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## **ENEL GREEN POWER PRESENTS ITS 2014-2018 BUSINESS PLAN TO THE FINANCIAL COMMUNITY**

- *Growth trend confirmed, with total capital expenditure amounting to 6.1 billion euros by 2018*
- *Installed capacity equal to 13,400 MW<sup>1</sup> and forecast output of about 45 billion kilowatt hours in 2018, with additional capacity of 4,600 MW*
- *EBITDA of about 1.9 billion euros in 2014, about 2.3 billion euros in 2016 and about 2.6 billion euros in 2018*
- *The Company's growth strategy relies on technological and geographical diversification, financial strength and the constant pursuit of operating excellence worldwide*

**Rome, April 3<sup>rd</sup>, 2014** – Today, Enel Green Power presented its 2014-2018 Business Plan to the financial community. The plan confirms the growth strategy already implemented over the past years. The new plan will leverage on:

- Geographical and technological diversification
- Operating excellence and economies of scale in engineering, procurement & construction (EPC) and operations & maintenance (O&M)
- Financial strength (the plan is self-funded)

In 2013, Enel Green Power confirmed its ability to achieve the targets announced to the market, strengthening its presence in the 16 countries where it already operates, also by installing more than 900 MW of additional capacity, therefore bringing total installed capacity to 8,900 MW.

Enel Green Power's balanced mix of renewable technologies (hydroelectric, geothermal, wind, solar and biomass) is unrivalled throughout the world. Combined with geographical diversification in Europe and the Americas, Enel Green Power's technology mix enabled the company to generate sufficient cash flow to finance investments in the period from 2010 to 2013, while at the same time mitigating the effects of the adverse economic and financial conditions in the markets where the company operates.

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<sup>1</sup> Including impact of decommissioning.

## **ANALYSIS OF STRATEGIC PRIORITIES**

### **Geographical and technological diversification**

Diversification into other markets reduces Enel Green Power's exposure to resource volatility in individual countries and mitigates the overall risk the company faces. Enel Green Power will continue to pursue value creation in the mature markets, implementing its growth cycle in the emerging markets and increasing its diversification into countries with abundant natural resources.

This approach also takes account of the fact that greater cost competitiveness will enable renewable energy technologies to play an increasingly larger role in meeting global electricity demand, which in the emerging markets is being driven primarily by economic growth and increased access to electricity. Thanks to its broad and diversified project portfolio, Enel Green Power is in a unique position to select and develop projects that offer the greatest returns, focusing on markets with sound fundamentals: 1) abundance of resource; 2) favourable macro-economic conditions and growing electricity demand; and 3) a reliable legal and regulatory framework.

The 2014-2018 Business Plan comprises Uruguay, Ecuador, Kenya, Egypt, Saudi Arabia and Russia, in addition to the 16 countries in which Enel Green Power currently operates and the new countries already announced, namely Colombia, Peru, Turkey, South Africa and Morocco.

### **Operating excellence and economies of scale in EPC and O&M**

The adoption of a centralized business model integrating business development and EPC is one of the key characteristics of Enel Green Power's strategy. It ensures the greatest possible economies of scale without compromising the high quality and safety standards Enel Green Power has achieved in building and operating plants. With innovative systems and the sharing of the best practices adopted in the technology excellence centres established in Europe, Enel Green Power developed its own leadership in O&M activities, all while maintaining rapid growth and a diversified portfolio. The company will continue to leverage on its integrated and global approach, setting new objectives for improving its lost production factor and enhancing cost efficiency.

### **Financial strength**

Enel Green Power will safeguard its financial strength and continue to finance its projects with the strong cash flow it generates, together with long-term sources of external funding obtained on competitive terms. The company will seek out market niches that focus specifically on financing renewables projects, such as export credit agencies, multi-region and local development institutions as well as tax equity arrangements.

## **ANALYSIS OF CAPITAL EXPENDITURE**

Enel Green Power recently restructured Group organisation, with a view to enhancing its fit with its strategic positioning. This restructuring involved the redefinition of the scope of the Europe area and that of the Iberia and Latin America area. More specifically, Iberia has been integrated into the Europe area in order to increase geographical continuity and ensure greater uniformity of business objectives.

The strategic priorities outlined above translate into the following targets for the geographical areas where Enel Green Power is present:

### **1. EMERGING MARKETS**

The following are the current targets for **2018**:

- **Installed capacity** equal to around 4,100 MW (1,200 MW in 2013);
- **Additional capacity** of about 2,900 MW;
- **Capital expenditure** earmarked for growth equal to 73% of the Plan total, of which 46% in Latin America and 27% in new countries.

### **2. NORTH AMERICA**

The following are the current targets for **2018**:

- **Installed capacity** equal to about 2,400 MW (1,700 MW in 2013);
- **Additional capacity** of about 700 MW;
- **Capital expenditure** earmarked for growth equal to 10% of the Plan total.

### **3. EUROPE**

The following are the current targets for **2018**:

- **Installed capacity** equal to about 6,900 MW<sup>2</sup> (6,000 MW in 2013);
- **Additional capacity** of about 1,000 MW;
- **Capital expenditure** earmarked for growth equal to 17% of the Plan total.

## **QUANTITATIVE TARGETS**

The following are the current targets for the **2014-2018** period:

- **Total installed capacity** of about 13,400 MW<sup>3</sup> in 2018, with additional capacity of 4,600 MW, of which about 1,000 MW by the end of 2014;
- **Forecast output** of about 45 billion kilowatt hours in 2018;
- **EBITDA** of about 1.9 billion euros in 2014, about 2.3 billion euros in 2016 and approximately 2.6 billion euros in 2018;
- **Capital expenditure** equal to 6.1 billion euros, of which 5.4 billion euros earmarked for growth.

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<sup>2</sup> Including decommissioning.

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## **ALTERNATIVE PERFORMANCE INDICATORS**

**EBITDA:** an indicator of Enel Green Power's operating performance, calculated as "Operating income" plus "Depreciation, amortization and impairment losses".

*At 1:30 p.m. CET today, April 3<sup>rd</sup>, 2014, Enel Green Power will host a meeting with the financial community in Rome, at the Centro Congressi Enel at Viale Regina Margherita no. 125, to present the 2014-2018 Business Plan. The event will be followed by a press conference. It will be transmitted live through the Enel Green Power website at [www.enelgreenpower.com](http://www.enelgreenpower.com).*

*Support documentation will be available at [www.enelgreenpower.com](http://www.enelgreenpower.com), in the Media and Investor section, from the beginning of the conference at: [http://www.enelgreenpower.com/en-GB/media\\_investor/annual\\_presentations/presentazione.aspx](http://www.enelgreenpower.com/en-GB/media_investor/annual_presentations/presentazione.aspx).*

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