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Press Release

ENEL: BOARD OF DIRECTORS APPROVES THE RESULTS FOR THE FIRST HALF OF 2014

- *Revenues: 36,101 million euros (39,287 million euros in 1H 2013, - 8.1%)*
- *EBITDA: 7,878 million euros (8,143 million euros in 1H 2013, - 3.3%)*
- *EBIT: 5,011 million euros (5,093 million euros in 1H 2013, -1.6%)*
- *Group net income: 1,685 million euros (1,680 million euros in 1H 2013, +0.3%)*
- *Group net ordinary income: 1,572 million euros (1,652 million euros in 1H 2013, -4.8%)*
- *Net financial debt: 43,073 million euros (39,706 million euros as of December 31st, 2013, +8.5%)*

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Rome, July 31st, 2014 – The Board of Directors of Enel S.p.A. ("Enel"), chaired by Patrizia Grieco, late yesterday afternoon examined and approved the half-year financial report as of June 30th, 2014.

Consolidated financial highlights (millions of euros):

	1H 2014	**1H 2013**	**Change**
Revenues	**36,101**	39,287	-8.1%
EBITDA	**7,878**	8,143	-3.3%
EBIT	**5,011**	5,093	-1.6%
Group net income	**1,685**	1,680	+0.3%
Group net ordinary income	**1,572**	1,652	-4.8%
Net financial debt	**43,073**	39,706 (*)	+8.5%

(*) *As of December 31st, 2013.*

Francesco Starace, Chief Executive Officer and General Manager of Enel commented: "*Against an overall economic scenario which is still unfavourable, in the first half of 2014, Enel continued to benefit from a well-balanced portfolio in terms of geographies, technologies, regulated and unregulated activities. The additional renewable capacity entered into service as well as the ongoing managerial actions already launched to optimize costs and investments allowed us to partially offset negative impacts on financial results. Such negative impacts were attributable to the new regulatory measures in Spain as well as to the unfavourable currency effect mainly registered in Latin America."*

The Group restructuring and reorganization launched today will allow us to speed up efficiency raising processes and the refocusing of our investment decisions, therefore enhancing the availability of resources to support growth."

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Unless otherwise specified, the balance sheet figures as of June 30st, 2014, exclude assets and liabilities held for sale, which regard a number of minor assets that on the basis of the status of negotiations for their sale to third parties meet the requirements of IFRS 5 for such classification.

Following the application, with retrospective effect as from January 1st, 2014, of the new version of IFRS 11 – Joint arrangements, the investments of the Enel Group in joint ventures (arrangements whereby the parties have rights to a share of the net assets or the profit or loss from the arrangement) must be accounted for using the equity method rather than proportionate consolidation, which is no longer allowed for such ventures. Since the Group had accounted for joint ventures using proportionate consolidation prior to the date of application of the new standard as permitted under the previous applicable standard (IAS 31 – Interests in joint ventures), that change resulted in the restatement, for comparative purposes only, of the consolidated balance sheet as of December 31st, 2013, and the income statement for the first half of 2013. In view of its nature, the above change did not have an impact on Group net income for the previous year and for the first half of 2013 or on shareholders' equity pertaining to the shareholders of the Parent Company as of December 31st, 2013. The above changes in accounting treatment led to appropriate adjustments in the operational data for the period ended as of June 30st, 2013, presented for comparative purposes in this press release.

In addition, the new version of IAS 32, applicable retrospectively as from January 1st, 2014, requires that financial assets and liabilities may be offset and the net balance reported in the balance sheet only when certain specific conditions are met. The application of the new provisions of IAS 32 led to the restatement of a number of items in the consolidated balance sheet as of December 31st, 2013. Those changes did not have an impact on consolidated shareholders' equity.

Additionally, at the end of 2013, the Enel Group also adopted a new accounting policy as part of the project to standardize how the different types of environmental certificates are recognized and presented in the financial statements . The adoption of this new model, which is based on the business model of the companies involved in the environmental certificates incentive mechanism, has led only to certain reclassifications in the consolidated income statement for first half of 2013.

Finally, as of the date of the presentation of the current half-year financial report, the definitive allocation of the purchase prices for a number of companies in the Renewable Energy Division (including Parque Eolico Talinay Oriente) had been completed. As a result of the allocation, a number of items in the consolidated balance sheet as of December 31st, 2013, were restated to reflect the fair value of the assets acquired and the liabilities and contingent liabilities assumed in the associated business combinations.

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, net assets held for sale and Group net ordinary income). In accordance with 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 to its end users in first six months of 2014 amounted to 130.3 TWh, a 3.4 TWh (-2.5%) decrease compared with the corresponding period of 2013. The decline in volumes sold mainly regarded the decreases posted on the domestic market (-2.1 TWh) and in France (-2.3 TWh), the latter owing to the reduction in the volume of available capacity.

Sales of gas to end users totalled 4.4 billion cubic metres, down about 0.5 billion cubic metres on the same period of 2013. Such a decrease was attributable to sales in the Italian market, which amounted to 2.1 billion cubic metres, while gas sales abroad, accounted for by Endesa (2.3 billion cubic metres), were essentially unchanged.

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Power generation

Net electricity generated by the Enel Group in the first half of 2014 amounted to 135.8 TWh (down 0.3% compared with the 136.2 TWh generated in the first six months of 2013), of which 35.9 TWh in Italy and 99.9 TWh abroad.
Enel Group power plants in Italy generated 35.9 TWh, up 2.0% (+0.7 TWh) compared with the same period of 2013.
In the first six months of 2014, electricity demand in Italy amounted to 152.9 TWh, down 3.0% compared with the corresponding period of 2013, while net electricity imports increased by 0.9 TWh (+4.1%).
Net electricity generated abroad by the Enel Group in the first half of 2014 came to 99.9 TWh, down 1.1 TWh (-1.1%) compared with the first six months of the previous year. The decrease is largely attributable to the decline in volumes generated in Slovakia (1.2 TWh, of which 1.0 TWh of hydroelectric power) owing to unfavourable water conditions.
Of the total generation by Enel power plants in Italy and abroad, 50.5% came from conventional thermal generation, 35.0% from renewables (hydroelectric, wind, geothermal, biomass and solar) and 14.5% from nuclear power.

Distribution of electricity

Electricity distributed by the Enel Group network in the first half of 2014 amounted to 194.9 TWh, of which 109.4 TWh in Italy and 85.5 TWh abroad.
The volume of electricity distributed in Italy declined by 3.7 TWh (-3.3%) compared with the first six months of the previous year, in line with the trends of electricity demand on the domestic grid.
Electricity transported abroad amounted to 85.5 TWh, a slight increase (0.1 TWh, or +0.1%) compared with the same period of 2013. The increase was mainly due to higher volumes of electricity distributed by Endesa in Latin America (+1.3 TWh), partly offset by a decline in volumes distributed in the Iberian peninsula (-1.2 TWh) as a result of the contraction in electricity demand.

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CONSOLIDATED FINANCIAL HIGHLIGHTS

Revenues in the first half of 2014 amounted to 36,101 million euros, a decrease of 3,186 million euros (-8.1%) compared with the first half of 2013. The decline essentially reflects lower revenues from the sale and transport of electricity, largely due to the decrease in volumes generated and sold, as well as to unfavourable trends in the exchange rates of the currencies of certain countries where the Group operates with respect to the euro. Revenues for the first half of 2014 include the adjustment to the sales price (82 million euros) on the disposal of Arctic Russia, which was carried out at the end of 2013 on the basis of an earn-out clause that became fully applicable during the first half of 2014. Revenues for the first six months of the current year also include the fair value adjustment (for an overall 82 million euros) of the net assets of a number of companies during the period following acquisition or loss of control over those entities. More specifically, the revenues of the Sales business area amounted to 7,848 million euros (-9.9%), those of the Generation and Energy Management business area came to 10,278 million euros (-15.1%), those of the Infrastructure and Networks Division totalled 3,720 million euros (-1.7%), those of the Iberia and Latin America Division amounted to 14,373 million euros (-7.4%), those of the International Division were 2,622 million euros (-15.5%) and those of the Renewable Energy Division amounted to 1,365 million euros (-7.2%).

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EBITDA in the first half of 2014 amounted to 7,878 million euros, a decrease of 265 million euros (-3.3%) on the first half of 2013. More specifically, the gains on disposal and from fair value adjustment noted in the comments on revenues and the improvement in the margin on operations in Italy were more than offset by the deterioration in the performance of the Iberia and Latin America and Renewable Energy divisions, due to the adverse effect of a number of regulatory changes in Spain that had a particularly strong impact on both conventional and renewable generation companies. Another factor was the negative impact of the appreciation of the euro against a number of currencies of the countries where the Group operates. More specifically, the EBITDA of the Sales business area amounted to 538 million euros (+12.8%), that of the Generation and Energy Management business area came to 735 million euros (+17%), that of the Infrastructure and Networks Division totalled 2,118 million euros (+7.7%), that of the Iberia and Latin America Division was 2,982 million euros (-16.4%), that of the International Division came to 505 million euros (-0.8%) and that of the Renewable Energy Division totalled 889 million euros (-8.1%).

EBIT in the first half of 2014 amounted to 5,011 million euros, a decrease of 82 million euros (-1.6%) compared with the corresponding period of 2013, taking account of a decrease of 183 million euros in depreciation, amortization and impairment losses. The latter change was largely attributable to a decline in net impairment losses on trade receivables and a reduction in depreciation and amortization for tangible and intangible assets.
Broken down by division, the EBIT of the Sales business area was 257 million euros (+35.3%), that of the Generation and Energy Management business area amounted to 508 million euros (+28.9%), that of the Infrastructure and Networks Division totalled 1,626 million euros (+9.9%), that of the Iberia and Latin America Division was 1,625 million euros (-24.3%), that of the International Division came to 313 million euros (+50.5%) and that of the Renewable Energy Division amounted to 618 million euros (-11.6%).

Group net income in the first half of 2014 amounted to 1,685 million euros, essentially in line with the 1,680 million euros posted in the same period of 2013 (+0.3%).

Group net ordinary income in the first half of 2014 amounted to 1,572 million euros, down 80 million euros (-4.8%) compared with the 1,652 million euros achieved in the corresponding period of 2013.

The **consolidated balance sheet** as of June 30th, 2014 shows net capital employed of 95,947 million euros (92,538 million euros as of December 31st, 2013), including net assets held for sale of 14 million euros (221 million euros as of December 31st, 2013). It is funded by shareholders' equity attributable to shareholders of the Parent Company and non-controlling interests of 52,874 million euros (52,832 million euros as of December 31st, 2013) and net financial debt of 43,073 million euros (39,706 million euros as of December 31st, 2013). The latter increased by 3,367 million euros (+8.5%) from its level at the end of 2013. In particular, the positive impact of the performance of ordinary operations was more than offset by the financing requirements of investments in the period and the payment of dividends and taxes. As of June 30th, 2014, the **debt/equity ratio** was 0.81, compared with 0.75 at the end of 2013.

Capital expenditure in the first half of 2014 amounted to 2,485 million euros, an increase of 142 million euros compared with the corresponding period of 2013, with a particular focus on investment outside of Italy and in renewable technologies.

Group **employees** as of June 30th, 2014 numbered 71,404 (70,342 as of December 31st, 2013). The workforce in the first half of 2014 expanded by 1,062, largely due to the balance of new hires and terminations (+966), and changes in the scope of consolidation (+96), essentially attributable to Inversiones Gas Atacama and SE Hydropower.

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RECENT KEY EVENTS

On **May 12th, 2014**, Enel Green Power North America Inc. ("EGP-NA"), an Enel Green Power S.p.A. ("EGP") subsidiary, signed an agreement to purchase an additional 26% of the "Class A" shares of Buffalo Dunes Wind Project, LLC, the company operating the 250 MW Buffalo Dunes wind farm in Kansas, from a GE Capital subsidiary, for a total of, approximately, 60 million US dollars. The option to purchase the additional interest was provided for in the original agreement between EGP-NA and the GE Capital subsidiary. The transaction closed following the required approval by the Federal Energy Regulatory Commission. EGP-NA therefore holds 75% of the "Class A" shares of the company operating the wind farm, while the GE Capital subsidiary retains a 25% stake. Full consolidation of the Buffalo Dunes wind farm increased EGP's installed capacity in North America to, approximately, 2 GW. The Buffalo Dunes wind farm has been operational since December 2013 and was the largest wind project in the United States to start operation last year. The plant required a total investment of about 370 million US dollars and is supported by a long term power purchase agreement.

On **May 20th, 2014**, EGP announced that it began construction on two photovoltaic plants, Lalackama and Chañares, located in northern Chile. Lalackama, with an installed capacity of 60 MW, will be the Group's largest photovoltaic plant. Once fully up and running, the Lalackama plant will be capable of generating up to 160 GWh each year. The construction of the new plant is expected to require around 110 million US dollars. The Chañares plant, with an installed capacity of 40 MW, will be capable of generating up to 94 GWh per year once fully up and running. The total investment to construct the Chañares plant is estimated at around 70 million US dollars. Both projects are supported by power supply contracts to sell the electricity generated on the regulated market. These contracts were awarded in November 2013 via a tender, held by 26 distributors, for Chile's Central Interconnected System (SIC).

On **May 22nd, 2014**, the Enel Shareholders' Meeting approved the company's financial statements as of December 31st, 2013 and authorised the distribution of a dividend for 2013 of 13 eurocents per share, to be paid as from June 26th, 2014. The Meeting also appointed a new Board of Directors – whose term will expire with the approval of the financial statements for 2016 – composed of Maria Patrizia Grieco, Francesco Starace, Alessandro Banchi, Alberto Bianchi, Paola Girdinio, Salvatore Mancuso, Alberto Pera, Anna Chiara Svelto and Angelo Taraborrelli.

On **May 23rd, 2014**, the new Enel Board of Directors appointed Francesco Starace to serve as Chief Executive Officer and General Manager of the Company. The Board also approved the attribution of powers, designating the Chairman, Patrizia Grieco, to supervise audit activities (although the head of that function continues to report to the Board of Directors), to drive and oversee the application of corporate governance rules relating to the activities of the Board of Directors, and to maintain, in agreement and coordination with the CEO, relations with institutional bodies and authorities. In keeping with previous arrangements, the CEO was also granted all powers for the management of the Company, except for those otherwise assigned by applicable legislation, the Bylaws or retained by the Board of Directors within the scope of its responsibilities.

On **June 11th, 2014**, Francesco Starace, Chief Executive Officer and General Manager of Enel, signed in Beijing two agreements with the heads of China Huaneng Group and China National Nuclear Corporation, two leading companies in China's power sector. Following up on the joint work begun in 2009 in the field of carbon capture and storage, Enel and China Huaneng Group have decided to further expand and deepen their relationship, forging a collaborative effort in the areas of scientific and technological cooperation, the development of projects for the use of electricity from conventional and renewable energy sources, management research in the fields of social economy, sustainable development, policies and regulation, as well as management of carbon assets and carbon strategy. The Memorandum of Understanding signed by

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Enel with China National Nuclear Corporation establishes a framework for the exchange of information and best practices related to the development, design, construction, operation and maintenance of nuclear power plants.

On **July 8th, 2014**, EGP announced that its US subsidiary EGP-NA signed a capital contribution agreement worth around 400 million US dollars with a consortium led by J.P. Morgan. Under the agreement, the consortium has committed to funding the 150 MW Origin wind project located in Oklahoma and the 200 MW Goodwell project in Oklahoma and Texas. The consortium will distribute the funds once the plants enter service, which is scheduled for the fourth quarter of 2014 for Origin and the fourth quarter of 2015 for Goodwell, subject to compliance with the requirements set out in the capital contribution agreement. Both projects are supported by long-term power purchase agreements. Under the agreement, the J.P. Morgan-led consortium will make a capital contribution totalling about 400 million US dollars to EGP-NA. In exchange, the consortium will receive an equity interest with limited voting rights. This equity interest will allow the consortium to obtain a percentage of the fiscal benefits attributed to the Origin and Goodwell projects. EGP will secure the obligations of its US subsidiary in respect of the agreement with a parent company guarantee, which does not cover the return on the investment.

On **July 10th, 2014**, the Chief Executive Officer informed the Board of Directors that, as part of the disposal programme being implemented to strengthen the Group's financial structure, as provided for in the 2014-2018 Business Plan, potential sales by the Enel Group would include its generation assets in Slovakia and its distribution and sales assets in Romania. Accordingly, the Enel Group recently formally notified the companies in both Slovakia and Romania, as well as their non-controlling shareholders (state-controlled companies or entities), of the start of the sale process and has appointed the financial advisors and legal counsel that will be providing support for the operation. After receiving the notification from the Chief Executive Officer, the Board of Directors, having expressed its agreement with the initiatives undertaken, said it would examine and assess offers from potential buyers in the coming months as part of the sale process for the companies held by the Enel Group in Slovakia and Romania.

On **July 11th, 2014,** EGP and Sharp Corporation ("Sharp") announced they have reached a deal under which EGP will assume Sharp's "off-take" obligations for the photovoltaic panels manufactured at the Catania factory of 3Sun S.r.l. ("3Sun"), the equal joint venture between EGP, Sharp and STMicroelectronics. The "off-take agreement" is a contract under which EGP and Sharp agreed to purchase the entire output of the 3Sun facility located in Catania, Sicily, which currently manufactures about 200 MW of thin-film, multi-junction photovoltaic panels a year. The panels produced at the factory, which are especially well-suited for high-temperature applications, are used by EGP to build its photovoltaic plants in the various emerging geographical areas envisaged in the 2014-2018 Business Plan, including South America and South Africa. The consideration due to EGP from Sharp amounts to 95 million euros, while EGP also agrees to acquire Sharp's interest in Enel Green Power & Sharp Solar Energy Srl ("ESSE"), an equal joint venture created to develop, build and operate photovoltaic plants in the EMEA area, using the photovoltaic panels manufactured at the 3Sun factory. Once the acquisition of the interest is formalized, EGP will hold 100% of ESSE.

On **July 23rd, 2014**, EGP announced that it will buy out the interests (each equal to one-third of the share capital) of Sharp and STMicroelectronics in 3Sun, the aforementioned equal joint venture. Under the agreement with STMicroelectronics (which follows up on the deal reached with Sharp on July 11th), STMicroelectronics will pay EGP 15 million euros, fully releasing STMicroelectronics from any obligations concerning the joint venture or EGP. The operation, which will give EGP a 100% stake in 3Sun, will become effective once approval is received from the lender banks and the competent authorities (if required).

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OUTLOOK

In the first half of 2014, the macroeconomic scenario for European countries remains uncertain, as reflected in the downward revision for Italy and upward revision for Spain of economic growth forecasts for the end of the year. Against this backdrop, electricity demand remained weak during the period, contracting in Italy (by a seasonally adjusted -2.8%) and remaining substantially stable in Spain (increasing only by a seasonally adjusted 0.1%). Conversely, emerging economies continue to register significant growth rates in demand, albeit slightly lower than initially forecast.
In the second half of 2014, Enel will continue to leverage on a well-balanced portfolio in terms of geographies, technologies, regulated and unregulated activities, with a focus on emerging markets and renewable energy business.
In this perspective, in order to fully exploit the opportunities to create value offered by simplifying our organization structure and fully sharing technological and process best practices, Enel has also launched a project to reshape the organisation of the Group.
The priority of reducing Enel's financial debt is being implemented with the plan for enhancing the efficiency of operating costs, which after the significant results achieved in 2013 continued to make a contribution in line with forecasts in the first half of 2014.
The process of simplifying the corporate structure continues, with a number of important minority buyouts at subsidiaries in Latin America.

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BONDS ISSUED AND MATURING BONDS

The main financing operations carried out in the first half of 2014 include the following:

- the issue, on January 15th, 2014 of hybrid subordinated bonds by Enel structured in the following tranches:
  - 1,000 million euros, fixed-rate 5%, maturing on January 15th, 2075, with a call option at January 15th 2020;
  - 500 million pounds sterling, fixed-rate 6.625% (swapped into euros at a fixed rate of about 5.6%), maturing September 15th, 2076, with a call option at September 15th, 2021;
- the issue, on April 15th, 2014 , of a 400 million US dollar bond, fixed-rate 4.25%, by Endesa Chile, maturing on April 15th, 2024;
- the issue, in May, of bonds by Emgesa S.A. ESP totalling 590 million Colombian pesos, floating rate, with maturities of 6, 10 and 16 years;
- the issue, in April and June, of bonds by Edelnor totalling 260 million Peruvian soles, fixed-rate, between 5.8% and 6.8%, with maturities of 5, 7 and 9 years.

During the period between July 1st, 2014 and December 31st, 2015, bond issues with a total carrying amount of 5,195 million euros are scheduled to reach maturity, of which the main issues are:

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- 1,250 million US dollars (consolidated in the amount of 915 million euros) in respect of a fixed-rate bond, issued by Enel Finance International, maturing in October 2014;
- 1,000 million euros in respect of a fixed-rate bond, issued by Enel, maturing in January 2015;
- 1,300 million euros in respect of a floating-rate bond, issued by Enel, maturing in January 2015;
- 1,250 million euros in respect of a fixed-rate bond, issued by Enel Finance International, maturing in June 2015;
- 150 million Swiss francs in respect of a floating-rate bond, issued by Enel Finance International, maturing in December 2015.

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AMENDMENTS TO THE BYLAWS

The Board of Directors has also approved a number of amendments to the Bylaws in order to update their content to comply with regulatory changes and to eliminate references to a number of delegations of authority to increase share capital (mainly in respect of stock option plans) that, with the passage of time, have already been carried out or are no longer in effect.
With regard to the former motivation, following the recent completion of the regulatory framework concerning the special powers of the Italian government with regard to strategically important assets in the energy sector with Decree Law 21 of March 15th, 2012 (ratified with amendments by Law 56 of May 11th, 2012), the regulations set out under Article 2 of Decree Law 332 of May 31st, 1994 (ratified with amendments by Law 474 of July 30th, 1994) have been repealed and the clause in the Enel Bylaws (article 6.2) governing those powers (the "golden share"), having ceased to apply, has been eliminated by the Board of Directors.

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At 9:30 a.m. CET today, July 31st, 2014, a conference call will be held to present the results of the first half of 2014 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 Relations section from the beginning of the call.
Tables presenting the results of the individual business areas (which do not take account of intersegment eliminations) are attached below, as are the income statement, the statement of comprehensive income, the balance sheet and the cash flow statement for the Enel Group. These statements and explanatory notes were delivered to the independent auditor for evaluation. A descriptive summary of the alternative performance indicators is also attached.

The manager 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 by business area
The representation of operations by business area is based on the approach used by management in monitoring Group performance for the two periods under review.

Sales

Results (millions of euros)**:**

	H1 2014	H1 2013	Change
Revenues	7,848	8,712	-9.9%
EBITDA	538	477	+12.8%
EBIT	257	190	+35.3%
Capital expenditure	43	24	+79.2%

Generation and Energy Management

Results (millions of euros)**:**

	H1 2014	H1 2013	Change
Revenues	10,278	12,100	-15.1%
EBITDA	735	628	+17.0%
EBIT	508	394	+28.9%
Capital expenditure	62	94	-34.0%

Infrastructure and Networks

Results (millions of euros)**:**

	H1 2014	H1 2013	Change
Revenues	3,720	3,784	-1.7%
EBITDA	2,118	1,966	+7.7%
EBIT	1,626	1,479	+9.9%
Capital expenditure	455	483	-5.8%

Iberia and Latin America

Results (millions of euros)**:**

	H1 2014	H1 2013	Change
Revenues	14,373	15,515	-7.4%
EBITDA	2,982	3,566	-16.4%
EBIT	1,625	2,148	-24.3%
Capital expenditure	846	796	+6.3%

International

Results (millions of euros)**:**

	H1 2014	H1 2013	Change
Revenues	2,622	3,102	-15.5%
EBITDA	505	509	-0.8%
EBIT	313	208	+50.5%
Capital expenditure	422	376	+12.2%

Renewable Energy

Results (millions of euros)**:**

	H1 2014	H1 2013	Change
Revenues	1,365	1,471	-7.2%
EBITDA	889	967	-8.1%
EBIT	618	699	-11.6%
Capital expenditure	641	545	+17.6%

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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" 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 algebraic sum of "Net non-current assets", "Net current assets", provisions not previously considered, "Deferred tax liabilities" and "Deferred tax assets", as well as "Net assets held for sale";
- **Net assets held for sale:** calculated as the algebraic sum of "Assets held for sale" and "Liabilities held for sale";
- **Group net ordinary income:** defined as that part of "Group net income" derived from ordinary business operations.

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Consolidated Income Statement

Millions of euro		1st Half			
		2014		2013 restated	
			of which with related parties		*of which with related parties*
Revenues					
Revenues from sales and services		34,963	2,718	38,100	4,719
Other revenues and income		1,138	257	1,187	41
	[Subtotal]	**36,101**		**39,287**	
Costs					
Raw materials and consumables		18,155	3,523	20,494	5,398
Services		7,379	1,163	7,310	1,232
Personnel		2,218		2,373	
Depreciation, amortization and impairment losses		2,867		3,050	
Other operating expenses		1,161	54	1,370	35
Capitalized costs		(684)		(658)	
	[Subtotal]	**31,096**		**33,939**	
Net income/(charges) from commodity risk management		**6**	**49**	**(255)**	**30**
Operating income		**5,011**		**5,093**	
Financial income		1,219	11	1,444	17
Financial expense		2,895	14	2,707	3
Share of income/(expense) from equity investments accounted for using the equity method		53		93	
Income before taxes		**3,388**		**3,923**	
Income taxes		1,148		1,440	
Net income from continuing operations		**2,240**		**2,483**	
Net income from discontinued operations		**-**		**-**	
Net income for the year (shareholders of the Parent Company and non-controlling interests)		**2,240**		**2,483**	
Attributable to shareholders of the Parent Company		1,685		1,680	
Attributable to non-controlling interests		555		803	
Earnings per share (euro) attributable to ordinary shareholders of the Parent Company		*0.18*		*0.18*	
Diluted earnings per share (euro) attributable to ordinary shareholders of the Parent Company		*0.18*		*0.18*	
Earnings from continuing operations per share (euro) attributable to ordinary shareholders of the Parent Company		*0.18*		*0.18*	
Diluted earnings from continuing operations per share (euro) attributable to ordinary shareholders of the Parent Company		*0.18*		*0.18*	

Statement of Consolidated Comprehensive Income

Millions of euro	1st Half	
	2014	2013 restated
Net income for the period	**2,240**	**2,483**
Other comprehensive income recyclable to profit or loss:		
Effective portion of change in the fair value of cash flow hedges	(358)	(307)
Income recognized in equity by companies accounted for using the equity method	(16)	5
Change in the fair value of financial investments available for sale	(19)	(77)
Change in translation reserve	316	(1,369)
Other comprehensive income not recyclable to profit or loss:		
Change in net liabilities (assets) for defined benefits	-	-
Income/(Loss) recognized directly in equity	**(77)**	**(1,748)**
Comprehensive income for the period	**2,163**	**735**
Attributable to:		
- shareholders of the Parent Company	1,441	829
- non-controlling interests	722	(94)

ENERGY TO LIFE

Press Release

Consolidated Balance Sheet

Millions of euro

ASSETS		at June 30, 2014		at Dec, 31, 2013 restated	
			of which with related parties		*of which with related parties*
Non-current assets					
Property, plant and equipment		81,189		80,263	
Investment property		214		181	
Intangible assets		32,893		33,022	
Deferred tax assets		6,267		6,186	
Equity investments accounted for using the equity method		1,137		1,372	
Non-current financial assets [(1)]		6,279		6,414	4
Other non-current assets		882		817	15
	[Total]	**128,861**		**128,255**	
Current assets					
Inventories		3,611		3,555	
Trade receivables		11,629	1,079	11,415	1,268
Tax receivables		1,824		1,709	
Current financial assets [(2)]		8,375	10	8,297	4
Other current assets		3,267	250	2,520	152
Cash and cash equivalents		7,044		7,873	
	[Total]	**35,750**		**35,369**	
Assets held for sale		**14**		**241**	
TOTAL ASSETS		**164,625**		**163,865**	

(1) Of which long-term financial receivables for 4,726 millions of euro at June 30, 2014 (4,837 millions of euro at December 31, 2013) and other securities for 140 millions of euro at June 30, 2014 (128 millions of euro at December 31, 2013).
(2) Of which current portion of long-term financial receivables, short-term financial receivables and other securities at June 30, 2014 for 1,546 millions of euro (2,976 millions of euro at December 31, 2013), 2,375 millions of euro (2,510 millions of euro at December 31, 2013) and 21 millions of euro (17 millions of euro at December 31, 2013).

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Millions of euro

LIABILITIES AND SHAREHOLDERS' EQUITY		at June 30, 2014		at Dec, 31, 2013 restated	
			of which with related parties		*of which with related parties*
Equity attributable to the shareholders of the Parent Company					
Share capital		9,403		9,403	
Other reserves		6,849		7,084	
Retained earnings (losses carried forward)		19,911		19,454	
	[Total]	**36,163**		**35,941**	
Non-controlling interests		**16,711**		**16,891**	
Total shareholders' equity		**52,874**		**52,832**	
Non-current liabilities					
Long-term loans		49,320		50,905	
Post-employment and other employee benefits		3,660		3,677	
Provisions for risks and charges		7,402		7,971	
Deferred tax liabilities		10,742		10,795	
Non-current financial liabilities		2,498		2,216	
Other non-current liabilities		1,354	2	1,259	2
	[Total]	**74,976**		**76,823**	
Current liabilities					
Short-term loans		2,821		2,484	
Current portion of long-term loans		6,784		4,658	
Trade payables		10,391	2,925	12,923	3,647
Income tax payable		1,111		286	
Current financial liabilities		5,325		4,040	4
Other current liabilities		10,343	18	9,799	24
	[Total]	**36,775**		**34,190**	
Liabilities held for sale		**-**		**20**	
Total liabilities		**111,751**		**111,033**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**164,625**		**163,865**	

ENERGY TO LIFE

Press Release

Consolidated Statement of Cash Flows

Millions of euro	1st Half			
	2014		2013 restated	
		of which with related parties		*of which with related parties*
Income before taxes for the period	**3,388**		**3,923**	
Adjustments for:				
Amortization and impairment losses of intangible assets	382		391	
Depreciation and impairment losses of property, plant and equipment	2,201		2,279	
Exchange rate adjustments of foreign currency assets and liabilities (including cash and cash equivalents)	317		(96)	
Accruals to provisions	463		752	
Financial (income)/expense	1,343		1,031	
(Gains)/Losses on disposals and other non-monetary items	(13)		334	
Cash flow from operating activities before changes in net working capital	8,081		8,614	
Increase/(Decrease) in provisions	(1,174)		(1,139)	
(Increase)/Decrease in inventories	(32)		(77)	
(Increase)/Decrease in trade receivables	(455)	189	(1,076)	(881)
(Increase)/Decrease in financial and non-financial assets/liabilities	(138)	(95)	(393)	(47)
Increase/(Decrease) in trade payables	(2,574)	(722)	(2,690)	(71)
Interest income and other financial income collected	587	11	657	17
Interest expense and other financial expense paid	(2,055)	(14)	(2,069)	(3)
Income taxes paid	(436)		(1,197)	
Cash flows from operating activities (a)	**1,804**		**630**	
Investments in property, plant and equipment	(2,275)		(2,147)	
Investments in intangible assets	(210)		(196)	
Investments in entities (or business units) less cash and cash equivalents acquired	(104)		(148)	
Disposals of entities (or business units) less cash and cash equivalents sold	23		68	
(Increase)/Decrease in other investing activities	41		46	
Cash flows from investing/disinvesting activities (b)	**(2,525)**		**(2,377)**	
Financial debt (new long-term borrowing)	3,027		1,065	
Financial debt (repayments and other net changes)	(1,081)		(3,288)	
Receipts/(Outlays) for disposals/(acquisitions) of non-controlling interests	(180)		1,795	
Incidental expenses related to proceeds from sale of equity holdings without loss of control	-		(45)	
Dividends and interim dividends paid	(1,870)		(1,846)	
Cash flows from financing activities (c)	**(104)**		**(2,319)**	
Impact of exchange rate fluctuations on cash and cash equivalents (d)	**(10)**		**(128)**	
Increase/(Decrease) in cash and cash equivalents (a+b+c+d)	**(835)**		**(4,194)**	
Cash and cash equivalents at beginning of the period (1)	7,900		9,768	
Cash and cash equivalents at the end of the period (2)	7,065		5,574	

(1) Of which cash and cash equivalents equal to €7,873 million at January 1, 2014 (€9,726 million at January 1, 2013), short-term securities equal to €17 million at January 1, 2014 (€42 million at January 1, 2013) and cash and cash equivalents pertaining to assets held for sale in the amount of €10 million at January 1, 2014 (€0 million at January 1, 2013).
(2) Of which cash and cash equivalents equal to €7,044 million at June 30, 2014 (€5,543 million at June 30, 2013), short-term securities equal to €21 million at June 30, 2014 (€29 million at June 30, 2013) and cash and cash equivalents pertaining to assets held for sale in the amount of €0 million at June 30, 2014 (€2 million at June 30, 2013).