long-term financial receivables and other securities at March 31, 2012 for €3,384 million (€3,496 million at December 31, 2011) and €123 million (€80 million at December 31, 2011), respectively.

(2) Of which current portion of long-term financial receivables, short-term financial receivables and other securities at March 31, 2012 for €2,115 million (€2,270 million at December 31, 2011), €4,342 million (€5,632 million at December 31, 2011) and €46 million (€52 million at December 31, 2011), respectively.

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Condensed Consolidated Statement of Cash Flows

Millions of euro	1st Quarter		
	2012	2011	Change
Cash flows from operating activities (a)	**67**	**7**	**60**
Investments in property, plant and equipment and in intangible assets	(1,336)	(1,136)	(200)
Investments in entities (or business units) less cash and cash equivalents acquired	(102)	(4)	(98)
Disposals of entities (or business unit) less cash and cash equivalents sold	-	65	(65)
(Increase)/Decrease in other investing activities	256	(7)	263
Cash flows from investing/disinvesting activities (b)	**(1,182)**	**(1,082)**	**(100)**
Change in net financial debt	3,131	1,407	1,724
Charges related to sales of equity holdings without loss of control	-	(34)	34
Dividends and interim dividends paid	(78)	(266)	188
Cash flows from financing activities (c)	**3,053**	**1,107**	**1,946**
Impact of exchange rate fluctuations on cash and cash equivalents (d)	**35**	**(79)**	**114**
Increase/(Decrease) in cash and cash equivalents (a+b+c+d)	**1,973**	**(47)**	**2,020**
Cash and cash equivalents at the beginning of the period	7,072	5,342	1,730
Cash and cash equivalents at the end of the period [1]	9,045	5,295	3,750

(1) Of which cash and cash equivalents equal to €8,994 million at March 31, 2012 (€5,194 million at March 31, 2011), short-term securities equal to €46 million at March 31, 2012 (€41 million at March 31, 2011) and cash and cash equivalents pertaining to assets held for sale in the amount of €5 million at March 31, 2012 (€60 million at March 31, 2011).

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