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Press Release

ENEL: BOARD OF DIRECTORS APPROVES THE RESULTS AT SEPTEMBER 30th, 2014

- *Revenues: 54,075 million euros (57,836 million euros in the first nine months of 2013,-6.5%)*
- *EBITDA: 11,608 million euros (11,966 million euros in the first nine months of 2013, -3.0%)*
- *EBIT: 7,155 million euros (7,352 million euros in the first nine months of 2013, -2.7%)*
- *Group net income: 1,957 million euros (2,335 million euros in the first nine months of 2013, -16.2%)*
- *Group net ordinary income: 1,870 million euros (2,307 million euros in the first nine months of 2013, -18.9%)*
  Net financial debt: 44,578 million euros (39,706 million euros at December 31st, 2013, +12.3%); 43,275 million euros excluding exchange rate differences associated with medium/long-term debt

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- *Independent Director Salvatore Mancuso submitted his resignation from the Board of Directors of Enel for personal reasons*

Rome, November 11th, 2014 – The Board of Directors of Enel S.p.A. ("Enel"), chaired by Patrizia Grieco, today examined and approved the Interim Financial Report as of September 30th, 2014.

Consolidated financial highlights (millions of euros):

	First nine months 2014	First nine months 2013	Change
Revenues	**54,075**	57,836	-6.5%
EBITDA	**11,608**	11,966	-3.0%
EBIT	**7,155**	7,352	-2.7%
Group net income	**1,957**	2,335	-16.2%
Group net ordinary income	**1,870**	2,307	-18.9%
Net financial debt	**44,578**	*39,706	+12.3%

** At December 31st, 2013.*

Francesco Starace, Chief Executive Officer and General Manager of Enel stated: "*Enel's performance in the first nine months of the year demonstrated the considerable resilience of the Group in the face of the on-going uncertainty associated with the European macroeconomic environment, exchange rate fluctuations in*

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Russia and Latin America and the effects of the regulatory measures adopted in Spain. In the final quarter of the year, Enel continues to concentrate on emerging markets and renewable energy, leveraging our diversified portfolio and a new and more effective organizational structure. These two factors position us well to continue to drive value creation, and alongside the recently finalized decoupling of our Iberian and Latin America operations and the ongoing transaction in Spain, give us the confidence to reconfirm the full-year targets for EBITDA and net income as previously announced to the markets".

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Unless otherwise specified, the balance sheet figures at September 30th, 2014, exclude assets and liabilities held for sale, which regard a number of companies of the Renewable Energy Division and other 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.

Certain financial, performance and operational figures at December 31st, 2013 and/or the associated three and nine-month periods ended at September 30th, 2013, reported in this press release for comparative purposes only have been restated, for the following reasons:

- 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 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 gave rise to the restatement, for comparative purposes only, of the consolidated balance sheet at December 31st, 2013, and the income statement and operational figures for the first nine months of 2013.
- The application of the new provisions of IAS 32 (applicable retrospectively as from January 1st, 2014), which require that financial assets and liabilities may be offset only when certain specific conditions are met, led to the restatement of a number of items in the consolidated balance sheet at December 31st, 2013. Those changes did not have an impact on consolidated shareholders' equity.
- 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. This new model is based on the business model of the companies involved in the environmental certificates incentive mechanism and has led only to certain reclassifications in the condensed consolidated income statement for the third quarter and first nine months of 2013.
- During 2014, the definitive allocation of the purchase prices for a number of companies in the Renewable Energy Division (including *Parque EolicoTalinay Oriente*) was completed. As a result of the allocation, a number of items in the consolidated balance sheet at 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.

Finally, on July 31st, 2014, the Enel Group adopted a new organizational structure, based on a matrix of business lines and geographical areas and focused on the Group's industrial objectives, with the clear specification of roles and responsibilities aimed at pursuing and maintaining technological leadership in the sectors in which the Group operates, while ensuring operational excellence and maximising the level of service offered to customers in local markets. The new organization will modify the reporting structure, the analysis of the Group's performance and financial position and, accordingly, the representation of consolidated results only from the start of 2015. Consequently, in this press release, in line with practice in previous periods, the results by business area are discussed using the previous organizational structure, taking account of the provisions of IFRS 8 concerning the "management approach".

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 end users in the first nine months of 2014 amounted to 195.9 TWh, a decrease of 7.1 TWh (-3.5%) on the same period of 2013. The decline is mainly attributable to the contraction in sales on the domestic market (-3.8 TWh) and in France (-3.4 TWh) as a result of the reduction in the volume of available capacity.

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Sales of gas to end users totalled 5.5 billion cubic metres, down about 0.6 billion cubic metres on the same period of 2013. Volumes of gas sold in Italy amounted to 2.4 billion cubic metres, down 0.5 billion cubic

metres, while sales in the Iberian peninsula totalled 3.1 billion cubic metres, a contraction of 0.1 billion cubic metres.

Power generation

Net electricity generated by the Enel Group in the first nine months of 2014 amounted to 210.5 TWh, essentially unchanged on the 210.6 TWh registered in the same period of the previous year.
Enel Group power plants in Italy generated 54.1 TWh, a slight increase (0.2% or +0.1 TWh) on the same period of 2013.
In the first nine months of 2014, electricity demand in Italy amounted to 231.8 TWh, a decrease of 3.0% on the same period of 2013, while net electricity imports increased by 0.7 TWh (+2.3%).
Net electricity generated abroad by the Enel Group in the first nine months of 2014 came to 156.4 TWh, down 0.2 TWh (-0.1%) on the same period of the previous year. A contraction in volumes generated in Chile by Endesa plants (-1.3 TWh), in Slovakia (-0.9 TWh) and in Iberia (-0.3 TWh) was partly offset by an increase in output in North America (+1.0 TWh), Colombia (+0.9 TWh) and Peru (+0.5 TWh).
Of the total generation by Enel power plants around the world, 52.0% came from conventional thermal generation, 34.1% from renewables (hydroelectric, wind, geothermal, biomass and solar) and 13.9% from nuclear power.

Distribution of electricity

Electricity distributed by the Enel Group network in the first nine months of 2014 totalled 297.5 TWh, of which 167.2 TWh in Italy and 130.3 TWh abroad.
The volume of electricity distributed in Italy fell by 4.8 TWh (-2.8%) compared with the same period of the previous year, essentially in line with developments in demand on the domestic grid.
Electricity distributed abroad amounted to 130.3 TWh, a slight decrease on the same period of 2013 (-0.1 TWh; -0.1%). The contraction reflects the reduction of volumes distributed in the Iberian peninsula (-1.7 TWh), partly offset by an increase in volumes distributed in Latin America (+1.6 TWh) by Endesa companies.

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FINANCIAL HIGHLIGHTS

Consolidated results for the first nine months of 2014

Revenues in the first nine months of 2014 amounted to 54,075 million euros, a decrease of 3,761 million euros (-6.5%) on the same period of 2013, mainly attributable to a decline in revenues from the sale and transport of electricity, due a contraction in volumes generated and sold, as well as to unfavourable developments in the average exchange rates of the local currencies of various countries in which the Group operates with respect to the euro (notably Russia and Latin American countries). Revenues for the first nine months of 2014 also include the adjustment to the sales price (82 million euros) of Arctic Russia, which was sold at the end of 2013, and the fair value adjustment of the net assets of a number of companies during the period following the loss or acquisition of control of such companies. More specifically, broken down by business area and division, the revenues of the Sales business area amounted to 11,382 million euros (-10.3%), those of the Generation and Energy Management business area came to 15,111 million euros (-13.8%), those of the Infrastructure and Networks Division totalled 5,526 million euros (-1.3%), those of the Iberia and Latin America Division amounted to 21,959 million euros (-4.9%), those of the International Division were 3,918 million euros (-15.1%) and those of the Renewable Energy Division amounted to 2,016 million euros (-1.6%).

EBITDA in the first nine months of 2014 amounted to 11,608 million euros, a contraction of 358 million euros (-3.0%) on the same period of 2013. More specifically, excluding the gains on disposal and from fair value

adjustment noted above, the decline in the performance of the Iberia and Latin America Division (which was adversely impacted by developments in exchange rates and regulatory changes in Spain) were only partly offset by the improvement in the margin on operations in Italy.
More specifically, the EBITDA of the Sales business area amounted to 758 million euros (+11.8%), that of the Generation and Energy Management business area came to 1,025 million euros (+13.9%), that of the Infrastructure and Networks Division totalled 3,080 million euros (+6.3%), that of the Iberia and Latin America Division was 4,536 million euros (-13.6%), that of the International Division came to 778 million euros (-5.5%) and that of the Renewable Energy Division totalled 1,312 million euros (+0.5%).

EBIT in the first nine months of 2014 amounted to 7,155 million euros, down 197 million euros (-2.7%) on the same period of 2013, taking account of a decrease of 161 million euros in depreciation, amortization and impairment losses. Broken down by business area and division, the EBIT of the Sales business area was 338 million euros (+24.3%), that of the Generation and Energy Management business area amounted to 626 million euros (+16.4%), that of the Infrastructure and Networks Division totalled 2,335 million euros (+7.5%), that of the Iberia and Latin America Division was 2,442 million euros (-20.2%), that of the International Division came to 479 million euros (+21.3%) and that of the Renewable Energy Division amounted to 885 million euros (+0.5%).

Group net income for the first nine months of 2014 amounted to 1,957 million euros, a decline of 378 million euros (-16.2%) on the same period of 2013. More specifically, the aforementioned decline in EBIT, an increase in net financial expense (largely associated with non-recurring items recognized in the two periods being compared) and the adverse impact on deferred taxation of the increase in tax rates in Chile were only partly offset by the beneficial effects of the reduction in the rate of the IRES (corporate income tax) surtax applied to a number of Italian companies – the so-called Robin Hood Tax – which was reduced, as from January 2014, to 6.5% from 10.5%.

Group net ordinary income for the first nine months of 2014 totalled 1,870 million euros, down 437 million euros (-18.9%) on the same period of 2013.

The **consolidated balance sheet** as of September 30th, 2014 shows net capital employed of 97,421 million euros (92,538 million euros as of December 31st, 2013), including net assets held for sale of 113 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 52,843 million euros (52,832 million euros as of December 31st, 2013) and net financial debt of 44,578 million euros (39,706 million euros as of December 31st, 2013).
Net financial debt increased by 4,872 million euros 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 the payment of dividends and investments in the period, as well as the adverse impact of exchange rate differences, mainly associated with medium/long-term debt in currencies other than the euro. Excluding these exchange rate effects, net financial debt as of September 30th, 2014 would amount to 43,275 million euros.

As of September 30th, 2014, the ***debt/equity ratio*** was 0.84, compared with 0.75 at the end of 2013.

Capital expenditure in the first nine months of 2014 totalled 4,012 million euros, an increase of 333 million euros on the same period of 2013, with a particular focus on investment in renewable generation plants.

Group **employees** as of September 30th, 2014 numbered 71,333 (70,342 as of December 31st, 2013). The workforce in the first nine months of 2014 expanded by 991, reflecting the balance between new hires and terminations (+895) and changes in the scope of consolidation (+96).

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Consolidated results for the third quarter of 2014

Consolidated financial highlights (millions of euros):

	Third quarter 2014	Third quarter 2013	Change
Revenues	**17,974**	18,549	-3.1%
EBITDA	**3,730**	3,823	-2.4%
EBIT	**2,144**	2,259	-5.1%
Group net income	**272**	655	-58.5%
Group net ordinary income	**298**	655	-54.5%

Revenues in the third quarter of 2014 amounted to 17,974 million euros, down 575 million euros on the same period of 2013. The decrease is mainly attributable to the decline in revenues from the sale and transport of electricity. More specifically, the revenues of the Sales business area amounted to 3,534 million euros (-11.1%), those of the Generation and Energy Management business area totalled 4,833 million euros (-10.9%), those of the Infrastructure and Networks Division came to 1,806 million euros (-0.4%), those of the Iberia and Latin America Division were 7,586 million euros (+0.1%), those of the International Division amounted to 1,296 million euros (-14.3%) and those of the Renewable Energy Division totalled 651 million euros (+12.6%).

EBITDA in the third quarter of 2014 amounted to 3,730 million euros, a decrease of 93 million euros (-2.4%) on the third quarter of 2013. More specifically, the EBITDA of the Sales business area amounted to 220 million euros (+9.5%), that of the Generation and Energy Management Division came to 290 million euros (+6.6%), that of the Infrastructure and Networks Division came to 962 million euros (+3.3%), that of the Iberia and Latin America Division amounted to 1,554 million euros (-7.8%), that of the International Division was 273 million euros (-13.1%) and that of the Renewable Energy Division increased to 423 million euros (+25.1%).

EBIT in the third quarter of 2014 came to 2,144 million euros, down 115 million euros (-5.1%) on the corresponding period of 2013, with an increase of 22 million euros in depreciation, amortization and impairment losses.
With regard to the results of the individual business areas and divisions, the EBIT of the Sales business area amounted to 81 million euros (-1.2%), that of the Generation and Energy Management business area was 118 million euros (-18.1%), that of the Infrastructure and Networks Division totalled 709 million euros (+2.2%), that of the Iberia and Latin America Division stood at 817 million euros (-10.5%), that of the International Division amounted to 166 million euros (-11.2%) and that of the Renewable Energy Division was 267 million euros (+46.7%).

Group net income in the third quarter of 2014 amounted to 272 million euros, compared with 655 million euros in the third quarter of 2013, a decrease of 383 million euros (-58.5%). The contraction for the period mainly reflects the decline in EBIT, an increase in net financial expense and higher taxes for the period following the aforementioned tax reform in Chile.

Group net ordinary income in the third quarter of 2014 totalled 298 million euros, down 357 million euros (-54.5%) on the same period of 2013.

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<u>RECENT KEY EVENTS</u>

On **July 30th, 2014,** the Board of Directors of Enel examined and approved the plan for the reorganization of Enel Group operations in Iberia and Latin America as well as the new Group organizational structure

established by the Chief Executive Officer. The main objectives of the plan for reorganizing the Group's activities in Iberia and Latin America are as follows: (i) to align the corporate structure with the new organizational structure of the Group, thus simplifying the chain of control of the Latin America companies and creating the basis for the optimization of the Group's cash flows; (ii) to refocus the operations of Endesa S.A. ("Endesa") as the leading company in the energy market in the Iberian peninsula, implementing a new business plan focused on the development of current business platforms as well as on emphasizing the competitiveness of operations in Spain and Portugal; and (iii) to foster value creation for Endesa shareholders, including through the optimization of its financial structure and the adoption of a stable and well-defined dividend policy.
On **September 11th, 2014,** the Enel Board of Directors, in implementation of the aforementioned reorganization plan, discussed the presentation to Endesa by Enel Energy Europe S.L. ("EEE", a company incorporated under Spanish law that is wholly-owned by Enel and which in turn was a 92.06% shareholder of Endesa) of:
1. the binding proposal for the acquisition of the 60.62% interest held directly and indirectly by Endesa in the Chilean company Enersis S.A. ("Enersis"), Parent Company for operations in Latin America. More specifically, the stakes which would be acquired are 20.30% of Enersis held directly by Endesa, and 100% of Endesa Latinoamérica S.A., which in turn holds 40.32% of Enersis. The proposal provides for a total purchase price for the above interests of 8,252.9 million euros based upon an implicit price for Enersis shares of 215.0 Chilean pesos (equal to 0.28 euros at the exchange rate prevailing on September 10th, 2014) and net of Endesa Latinoamérica's overheads and net liabilities, equal to a negative 144 million euros. The price was determined by using international valuation procedures and methods generally accepted for such transactions, also supported by the fairness opinion issued by Mediobanca as financial advisor;
2. the proposal that Endesa distribute an extraordinary cash dividend, in an amount equal to the amount received by Endesa for the sale of 60.62% of Enersis, the payment of which will be subject to the execution of such sale.
On **September 17th, 2014,** the Board of Directors of Endesa accepted the proposal, subject to the approval of Endesa's shareholders' meeting called on purpose for October 21st, 2014. The Board of Directors of Endesa decided on the basis of the recommendations put forth by a special internal committee comprised entirely of independent directors, which was mandated to verify that the plan for reorganizing Enel Group activities in Iberia and Latin America was in line with the corporate interests of Endesa from an economic, financial, legal and strategic standpoint, and taking into account the opinions issued by qualified financial, strategic and legal experts.
On **October 21st, 2014**, the Shareholders' Meeting of Endesa approved the binding proposal made by EEE for the aforementioned acquisition of 60.62% of Enersis and the related distribution of an extraordinary cash dividend by Endesa, in the total amount of 8,252,972,752.02 euros (equal to 7.795 euros per share), substantially equivalent to the amount agreed to be paid to Endesa for the sale. The dividend was distributed on October 29th, 2014 while on **October 23rd, 2014** the sale of 60.62% of Enersis to EEE from Endesa was closed.

On **September 3rd, 2014,** the Enel Group's Chilean subsidiary Enersis successfully finalized the transaction, begun in April 2014, to obtain majority control of Peruvian power company Edegel S.A.A. ("Edegel"), which has an installed capacity of 1,524 MW. The acquisition involved the purchase of all shares held indirectly by Inkia Americas Holdings Limited in Generandes Peru S.A. ("Generandes", a company controlling Edegel with a 54.20% shareholding in the latter), equivalent to 39.01% of the share capital, for 421 million U.S. dollars (including the portion of dividend for the period to be attributed to the seller). Enersis therefore has reached a 58.6% direct and indirect shareholding in Edegel, a 21.1% increase on the 37.5% it indirectly owned through its subsidiary Endesa Chile.

On **September 16th, 2014,** the subsidiary Enel Green Power ("EGP") announced that it had begun construction of the new "Talinay Poniente" wind farm in Chile, which will be composed of 32 wind turbines with a total installed capacity of 61 MW. Once fully up and running the wind farm will be able to generate up to over 160 GWh per year. The new wind farm is scheduled to come on line in the first half of 2015. The total investment required to build the new plant amounts to, approximately, 140 million U.S. dollars. The project is supported by a contract to supply energy to regulated-market customers.

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On **September 18th, 2014,** EGP announced that the French Supreme Court ("Cour de Cassation") had denied the appeal filed in 2013 by Inversiones Energéticas, S.A. de C.V. ("INE") and by the Comisión Ejecutiva Hidroeléctrica del Río Lempa, challenging the decision of the Court of Appeals that upheld the ruling of the arbitral tribunal, made in accordance with the rules of the International Chamber of Commerce concerning investments in LaGeo S.A. de C.V. (LaGeo), the joint venture between EGP and INE for geothermal development in El Salvador. This decision therefore makes the Arbitration Court ruling issued in 2011 definitive. The arbitration ruling recognized the right of EGP to increase, through the investments it executed, its equity stake in LaGeo through the subscription of new shares in the joint venture, as well as the right to receive the company's earnings in the form of dividends.

On **September 30th, 2014,** Enel announced that it has been awarded, in partnership with multinational corporation Dragon Oil, two gas exploration blocks, namely Msari Akabli, located in south-western Algeria and Tinrhert Nord, in eastern Algeria. Enel will hold 70% of the partnership for Msari Akabli, where promising oil and gas discoveries have been already made, and will serve as project operator, while Dragon Oil will hold the remaining 30%. At Tinrhert Nord, situated in an area rich in producing oil and gas fields and where Enel already holds the South East Illizi concession, Enel will hold 30% of the partnership and Dragon Oil serving as project operator will hold 70%.

On **October 1st, 2014,** Enel announced that Andrea Brentan, in agreement with Enel Group CEO Francesco Starace, had decided to resign as Endesa CEO, once his strategic role in planning the corporate restructuring of Endesa is completed. Brentan will continue to sit on the Boards of Directors of Enel Green Power and of Enersis. His resignation was formally accepted by the Board of Directors of Endesa on October 7th, 2014, which appointed D. José Damian Bogas as his replacement as Endesa CEO at the same meeting. Mr. Bogas, an industrial engineer born in Madrid in 1955, has been with Endesa since 1982, holding a number of different management positions, including, from 1998, serving as General Manager for Spain and Portugal.

On **October 7th, 2014,** The Board of Directors of subsidiary Endesa, in the context of updating the company's business plan, approved (i) the distribution of a further extraordinary cash dividend, by way of an interim dividend on profits for 2014, equal to 6.0 euros per share, for a total of 6,352,512,702.00 euros, with the aim of defining a more balanced and efficient capital structure; (ii) a new dividend policy for the fiscal years 2014–2016 which envisages: 1) for 2014, in addition to the extraordinary interim dividend of 6.0 euros per share mentioned above and to the further extraordinary dividend of 7.795 euros per share proposed by Endesa's Board of Directors on September 17th, 2014, the distribution of an ordinary cash dividend equal to 0.76 euros per share, for an overall amount of about 800 million euros, to be paid in 2015; 2) for fiscal years 2015 and 2016, the target of an increase of at least 5% on a yearly basis of the above ordinary cash dividend of 0.76 euro per share; 3) payment of the above ordinary dividends in two instalments, during the months of January and July, in conformity with the usual practice of Endesa's main competitors. The 6.0 euro extraordinary dividend was distributed on October 29th, 2014, along with the 7.795 euros per share extraordinary dividend connected to the sale to EEE of 60.62% of Enersis and approved by Endesa's General Shareholders Meeting on October 21st, 2014.

On **October 14th, 2014,** Francesco Starace, CEO and General Manager of Enel, signed a Memorandum of Understanding with Tian Guoli, Chairman of Bank of China, Ltd. (not to be confused with People's Bank of China), a leader in the Chinese banking sector. The agreement calls for undertaking a joint assessment of future, potential financial transactions over the next 5 years. Specifically, the Bank of China declares itself available, through its headquarters and global network, to grant potential financing facilities to Enel of up to 1 billion euros, subject to a joint assessment with Enel. Moreover, based upon its experience in the renminbi ("RMB") currency market, the Bank of China will provide its advisory services to Enel for its operations in that market. In turn, Enel will regard the Bank as its strategic partner for global RMB-denominated transactions and will consider the possibility of using RMB as the base currency for its transactions with the Bank of China. Other services the Bank will provide include hedging instruments, financial consulting, as well as support in relationships with strategic partners in the China and Asia region.

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On **October 28th, 2014**, Enel Finance International N.V. ("EFI"), a wholly-owned subsidiary of Enel, announced that, following a non-binding tender offer conducted between October 20th and 27th, 2014, it will purchase notes it has issued and that are guaranteed by Enel for a total of 761,734,000 euros. The purchase was carried out on October 31st, 2014. The transaction was performed as part of efforts to optimize EFI's financial management and is aimed at achieving an active management of maturities and debt servicing costs.

On **November 3rd, 2014**, subsidiary Enel Green Power announced that, following a public tender in Brazil, it had been awarded the right to sign 20-year energy supply contracts in that country for a total of 344 MW of wind and photovoltaic capacity. Specifically, with the "Ituverava" project, the Company was awarded 254 MW of photovoltaic capacity, equivalent to 24% of the total projects awarded within the framework of the first public tender dedicated to solar energy at the national level. The plant will be built in the north-eastern part of the country, in the state of Bahia, an area known for the high level of solar radiation it receives. EGP was awarded a further 90 MW in wind capacity with the "Delfina" project. The plant, with a load factor exceeding 50%, will be built in the state of Bahia, where the company already manages wind projects for 264 MW awarded in previous public tenders. The two plants will require a total investment of approximately 600 million US dollars to build, of which around 400 million US dollars for the photovoltaic project and around 200 million US dollars for the wind project. Once up and running, the two plants will be able to generate up to about 900 GWh of sustainable energy per year, thereby helping to meet Brazil's high demand for new energy, which is forecast to grow at an average annual rate of 4% through 2020.
On **November 4th**, 2014, Enel Green Power announced that its subsidiary Enel Green Power North America, Inc. ("EGP-NA") had completed construction work on its new "Origin" wind farm, located in Carter, Garvin and Murray counties in Oklahoma. The new plant boasts a total installed capacity of 150 MW and will bring EGP-NA's total installed capacity to over 2000 MW. Construction of the new wind farm, expected to generate up to around 650 GWh per year, is in line with the growth targets set out in the 2014-2018 EGP business plan, required an overall investment of around 250 million US dollars. The project is supported by a 20 year Power Purchase Agreement. In July 2014, EGPNA signed a capital contribution agreement with a consortium led by J.P. Morgan, hence securing partial financing for the project.

Again on **November 4th, 2014,** the Board of Directors of Enel, acting upon the favourable opinion of the Board of Auditors, appointed Alberto De Paoli as the officer responsible for the preparation of the financial reports of Enel S.p.A., replacing Luigi Ferraris, starting from November 12th, 2014. He will also replace Luigi Ferraris as the Chief Financial Officer of Enel starting from that date. As from November 12th, Mr. Ferraris will replace Ignacio Antoňanzas Alvear as the head of Latin America area operations and will also become *Gerente General* of the Chilean subsidiary Enersis.

Once again, **on November 4th, 2014**, the Board of Directors of Enel approved the placement by EEE of Endesa shares on the market. The initial amount to be placed will be equal to approximately 17% of Endesa's share capital ("Initial Offer") and may reach up to a maximum of around 22% ("Maximum Offer"), including in any case the greenshoe option (under such option, the Joint Global Coordinators may acquire up to a maximum of 15% of the shares to be placed in order to stabilize share prices). Through this placement, which is part of the reorganization of Enel Group operations in Iberia, Enel aims to enhance the value of EEE's stake in Endesa and increase the currently limited liquidity in Endesa stock.
On **November 6th, 2014,** the Spanish authority Comisión Nacional del Mercado de Valores ("CMNV"), approved the publication of the prospectus for the above placement of shares, consisting of:

- public offering of shares in Spain to retail investors ("Public Offer"), representing 15% of the Initial Offer (excluding the greenshoe option), with the possibility that a portion of the shares originally aimed at the Institutional Offer will be re-allocated to the Public Offer (so-called clawback provision), in which case the amount of the Public Offer could be raised up to a maximum of 30% of the Initial Offer and up to a maximum of 23.27% of the Maximum Offer (excluding the greenshoe option). The Public Offer began on November 7th, 2014 and will conclude on November 19th, 2014, unless terminated earlier. The maximum price for the Endesa shares to be placed through the Public Offer was set at 15.535 euros per share, corresponding to the highest of the closing prices for Endesa shares reported on the Spanish stock exchange between October 29th and November 5th, 2014. The final price for the Public Offer will be equal to the lesser of the aforementioned maximum price and the price that will be set for the Institutional Offer.

- an offering of shares to Spanish and international institutional investors ("Institutional Offer" and, together with the Public Offer, the "Global Offer"), which may total 85% of the Initial Offer (excluding the greenshoe option and unless the clawback provision for the Public Offer is exercised), will begin on Thursday, November 13th and will conclude on Thursday, November 20th, 2014, unless terminated earlier. The price for the shares to be placed through the Institutional Offer will be determined on November 20th, 2014 in consultation with the Joint Global Coordinators, taking into account the quantity and quality of the orders received for the Institutional Offer, as well as the overall demand relating to the Global Offer and market conditions.

The final allotment of the shares placed through the Global Offer is scheduled for Friday, November 21st, 2014. Settlement and delivery of the shares are scheduled for Wednesday, November 26th, 2014.

On **November 6th, 2014**, EGP announced it had signed, through its subsidiary Enel Green Power Chile Ltda ("Enel Green Power Chile") a long-term power supply contract with Empresa Nacional de Electricidad SA ("Endesa Chile"), which also envisages the sale of green certificates. The contract has a term of around 20 years for two wind power projects and about 25 years for three photovoltaic projects. The contract, worth an estimated total of approximately 2.3 billion US dollars, will allow Enel Green Power Chile to develop wind and photovoltaic plants for a total installed capacity of about 307 MW and a total investment of approximately 611 million US dollars.

On **November 7th, 2014,** subsidiary Enel Produzione S.p.A. ("Enel Produzione") and Società Elettrica Altoatesina ("SEL", a company controlled by the Autonomous Province of Bolzano) signed contracts for the sale of the stakes held by Enel Produzione in SE Hydropower and SF Energy for a total of 400 million euros.
More specifically, the price for the sale of the 40% stake held by Enel Produzione in SE Hydropower is expected to total 345 million euros. The completion of the transaction is conditional on the approval of the Italian antitrust authorities and on SEL obtaining a commitment from the banks to provide the funding for the purchase of the above shareholding.
The price for the sale of the stake held by Enel Produzione in SF Energy, whose share capital is held in equal amounts by Enel Produzione, SEL S.r.l. (a company fully owned by SEL) and Dolomiti Energia, is expected to amount to 55 million euros. The completion of the transaction is subject to the right of pre-emption held pro-rata by the shareholder Dolomiti Energia and is also conditional on SEL obtaining a commitment from the banks to provide the funding for the purchase of the above shareholding.
This transaction is part of the disposal plan announced by Enel to the market and will enable the Group to reduce its consolidated net financial debt by an amount equal to about the total price noted above.

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OUTLOOK

Uncertainty continued to mark the European macroeconomic environment in the first nine months of 2014, making it difficult to forecast economic growth for the final part of the year. Against this backdrop, trends in electricity demand remain weak, with such demand contracting in Italy (-2.9%, seasonally adjusted) and slightly recovering in Spain (+0.3%, seasonally adjusted). Conversely, the emerging economies continue to register rapid growth rates in demand, albeit at a slightly slower pace than initially forecast.

In the closing months of the year, Enel will continue to concentrate on the emerging markets and the renewables sector, leveraging its diversified portfolio and its new streamlined and business-focused organizational structure, which will enable the Group to maximize opportunities for value creation. In addition, Enel will pursue the corporate rationalization already under way, with minority buyouts in Latin America.

Debt reduction will continue to be a priority for the Enel Group. Specifically, net financial debt is expected to total between 39 and 40 billion euros at the end of 2014. Indeed. the positive contribution from ongoing extraordinary transactions as well as cash flow from operating activity will be partially offset by the aforementioned negative exchange rate effect as well as by the anticipation to 2014 of some investments in renewables and by some minorities buyouts already envisaged by Group business plan.

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RESIGNATION OF THE DIRECTOR SALVATORE MANCUSO

The Board of Directors also took note of the resignation submitted yesterday by the independent director Salvatore Mancuso. The resignation, which is effective immediately, was prompted by personal reasons.

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At 17:30 CET today, November 11th, 2014, a conference call will be held to present the results for the third quarter and the first nine months 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 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 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 by business area

The representation of operations by business area presented here is based on the approach used by management in assessing Group performance for the periods under review.

Sales

Results (millions of euros):

	First nine months 2014	First nine months 2013	Change	Third quarter 2014	Third quarter 2013	Change
Revenues	11,382	12,687	-10.3%	3,534	3,975	-11.1%
EBITDA	758	678	11.8%	220	201	9.5%
EBIT	338	272	24.3%	81	82	-1.2%
Capital expenditure	69	50	38.0%	26	26	-

Generation and Energy Management

Results (millions of euros):

	First nine months 2014	First nine months 2013	Change	Third quarter 2014	Third quarter 2013	Change
Revenues	15,111	17,527	-13.8%	4,833	5,427	-10.9%
EBITDA	1,025	900	13.9%	290	272	6.6%
EBIT	626	538	16.4%	118	144	-18.1%
Capital expenditure	130	155	-16.1%	68	61	11.5%

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Infrastructure and Networks

Results (millions of euros):

	First nine months 2014	First nine months 2013	Change	Third quarter 2014	Third quarter 2013	Change
Revenues	5,526	5,597	-1.3%	1,806	1,813	-0.4%
EBITDA	3,080	2,897	6.3%	962	931	3.3%
EBIT	2,335	2,173	7.5%	709	694	2.2%
Capital expenditure	696	723	-3.7%	241	240	0.4%

Iberia and Latin America

Results (millions of euros):

	First nine months 2014	First nine months 2013	Change	Third quarter 2014	Third quarter 2013	Change
Revenues	21,959	23,097	-4.9%	7,586	7,582	0.1%
EBITDA	4,536	5,251	-13.6%	1,554	1,685	-7.8%
EBIT	2,442	3,061	-20.2%	817	913	-10.5%
Capital expenditure	1,424	1,294	10.0%	578	498	16.1%

International

Results (millions of euros):

	First nine months 2014	First nine months 2013	Change	Third quarter 2014	Third quarter 2013	Change
Revenues	3,918	4,615	-15.1%	1,296	1,513	-14.3%
EBITDA	778	823	-5.5%	273	314	-13.1%
EBIT	479	395	21.3%	166	187	-11.2%
Capital expenditure	598	593	0.8%	176	217	-18.9%

Renewable Energy

Results (millions of euros):

	First nine months 2014	First nine months 2013	Change	Third quarter 2014	Third quarter 2013	Change
Revenues	2,016	2,049	-1.6%	651	578	12.6%
EBITDA	1,312	1,305	0.5%	423	338	25.1%
EBIT	885	881	0.5%	267	182	46.7%
Capital expenditure	1,060	823	28.8%	419	278	50.7%

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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, amortization and impairment losses";
- **net financial debt:** an indicator of Enel's financial structure, determined by "Long-term loans", "Short-term loans and current portion of long-term loans", less "Cash and cash equivalents" and the current financial assets" and non-current financial assets (financial receivables and securities other than equity investments) reported under "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", less "Current liabilities" and "Non-current liabilities", excluding items previously considered in the definition of net financial debt;
- **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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Condensed Consolidated Income Statement

3rd Quarter		Millions of euro	First nine months	
2014	2013 restated		**2014**	2013 restated
17,974	18,549	Total revenues	54,075	57,836
14,145	14,603	Total costs	42,374	45,492
(99)	(123)	Net income/(charges) from commodity risk management	(93)	(378)
3,730	**3,823**	**GROSS OPERATING MARGIN**	**11,608**	**11,966**
1,586	1,564	Depreciation, amortization and impairment losses	4,453	4,614
2,144	**2,259**	**OPERATING INCOME**	**7,155**	**7,352**
1,075	430	Financial income	2,294	1,874
1,903	1,177	Financial expense	4,798	3,884
(828)	**(747)**	**Total financial income/(expense)**	**(2,504)**	**(2,010)**
(4)	**46**	**Share of gains/(losses) on investments accounted for using the equity method**	**49**	**139**
1,312	**1,558**	**INCOME BEFORE TAXES**	**4,700**	**5,481**
926	588	Income taxes	2,074	2,028
386	**970**	**Income from continuing operations**	**2,626**	**3,453**
-	**-**	**Net income from discontinued operations**	**-**	**-**
386	**970**	**NET INCOME FOR THE PERIOD (shareholders of the Parent Company and non-controlling interests)**	**2,626**	**3,453**
272	655	Attributable to shareholders of the Parent Company	1,957	2,335
114	315	Attributable to non-controlling interests	669	1,118
		Net earnings attributable to shareholders of the Parent Company per share (euro) [1]	0.21	*0.25*

(1) The Group's diluted earnings per share are equal to net earnings per share.

Press Release

Statement of Consolidated Comprehensive Income

Millions of euro	First nine months	
	2014	2013 restated
Net income for the period	**2,626**	**3,453**
Other comprehensive income recyclable to profit or loss:		
Effective portion of change in the fair value of cash flow hedges	(450)	(158)
Income recognized in equity by companies accounted for using the equity method	(8)	(6)
Change in the fair value of financial investments available for sale	(17)	(81)
Change in translation reserve	334	(2,164)
Other comprehensive income not recyclable to profit or loss:		
Change in net liabilities (assets) for defined benefits	-	-
Income/(Loss) recognized directly in equity	**(141)**	**(2,409)**
Comprehensive income for the period	**2,485**	**1,044**
Attributable to:		
- shareholders of the Parent Company	**1,629**	**1,267**
- non-controlling interests	**856**	**(223)**

Enel

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Condensed Consolidated Balance Sheet

Millions of euro

	at Sept. 30, 2014	at Dec. 31, 2013 restated
ASSETS		
Non-current assets		
- Property, plant and equipment and intangible assets	100,021	98,499
- Goodwill	14,915	14,967
- Equity investments accounted for using the equity method	1,154	1,372
- Other non-current assets (1)	14,005	13,417
Total	**130,095**	**128,255**
Current assets		
- Inventories	3,714	3,555
- Trade receivables	12,819	11,415
- Cash and cash equivalents	7,758	7,873
- Other current assets (2)	14,555	12,526
Total	**38,846**	**35,369**
Assets held for sale	**116**	**241**
TOTAL ASSETS	**169,057**	**163,865**
LIABILITIES AND SHAREHOLDERS' EQUITY		
- Equity attributable to the shareholders of the Parent Company	36,263	35,941
- Equity attributable to non-controlling interests	16,580	16,891
Total shareholders'equity	**52,843**	**52,832**
Non-current liabilities		
- Long-term loans	50,559	50,905
- Provisions and deferred tax liabilities	22,445	22,443
- Other non-current liabilities	3,659	3,475
Total	**76,663**	**76,823**
Current liabilities		
- Short-term loans and current portion of long-term loans	10,500	7,142
- Trade payables	10,800	12,923
- Other current liabilities	18,248	14,125
Total	**39,548**	**34,190**
Liabilities held for sale	**3**	**20**
TOTAL LIABILITIES	**116,214**	**111,033**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**169,057**	**163,865**

(1) Of which long-term financial receivables and other securities at September 30, 2014 for €4,689 million (€4,813 million at December 31, 2013) and €178 million (€152 million at December 31, 2013), respectively.

(2) Of which current portion of long-term financial receivables, short-term financial receivables and other securities at September 30, 2014 for €1,714 million (€2,976 million at December 31, 2013), €2,095 million (€2,510 million at December 31, 2013) and €47 million (€17 million at December 31, 2013), respectively.

Condensed Consolidated Statement of Cash Flows

Milioni di euro	First nine months	
	2014	2013 restated
Income before taxes for the period	**4,700**	**5,481**
Adjustments for:		
Amortization and impairment losses of tangible and intangible assets	4,005	4,091
Exchange rate adjustments of foreign currency assets and liabilities (including cash and cash equivalents)	997	(153)
Financial (income)/expense	2,055	1,622
Increase/(Decrease) in inventories, trade receivables and payables	(3,685)	(4,837)
Interest income or expense and other financial income or expense collected or paid	(2,249)	(2,008)
Other changes	(2,893)	(1,664)
Cash flows from operating activities (a)	**2,930**	**2,532**
Investments in property, plant and equipment and in intangible assets	(4,012)	(3,680)
Investments in entities (or business units) less cash and cash equivalents acquired	(150)	(178)
Disposals of entities (or business unit) less cash and cash equivalents sold	23	68
(Increase)/Decrease in other investing activities	52	25
Cash flows from investing/disinvesting activities (b)	**(4,087)**	**(3,765)**
(Increase)/Decrease in Net Financial debt	3,462	(211)
Receipts/(Outlays) for sale/(purchase) of non-controlling interests	(501)	1,740
Dividends and interim dividends paid	(1,901)	(1,866)
Cash flows from financing activities (c)	**1,060**	**(337)**
Impact of exchange rate fluctuations on cash and cash equivalents (d)	**2**	**(185)**
Increase/(Decrease) in cash and cash equivalents (a+b+c+d)	**(95)**	**(1,755)**
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)]	7,805	8,013

(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 €7,758 million at September 30, 2014 (€7,981 million at September 30, 2013), short-term securities equal to €47 million at September 30, 2014 (€31 million at September 30, 2013) and cash and cash equivalents pertaining to "Assets held for sale" in the amount of €0 million at September 30, 2014 (€1 million at September 30, 2013).