



PRESS RELEASE

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ENEL ACQUIRES A FURTHER 13.6% OF THE ROMANIAN SUBSIDIARIES E-DISTRIBUTIE MUNTENIA AND ENEL ENERGIE MUNTENIA

- *Acquisition of a further 13.6% of the share capital of the electricity distribution and sales companies operating in the Romanian region of Muntenia is finalised for a consideration of about 400 million euros*

Rome, April 10th, 2017 – Enel S.p.A. (“Enel”) announces that its wholly-owned subsidiary Enel Investment Holding B.V. (“EIH”) has today finalised the acquisition from SAPE S.A. (“SAPE”, the Romanian state-owned holding company that owns state shareholdings) of around 13.6% of the share capital of E-Distributie Muntenia S.A. (“EDM”) and Enel Energie Muntenia S.A. (“EEM”) for a total consideration of about 400 million euros.

Following the transaction, EIH has increased its interest in EDM and EEM to about 78% of each company’s share capital, from the 64.4% held previously.

EIH’s acquisition of an additional 13.6% of EDM and EEM’s share capital is a consequence of SAPE exercising a put option in November 2012. With the exercise of the put option, SAPE had asked for a price of about 520 million euros, amount which was contested by EIH. After failing to reach an agreement on the price for the equity interests, in 2014 SAPE began an arbitration proceeding before the International Chamber of Commerce in Paris, in which it lodged a claim for the above price and about 60 million euros in interest.

In its ruling of February 3rd, 2017, the Arbitral Tribunal set the purchase price for the equity interests involved in the put option at about 400 million euros, reducing the amount requested by SAPE by more than 100 million euros and dismissing the request of interest.

For accounting purposes, the price set by the Arbitral Tribunal for about 13.6% of EDM and EEM share capital is lower than the 448 million euros recognised so far in respect of those two participations in the Enel Group’s consolidated financial statements. In addition, as the transaction involves a business combination in respect of an acquisition carried out in 2008, the purchase has no impact on the consolidated income statement, while it increases consolidated net financial debt by the above mentioned 400 million euro amount.

The above transaction is consistent with the drivers of the 2017-2019 Strategic Plan represented by the active management of the Enel portfolio, which provides for the use of around 2 billion euros for the acquisition of minority shareholdings (in addition to a possible share buy-back). The price set by the Arbitral Tribunal for about 13.6% of EDM and EEM share capital is also consistent with the projections set out in the 2017-2019 Strategic Plan for the evolution of consolidated net financial debt.



Background on Enel Group's acquisition of control on EDM and EEM - In 2008, following the privatisation process launched by the Romanian government, Enel acquired a controlling interest equal to 64.4% in Electrica Muntenia Sud S.A. ("EMS") as a result of a privatisation contract signed in June 2007 with Electrica S.A. Also in 2008, in implementation of the unbundling rules, the electricity distribution and sales operations of EMS were transferred to the newly formed companies EDM and EEM. In December 2009, Enel transferred its entire 64.4% stake held at the time in those two companies to EIH.

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