Enel Investment Holding B.V.

Consolidated Financial Statements prepared in accordance with the International Financial Reporting Standards as adopted by the European Union for the year ended 31 December 2009

0985213

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Director's Report

General Information

Management of the company hereby presents its financial statements for the financial year ended on 31 December 2009.

Enel Investment Holding B.V. (hereafter: The "Company") is a private limited liability Company, where 100% of the shares are held by Enel SpA, the ultimate parent company, having its statutory seat in Rome Italy. Enel Investment Holding B.V., having its statutory seat at Weteringschans 28 (sous) in Amsterdam The Netherlands, was incorporated on 15 December 2000 under Dutch Law.

The purpose of the Company is to carry on activities and to invest directly or indirectly in companies or ventures acting:

- *in the electricity industry, including all the activities of generation, distribution and sale,* as well as transmission;
- in the energy industry in general, including fuels, and in the field of environmental protection, as well as water sector;
- in the communications, information-technology industries and those of multimedia and interactive services;
- in network-based sectors (electricity, water, gas, district heating, telecommunications) on those which, in any case, provide urban services;
- in other sectors in any way related or connected with the activities carried out in the sectors above mentioned.

Group structure

The Enel Investment Holding B.V. structure is as follows:

Holding of the Group
Enel Investment Holding BV

International Division

-Enel Albania SHPK - *Albania*	100%
-Linea Albania-Italia SHPK - *Albania*	100%
-Enel Operations Belgium S.A. - *Belgium*	100%
-Marcinelle Energie SA - *Belgium*	80%
-Enel Maritza East 3 AD - *Bulgaria*	73%
-Enel Operations Bulgaria AD - *Bulgaria*	73%
-Enel France Sas - *France*	100%
-Enelco SA - *Greece*	75%
-Enel Romania Srl - *Romania*	100%
-Enel Servicii Comune S.A. - *Romania*	100%
-Enel Productie Srl - *Romania*	100%
-Enel Distributie Muntenia S.A.- *Romania*	64,4%
-Enel Energie Muntenia S.A.- *Romania*	64,4%
-Enel Energie S.A. - *Romania*	51%
-Enel Distributie Dobrogea S.A.- *Romania*	51%
-Enel Distributie Banat S.A.- *Romania*	51%
-Enel Rus Llc - *Russia*	100%
-Enel OGK-5 OJSC (*) - *Russia*	56%
-Maritza O&M Holding Netherlands BV - *The Netherlands*	100%
-Maritza East III Power Holding BV - *The Netherlands*	100%
-Latin America Energy Holding BV - *The Netherlands*	100%
-Pragma Energy SA - *Switzerland*	100%
-Enel.Re Ltd. – *Ireland*	100%

(*) Its shares are listed on the Russian Stock Exchange

Introduction

During 2009 the Company acquired the participation in the Romanian companies from Enel Distribuzione Spa, and in the Bulgarian companies from Enel Produzione Spa. Besides this acquisition, in the last month of 2009 Enel Spa contributed to the Company its equity investments in the Muntenia companies.

Moreover in 2009 the Company has completed the sales of its stake in the companies operating in the renewable sector, to the Renewable Division of the parent company Enel Spa, created in 2008 just to develop and to manage the power generation from renewable sources.

In 2009 the priorities of the Company were focused on operational excellence, consolidation and integration of the new scope of operations. Underlining that, following a cycle of international expansion of the parent company Enel Spa completed in 2008, the Company actually holds the equity investment in most of the Enel Overseas Companies operating in Europe, except for Endesa and the companies operating in the renewable sector.

In France, collaboration continues with EdF on the development of third-generation nuclear power plants and the parallel expansion of a platform for the sale of electricity. In 2009, Enel France entered into the fifth of six contracts for anticipated capacity in units of 200 MW each, linked to the construction of the first EPR plant in Flamanville. This made possible for the company to sell 5.5 TWh of electricity in France in 2009.

In Russia in 2009, Enel OGK-5 (formerly OGK-5) was focused on integrating and boosting the efficiency of structures, systems and processes, thereby laying the groundwork for excellent operational performance (along the entire value chain from the upstream gas segment to electricity sales). Cost cutting and improvement in plant availability were the primary factors of success.

In Romania, with the acquisition of the Muntenia companies, the Company pursues the project to exploit the synergies related to integration, optimization and consolidation with the other Romanian companies, as well as to improve operational management and enhance the value of its assets. Investments are also being made to develop the electricity grid, reduce commercial losses and to increase service quality, as well as to create a portfolio of generation resources that will allow for the integration of the distribution and sales companies.

Finally, the construction of the CCGT plant in Belgium has been continuing, with an entering into service estimated in 2011.

Significant events in 2009

Sale of Enel Green Power International B.V.

Following the corporate reorganization started in 2008 and regarding the international shareholdings owned by Enel Investment Holding B.V. and Enel Group in the renewable sector, on 1 January 2009, the Company sold its 100% stake in Enel Green Power International B.V., for a total consideration of EUR 1.690 million to the related company Enel Green Power S.p.A. (organized under the laws of Italy and directly owned by Enel S.p.A) which operates in the renewable energy business.

Participation to a nuclear project in Romania

In March 2009, the Company subscribed a total number of shares equal to 9.15% of the new incorporated Romanian company EnergoNuclear S.A. for an overall consideration of EUR 3 million. EnergoNuclear S.A. is involved in the "Cernavoda3&4 projects" with the aim to develop, finance and construct two additional nuclear units of 720 MW each located in Cernavoda, Romania.

Enel-Eni-Gazprom agreement on 51% SeverEnergia sale

Based on the call option granted by Artic Russia B.V., over which Enel Investment Holding B.V. (40%) and ENI (60%) exercise joint control, to Gazprom in 2007 and the subsequent agreements made in 2008, Gazprom purchased from Artic Russia B.V. in September 2009 51% of the share capital of the Russian company SeverEnergia LLC. SeverEnergia is the sole shareholder of Arcticgaz, Urengoil and Neftegaztechnologia, which hold licenses for the exploration and production of hydrocarbons including gas and oil reserves. Following the transaction, the stake currently held by the Company in SeverEnergia declines from 40% to 19,6%.

The total consideration for the sale of 51% stake in Severnergia amounts to USD 1.566 million (of which USD 626,5 million pertaining to Enel) and it has been settled by Gazprom in two instalments: the first share of USD 384 million was paid on 23 September 2009 (of which Enel received USD 153,5 million) whereas the second share of USD 1.182 million was paid on 31 March 2010 (of which Enel received USD 473 million).

Additional acquisition of Enel Productie Srl

On 21 May 2009, following a shares sale-purchase agreement, the Company acquired an additional 15% of Enel Productie Srl from Romelectro and Global International 2000 paying a consideration of EUR 33 thousand. Enel Productie is a Romanian company which is developing a project of construction of a coal power plant in Romania. With the completion of this additional acquisition, Group stake in Enel Productie reached the 100%.

Sale of Enel Erelis S.a.s

On 30 October 2009, in accordance with the final fulfilment of the corporate reorganization in the renewable sector, the French company Enel Erelis S.a.s (whose corporate purpose is the generation of electricity from renewable power plants), wholly owned by Enel France S.a.s, was sold for an amount of EUR 27,5 million, equal to the book value, to Enel Green Power International B.V., the Enel Group's Dutch holding which oversee all those foreign companies belonging to the renewable division.

Reorganization of Romanian subsidiaries

On 5 November 2009 the Board of Directors of the Company resolved to approve a major corporate reorganization of the Enel subsidiaries in Romania (except those operating in the renewable sector) consisting in grouping all Romanian companies under the control of Enel Investment Holding B.V. which will act as holding company.

This restructuring has been carried out through:

- a *voluntary non-cash share premium contribution* by and between the Enel S.p.a and the Company through the contribution in kind at book value (totalling EUR 869 million) of the following interests into Enel Investment Holding B.V.:
  - Enel Romania (80,0% of the shares transferred on 18 December 2009);
  - Enel Distributie Muntenia SA (64,4% of the shares transferred on 29 December 2009);
  - Enel Energie Muntenia SA (64,4% of the shares transferred on 29 December 2009);

  With the transfer of the stakes in Enel Distributie Muntenia SA and Enel Energie Muntenia SA, Enel SpA transferred to EIH all the rights and obligations associated with those investments under the Privatization Agreement, including, therefore, the commitment in respect of the three-year put option granted by Enel to Electrica entitling the latter to sell a minimum of 13.6% of its remaining holding in EMS, as well as all other shares not sold to EMS employees as part of the mechanism giving them the right to subscribe up to 10% of the company's share capital on the occasion of the privatization. Consequently, the shares subject to the option could vary from a minimum of about 13.6% to a maximum of 23.6% (if no employee should take up the right to subscribe the shares). The option can be exercised in one or more tranches between July 1 and December 31 of each year from 2009 to 2012, in accordance with the terms and conditions of the agreement.

- a purchase from Enel Distribuzione S.p.A. of the following interests on 29 December 2009:
  - Enel Romania (20,0% of the shares) for EUR 0,01 million;
  - Enel Distributie Dobrogea SA (51,0% of the shares) for EUR 160 million;
  - Enel Distributie Banat SA (51,0% of the shares) for EUR 220 million;
  - Enel Energie SA (51,0% of the shares) for EUR 80 million.

This reorganization is going to strengthen the Company's role as a holding company of the international activities within Enel Group enabling the Company to increase the efficiency in respect to the allocation of resources under a unique shareholder.

More specifically the acquired companies perform operating activities as follows:

- Enel Romania Srl. provides management services for all the other companies within Enel Group in Romania;
- Enel Distributie Muntenia S.A. performs the distribution of electricity in Bucharest, Ilfov and Giurgiu counties;

- Enel Energie Muntenia S.A. performs the supply of electricity to captive consumers whose consumption places are in the premises determined by the distribution license of Enel Distributie Muntenia S.A.;
- Enel Distributie Dobrogea S.A. performs the distribution of electricity in the counties Constanta, Tulcea, Calarasi and Ialomita in the eastern part of Romania;
- Enel Distributie Banat S.A. performs the distribution of electricity in the counties Timisoara, Arad, Hunedoara and Caras-Serverin in the western part of Romania;
- Enel Energie S.A. performs the supply of electricity to captive consumers, whose consumption places are in the premises determined by the distribution licenses of Enel Distributie Dobrogea S.A. and Enel Distributie Banat S.A, as well as the electricity supply to free market consumers.

Reorganization of Bulgarian subsidiaries

On 3 December 2009 the Board of Directors of the Company resolved to approve a corporate reorganization of the Enel subsidiaries in Bulgaria (apart from those companies operating in the renewable sector) aimed at transferring all these entities under the control of the Company acting as their sole shareholder.

In fact on 29 December 2009 Enel Investment Holding B.V. acquired 100% stake of Maritza East III Power Holding BV, a private company with corporate seat in Amsterdam, from Enel Produzione S.p.A., an Italian company fully owned by Enel S.p.A., for an amount of EUR 204 million. Maritza East III Power Holding BV holds in turn 73% of the share capital of Enel Maritza East 3 AD, a Bulgarian company which owns 908 MW thermal power plant 'Maritza' located in Stara Zagora. The remaining 27% of Enel Maritza East 3 AD is held by the Bulgarian state utility company Nationalna Elektricheska Kompania (NEK).

Moreover on 29 December 2009 the Company acquired 100% stake of Maritza O&M Netherlands BV, a private company with corporate seat in Amsterdam, from Enel Produzione S.p.A., for an amount of EUR 8 million. Maritza O&M Netherlands BV holds 73% of the share capital of Enel Operations Bulgaria, a Bulgarian company which performs the operational and maintenance activities for the Maritza power plant. The remaining 27% of Enel Operations Bulgaria is held by the Bulgarian state utility company Nationalna Elektricheska Kompania (NEK).

This reorganization is going to strengthen the Company role as holding of international activities within Enel Group enabling the Company to increase the efficiency in respect to the allocation of resources under a unique shareholder.

Reference scenario

In 2009 the international economy was shaken by a serious recession, the deepest in the post-war era. The downturn began towards the end of 2007 following the financial crisis of the previous summer. The most significant impact of the recession came in the 1st Half of 2009. In the 2nd Quarter of the year, the effects of the monetary and fiscal policy measures adopted by governments around the world helped turn the decline around and, by the 3rd Quarter, nearly all economies had reversed their recessionary trend.

In the euro area, the depth of the recession differed by country depending on the type of government intervention implemented and the different growth models in the individual countries.

In 2009 world GDP decreased by 2,1%, compared with 2,0% growth in 2008.

Overview of the Group's performance and financial position

Definition of performance indicators

In order to present the results of the Group and analyze its financial structure, the Company has prepared separate reclassified schedules that differ from those envisaged under the IFRS-EU adopted by the Group and presented in the consolidated financial statements. These reclassified schedules contain different performance indicators from those obtained directly from the consolidated financial statements, which management feels are useful in monitoring Group performance and representative of the financial performance of the Group's business.

In accordance with recommendation CESR/05-178b published on 3 November 2005, the criteria used to calculate these indicators are described below:

Gross operating margin: an operating performance indicator, calculated as "Operating income" before "Depreciation, amortization and impairment losses";

Net non-current assets: calculated as the difference between "Non-current assets" and "Non-current liabilities" with the exception of:
"Deferred tax assets";
"Financial receivables due from other entities", "Other securities designated at fair value through profit or loss" and other minor items reported under "Non-current financial assets";
"Long-term loans";
"Post-employment and other employee benefits";
"Provisions for risks and charges";
"Deferred tax liabilities".

Net current assets: calculated as the difference between "Current assets" and "Current liabilities" with the exception of:
"Receivables for factoring advances", "Long-term financial receivables (short-term portion),
"Other securities" and other minor items reported under "Current financial assets";
"Cash and cash equivalents";
"Short-term loans" and the "Current portion of long-term loans".

Net capital employed: calculated as the algebraic sum of "Net non-current assets" and "Net current assets", provisions not previously considered, "Deferred tax liabilities" and "Deferred tax assets", as well as "Net assets held for sale".

Net financial debt: a financial structure indicator, determined by "Long-term loans", the current portion of such loans and "Short-term loans" less "Cash and cash equivalents", "Current financial assets" and "Non-current financial assets" not previously considered in other balance sheet indicators.

Main changes in the scope of consolidation

In the two years examined here, the scope of consolidation changed as a result of the following main transactions:

2008

- as regards the 2007 acquisitions of International Windpower S.A., Wind Parks of Thrace S.A. and International Wind Parks of Thrace S.A. the purchase price allocation has been performed in 2008 with a badwill recognized amounting to EUR 3 million for International Windpower S.A and a total goodwill recognized amounting to EUR 20 million for the remaining two companies;
- as regards the 2007 acquisition of Inelec S.r.l. de C.V. the purchase price allocation was completed in 2008 with a goodwill recognized amounting to EUR 84 million;
- the acquisition, on 5 March 2008, of a 85% stake in Enel Productie S.r.l. (formerly Global power Investment S.R.L.), a Romanian company which is developing a project of construction of a coal power plant in Romania. The purchase price was EUR 0.2 million; goodwill amounts to EUR 0,1 million.
- the acquisition, on 19 May 2008, of 100% of International Wind Parks of Crete S.A. and Hydro Constructional S.A., which operate in Greece in the generation of electricity from renewable sources; the purchase price was EUR 23 million; goodwill amounts to EUR 16 million;
- the conclusion, on 28 May 2008, of the changes in the governance arrangements of OGK-5, which gave Enel full control as from that date. Enel Investment Holding B.V. , had acquired 59.80% of the Russian company in a series of purchases, of which 22.65% in the public tender completed on 6 March 2008, before selling a minority stake of 4.1% on 25 June 2008. As from 28 May 2008, the company is consolidated on a line-by-line basis. The purchase price was EUR 2,478 million, goodwill amounts to EUR 1,515 million;
- the incorporation on 5 June 2008 of a new Dutch company named Enel Green Power International B.V. 100% owned by the Company to which all the international shareholdings held by Enel Investment Holding B.V. and Enel Group in the renewable sector has been contributed during the 2008;
- the acquisition, on 30 June 2008, of a 80% stake in Marcinelle Energie S.A., which is building a combined-cycle gas turbine plan in Belgium; the purchase price amounted to EUR 37 million. The company is consolidated taking account of the put option on 20% granted to Duferco (shareholder of Marcinelle Energie S.A.) at the time of the sale, the estimated value of the put option at 31 December 2008 amounted to EUR 29 million; goodwill amounts to EUR 63 million;
- the contribution at book value, on 25 September 2008, by Enel Green Power Holding Sarl of 100% of Enel North America Inc. and Enel Latin America Llc. for an amount of respectively EUR 596 million and EUR 271 million. These two American companies operate in the generation of electricity from renewable resources.

2009

- the disposal at the book value, on 1 January 2009, of the entire capital of the Dutch company Enel Green Power International B.V. to Enel Green Power S.p.A., which is in turn organized under the Italian laws and wholly owned by Enel S.p.A. Enel Green Power International B.V. now hold, directly and indirectly, the following shareholdings:
  - ELA B.V.,
  - Enel Latin America Llc.,
  - Americas Generation Corporation,
  - Inelec Srl de cv,
  - Blue Line S.r.l.,
  - Enel Green Power Bulgaria EAD,
  - Enel North America Inc.,
  - Hydro Constructional S.A.,
  - International Wind Parks of Crete S.A.,
  - International Wind Parks of Thrace S.A,
  - International Wind Power S.A.,
  - Wind Parks of Thrace S.A.;
- the acquisition, on 21 May 2009, of a further 15% stake in Enel Productie S.r.l. from Romelecrto and Global International 2000: as from that date Enel Productie S.r.l. is fully consolidated with no minorities reported;
- the disposal, on 30 October 2009 of the entire capital of the French company Enel Erelis S.a.s. to Enel Green Power International B.V.. Further to this disinvestment, carried out at the book value, the Group will no longer operate in the renewable business;
- the disposal, on 23 September 2009, of 51% of SeverEnergia, a Russian company 100% owned until that date by Artic Russia, in which Enel and Eni have stakes of 40% and 60%, respectively. Taking account of the existing governance mechanisms, which enable the Group to exercise a significant influence over the company through Artic Russia, as from that date SeverEnergia keeps on being accounted for using the equity method with a lower share equal to 19,6%;
- the contribution against book value, on 29 December 2009, as voluntary non-cash share premium contribution by and between Enel S.p.A. and the Company of:
  - a 80% stake in Enel Romania S.r.l. which provides management services for all other Romanian companies within Enel Group;
  - a 64,43% stake in Enel Distributie Muntenia S.A. which performs distribution of electricity in Romania. The remaining share capital is owned by two Romanian shareholders: Electrica for the 23,57% and Fondul Proprietatea for the 12%. As from 29 December 2009 the company is fully consolidated on a line-by-line basis, taking also account of the shareholding covered by the put option granted to Electrica at the time of the sale, equal to 23.6%, with separate reporting of the minority interest of 12%;

- a 64,43% stake in Enel Energie Muntenia S.A. which performs the supply of electricity in Romania. The remaining share capital is owned by two Romanian shareholders: Electrica for the 23,57% and Fondul Proprietatea for the 12%. As from 29 December 2009 the company is fully consolidated on a line-by-line basis, taking also account of the shareholding covered by the put option granted to Electrica at the time of the sale, equal to 23.6% with separate reporting of the minority interest of 12%;

> the *acquisition at fair value, on* 29 December *2009, from* the *affiliated* company Enel Distribuzione Spa of:

- a 51% stake in Enel Distributie Dobrogea S.A. which operates in the distribution of electricity in the Eastern part of Romania. The remaining share capital is owned by two Romanian shareholders: Electrica for the 24,90% and Fondul Proprietatea for the 24,09%. As from 29 December 2009 Enel Distributie Dobrogea S.A. is fully consolidated on a line-by-line basis with separate reporting of the minority interests of 49%;

- a 51% stake of Enel Distributie Banat S.A which operates in the distribution of electricity in the Western part of Romania. The remaining share capital is owned by two Romanian shareholders: Electrica for the 24,86% and Fondul Proprietatea for the 24,12% As from 29 December 2009 Enel Distributie Banat S.A. is fully consolidated on a line-by-line basis with separate reporting of the minority interests of 49%;

- a 51% stake of Enel Energie S.A. which performs the supply of electricity to Romanian end users. The remaining share capital is owned by two Romanian shareholders: Electrica for the 24,86% and Fondul Proprietateaa for the 24,12% As from 29 December 2009 Enel Energie S.A. is fully consolidated on a line-by-line basis with separate reporting of the minority interests of 49%;.

> the acquisition at fair value, on 29 December 2009, from the affiliated company Enel Produzione Spa of:

- a 100% stake in Maritza East III Power Holding B.V. a Dutch holding company, which in turn holds a 73% stake in Enel Maritza East 3 AD, a Bulgarian generation company. The remaining 27% of Enel Maritza East 3 AD is held by the Bulgarian state utility company Nationalna Elektricheska Kompania (NEK). As from 29 December 2009 this company is fully consolidated on a line-by-line basis with separate reporting of the *minority* interests of 27%;

- a 100% stake in Maritza O&M Netherlands B.V. a Dutch holding company which in turn holds a 73% stake in Enel Operations Bulgaria, a Bulgarian company responsible for maintaining Enel Maritza East 3 plant. The remaining 27% of Enel Operations Bulgaria is held by the Bulgarian state utility company Nationalna Elektricheska Kompania (NEK). As from 29 December 2009 this company is fully consolidated on a line-by-line basis with separate reporting of the minority interests of 27%.

Group performance on Income statement

Millions of euro	2009	2008	2009-2008
Total revenues	1.400	1.257	143
Total costs	1.143	974	169
GROSS OPERATING MARGIN	**257**	**283**	**(26)**
Depreciation, amortization and impairment losses	135	135	-
OPERATING INCOME	**122**	**148**	**(26)**
Financial income	177	106	71
Financial expense	(222)	(338)	116
Total financial income/(expense)	**(45)**	**(232)**	**187**
Share of gains/(losses) on investments accounted for using the equity method	98	37	61
PROFIT/(LOSS) BEFORE TAXES	**175**	**(47)**	**222**
Income taxes	(10)	51	(61)
NET PROFIT/(LOSS) (Group and minority interests)	**185**	**(98)**	**283**
Minority interests	31	28	3
GROUP NET PROFIT/(LOSS)	**154**	**(126)**	**280**

Revenues

Millions of euro	2009	2008	2009-2008
Revenues from the sale and transport of electricity	1.283	1.143	140
Revenues from premium reassurance provided	42	38	4
Other sales and services	75	76	(1)
Total	**1.400**	**1.257**	**143**

In 2009, revenues amounted to EUR 1.400 million, up EUR 143 million over 2008. This increase is primarily connected to the rise in revenues from **the sale and transport of electricity** thanks to a EUR 257 million increase of Enel OGK5 revenues due to a different period of consolidation (OGK5 has been consolidated as from 28 May 2008) and a EUR 102 million rise in Enel France electricity sales mainly following the agreement with EDF resulting in higher average sales prices. These positive effects were partially offset by the deconsolidation, effective on 1 January 2009, of renewable subsidiaries resulting in a EUR 224 million decline in revenues.

Other sales and services totaled EUR 75 million down EUR 1 million over 2008; this drop is mainly caused by the deconsolidation as from 1 January 2009 of the companies belonging to renewable business (EUR 32 million) partially offset by the 2009 major contribution from Enel OGK5 (EUR 30 million).

Costs

Millions of euro	2009	2008	2009-2008
Raw materials and consumables	890	729	161
Services	112	123	(11)
Personnel	79	64	15
Other operating expenses	62	58	4
Total	**1.143**	**974**	**169**

Costs for **raw materials and consumables** increased by EUR 161 million in 2009 to EUR 890 million mainly attributable to the following effects:

- a decrease of EUR 9 million in costs of electricity purchases further to the deconsolidation of renewable companies (down EUR 35 million) and lower electricity purchases ascribable to Enel OGK5 (down EUR 50 million); these positive effects were almost wholly offset by higher electricity costs of Enel France (up EUR 78 million) connected to higher volumes of electricity sold to customers in 2009;
- a rise of EUR 154 in costs for consumption of fuel for electricity generation amounting to EUR 512 million as of 31 December 2009 (EUR 358 million as of 31 December 2008) because of a different period of consolidation of Enel OGK5.

Services costs totaled EUR 112 million in 2009, down EUR 11 million over 2008. The fall essentially reflects the positive effect of the deconsolidation of renewable subsidiaries for EUR 15 million partially made up for a rise in service costs incurred by Enel OGK5 (up EUR 7 million).

Personnel costs for 2009 amounted to EUR 79 million, an increase of EUR 15 million over 2008. The variation is mainly connected to the different period of consolidation concerning Enel OGK5 (up EUR 25 million) partially offset by the change in scope of consolidation after the disposal of Enel Green Power International BV as of 1 January 2009 (down EUR 10 million) and by lower employee leaving incentives recognized by Enel OGK-5 (down EUR 7 million).

Other operating expenses came to EUR 62 million, up EUR 4 million over 2008. The rise is essentially connected to higher provision for risks and charges accounted for by Enel.re (EUR 15 million); these negative postings are partially offset by a drop in costs for levies and taxes (EUR 3 million) and in other operating expenses (EUR 7 million).

Depreciation, amortization and impairment losses stated at the same amount recorded in 2008 (EUR 135 million). Depreciation and amortization rose by EUR 36 million to EUR 109 million due to the different period of Enel OGK5 consolidation (up EUR 66 million) partially made up for the positive effect of renewable companies deconsolidation (down EUR 30 million). Impairment losses decreased by EUR 36 million to EUR 26 million and they include the impairment of goodwill (EUR 8 million) and the impairment of the licensing right (EUR 17 million) connected to the Livadia Project of the subsidiary Enelco because of incresead regulations set in 2009 by Greek Government which have not allowed Enelco to carry on the project in a profitable way. In 2008 impairment losses related to the impairment of the equity investment in Enel Green Power Holding Sarl (EUR 60 million) and to tangible assets for EUR 2 million.

Operating income came to EUR 122 million in 2009, a fall of EUR 26 million on 2008.

Net financial expense in 2009 decreased by EUR 187 million to a negative EUR 45 million (negative EUR 232 million in 2008). The fall of net financial charges is primarily connected to:

- the impairment of the value of the equity investment in Bayan Resources (EUR 118 million) recorded only in 2008;
- the decrease of Enel Investment Holding BV interest expenses on intercompany account held with Enel Spa (EUR 50 million) thanks to an improved average financial position during 2009.

The **share of gains/(losses) on investments accounted for using the equity method** showed a net gain of EUR 98 million, up EUR 61 million on 2008. This rise reflects the positive effect of the sale of 51% stake of Severenergia to Gazprom carried out by Artic Russia on 23 September 2009 (EUR 65 million) as well a realignment of previous equity method evaluations taking into consideration both Artic Russia and Res Holding BV sub-consolidated financial statements (EUR 27 million). These postings are partially made up for income from associates recognized only in 2008 with regard to Enel OGK5 before its fully consolidation (EUR 14 million) and to EUFER (EUR 13 million).

Income taxes decreased by EUR 61 million to a positive EUR 10 million over 2008. Current taxation came to EUR 37 million (down EUR 14 million) thanks to the deconsolidation of renewable companies as from 1 January 2009 (EUR 30 million) partially offset by an higher tax rate of Enel France in 2009 resulting in higher current taxes totaling EUR 17 million. Net deferred taxation also contributed to reduce tax charge with a positive variation of EUR 47 million mainly due to a reversal of deferred tax liabilities of Enel OGK5 which has contributed only for seven months in 2008.

Analysis of the Group financial position

Millions of euro	31 Dec. 2009	31 Dec. 2008	2009-2008
Net non-current assets:			
- property, plant and equipment and intangible assets	4.364	3.682	682
- goodwill	1.499	1.720	(221)
- equity investments accounted for using the equity method	754	1.326	(572)
- other net non-current assets/(liabilities)	15	56	(41)
Total	**6.632**	**6.784**	**(152)**
Net current assets:			
- trade receivables	401	145	256
- inventories	80	76	4
- other net current assets/(liabilities)	(674)	(277)	(397)
- trade payables	(308)	(236)	(72)
Total	**(501)**	**(292)**	**(209)**
Gross capital employed	**6.131**	**6.492**	**(361)**
Provisions:			-
- post-employment and other employee benefits	(54)	(39)	(15)
- provisions for risks and charges	(262)	(113)	(149)
- net deferred taxes	(364)	(261)	(103)
Total	**(680)**	**(413)**	**(267)**
Net capital employed	**5.451**	**6.079**	**(628)**
Total shareholders' equity	**4.614**	**3.682**	**932**
Net financial debt	**837**	**2.397**	**(1.560)**

Property, plant and equipment and intangible assets rose by EUR 682 million to EUR 4.364 million. The increase is the result of the investments for the period amounting to EUR 482 million as well as the effect of the completion in 2009 of the purchase price allocation of Enel OGK5 (EUR 460 million), Enelco (EUR 18 million) and Marcinelle Energie (EUR 45 million). These factors are partially offset by the net change (EUR 154 million) in scope of consolidation over 31 December 2008 after disposing of Erelis and renewable subsidiaries (EUR 1.816 million) and acquiring Romanian and Bulgarian companies (EUR 1.662 million) at the end of 2009; moreover depreciation, amortization and impairment losses in 2009 (EUR 127 million) along with negative exchange rate differences (EUR 62 million) contribute to offset the rise in property, plant and equipment and intangible assets.

Goodwill amounted to EUR 1.499 million down EUR 221 million over 2008. The drop is mainly due to the completion in 2009 of the allocation process between the purchase price and net assets acquired of Enel OGK5, Marcinelle and Enelco (EUR 184 million) as well as negative exchange rate differences over Enel OGK5 goodwill (EUR 53 million). Futhermore the impairment of Enelco goodwill recognized in 2009 (EUR 8 million) and the derecognition of goodwill of renewable companies contribute to a fall in this aggregate. These effects are to a limited extent offset by the increase of goodwill accounted for regarding Romanian and Bulgarian companies (EUR 302 million). All goodwill recorded as of 31 December 2009 is to be account as definitive.

Equity investments accounted for using the equity method amounted to EUR 754 million, down EUR 572 million on the previous year. The fall is primarily connected to the divestments of Elica II and EUFER at the beginning of 2009 (EUR 494 million) and to a share premium repayment made by Artic Russia to Enel Investment Holding BV after its collection of the first installment linked to the sale of 51% stake of Severenrgia to Gazprom on 23 September 2009 (EUR 68 million).

The balance of *other net non-current assets/(liabilities)* at 31 December 2009 showed a net asset of EUR 15 million down EUR 41 million on 31 December 2008. The change is essentially due to the following factors:

- a EUR 130 million rise in non-current equity investments measured at fair value, mainly attributable to the revaluation in 2009 of equity investments in Bayan resources (EUR 117 million) and Echelon Corporation (EUR 6 million);
- a EUR 133 million increase in other non current liabilities, the net results of the electricity business deferred revenues recognized at the end of 2009 after acquiring the Romanian companies (EUR 181 million) partially offset by other non-current liabilities derecognized after disposing of renewable companies on 1 January 2009 (EUR 36 million);
- a EUR 18 million rise in non-current financial derivative as a result of the acquisition of Enel Maritza East 3 AD at the end of 2009.

Net current assets came to a negative EUR 501 million, a decrease of EUR 209 million compared to 31 December 2008. This change mainly refers to the following factors:

- a EUR 256 million increase in trade receivables due to the effect of the change in scope of consolidation totaling EUR 157 million and higher volumes of electricity transported and sold by Enel OGK5 and Enel France resulting in higher receivables amounting to EUR 53 million;
- a EUR 4 million rise in inventories mainly related to the acquisition of the Romanian companies (EUR 31 million) partially offset by a fall in Enel OGK5 inventories for an amount of EUR 26 million;
- an increase of EUR 397 million in other net current liabilities primarily connected to a rise in payables for put options granted to minority shareholders for acquiring further 23,6% stakes in Enel Distributie Muntenia and Enel Energie Muntenia (EUR 390 million) partially offset by a fall in payables for acquiring the remaining 20% stake in Marcinelle (EUR 13 million);
- a rise of EUR 72 million in trade payables as a results of the consolidation as from the end of 2009 of Bulgarian and Romanian companies (EUR 180 million) partially offset by the effect of renewable companies deconsolidation (EUR 72 million) and by a decline of Enelco payables for work in progress after a slowdown in realizing the Livadia Project (EUR 48 million).

Provisions amounted to EUR 680 million, up EUR 267 million compared with the same period of the prior year reflecting the following effects:

- an increase of EUR 149 million in provision for risks and charges mainly related to the accruals recognized in the 2009 income statement (EUR 33 million) and to the completion of Enel OGK5 purchase price allocation with a recognition of a provision for taxes and levies totaling EUR 109 million;

- a rise in net deferred taxes of EUR 364 million over 31 December 2008. The increase is mainly attributable to the recognition of deferred tax liabilities of Enel OGK5 after the completion of the above mentioned PPA process (EUR 150 million) as well as higher deferred tax liabilities as a result of the acquisition of Romanian and Bulgarian subsidiaries at the end of 2009 (EUR 107 million). These factors are partially made up for a reversal in 2009 income statement of deferred tax liabilities (EUR 62 million) and for the deconsolidation of renewable companies as from 1 January 2009 (EUR 128 million).

Net capital employed came to EUR 5.451 million at 31 December 2009, down 628 million on 31 December 2008; it is funded by shareholders' equity attributable to the Group and minority interests in the amount of EUR 4.614 million and by net financial debt totaling EUR 837 million. The debt-to-equity ratio at 31 December 2009 came to 0,19 (compared with 0,66 as of 31 December 2008).

Analysis of the financial structure

Net financial debt

Millions of euro	**31 Dec. 2009**	31 Dec. 2008	2009-2008
Long-term debt:			
- bank loans	629	64	565
- bonds	413	584	(171)
- other loans from Third parties	28	153	(125)
- other loans from Enel Group's Companies	272	337	(65)
Long-term debt	*1.342*	*1.138*	*204*
Long-term financial receivables and securities	(484)	(345)	(139)
Other m/l term financial receivables - Enel SpA	(318)	(522)	204
Net long-term debt	**540**	**271**	**269**
Short-term debt:			
Bank loans:			
- short-term portion of long-term debt	24	16	8
- other short-term bank debt	0	45	(45)
Short-term bank debt	*24*	*61*	*(37)*
Bonds (short-term portion)	225	133	92
Other loans from Third parties (short-term portion)	0	23	(23)
Intercompany current account - Enel SpA	1.119	2.168	(1.049)
Other short-term loans from Enel Group's Companies	113	195	(82)
Commercial Paper	93	0	93
Other short-term loans	-	4	(4)
Other short-term debt	*1.550*	*2.523*	*(973)*
Long-term financial receivables (short-term portion)	0	(20)	20
Long-term financial receivable (short-term portion) Enel SpA	(230)	0	(230)
Other short-term financial receivables Enel Group	(68)	(14)	(54)
Cash and cash equivalents	(979)	(424)	(555)
Cash and cash equivalents and short-term financial receivables	*(1.277)*	*(458)*	*(819)*
Net short-term financial debt	**297**	**2.126**	**(1.829)**
NET FINANCIAL DEBT	**837**	**2.397**	**(1.560)**

Net financial debt was equal to EUR 837 million at 31 December 2009, a EUR 1.560 million decrease over 31 December 2008. This significant drop mainly reflects the positive effects of:

- the disposal of renewable companies at 1 January 2009 with a positive effect reflected on the intercompany current account held by the Company with Enel S.p.A. for a total consideration of EUR 1.690 million, partially offset by the Romanian and Bulgarian acquisitions charged at the end of 2009 for EUR 672 million;
- the change in scope of consolidation between the two reporting periods due to the deconsolidation of the net financial debt of renewable companies (EUR 422 million) and the acquisition of positive financial positions related to Bulgarian and Romanian companies at 2009 year ended (EUR 405 million).

These decline in net financial debt has been partially made up for new borrowings utilized in 2009 by Enel OGK5 as regards bank loans (EUR 216 million) and commercial paper (EUR 93 million).

Net long term financial debt increased by EUR 269 million as the net results of new bank loans borrowed by Enel OGk5 for EUR 216 million and higher bank loans arising from Bulgarian companies (EUR 412 million), partially offset by the rise in long-term financial receivables following the Cooperation Agreement "EPR Flamanville 3" between Enel France S.a.s. and EDF (EUR 86 million) and by the deconsolidation of renewable companies long-term debt (EUR 389 million).

Net short term financial debt fell by EUR 1.829 million to EUR 297 million primarily as a results of the positive effects related to the above mentioned change in scope of consolidation affecting cash and cash equivalents (EUR 642 million) and other short-term loans (EUR 176 million) as well as the reduction in the negative balance of the intercompany current account held by the Company with Enel S.p.A at 31 December 2009 (EUR 1.049 million). These positive effects have been mitigated by a EUR 93 million emission of Enel OGK5 commercial papers during 2009.

Cash flows

Millions of euro

	2009	2008	2009-2008
Cash and cash equivalents at the start of the year [1]	(1.730)	(177)	(1.553)
Cash flows from operating activities	200	587	(387)
Cash flows from investing/disinvesting activities	1.211	(2.407)	3.618
Cash flows from financing activities	265	265	-
Effect of exchange rate changes on cash and cash equivalents	(14)	2	(16)
Cash and cash equivalents at the end of the period [1]	(68)	(1.730)	1.662

[1] Including intercompany current account held with Enel S.p.A.

Cash flows from operating activities in 2009 were positive at EUR 200 million, down EUR 387 million over the prior year. The change reflects the decrease in the gross operating margin as well as a greater funding required by an higher net current assets as of 31 December 2009 if we exclude the effects of the change in scope of consolidation on the net current assets which haven't affected the cash flows.

Cash flows from investing/disinvesting activities in 2009 generated cash of EUR 1.211 million compared to cash absorbed in 2009 (EUR 2.407 million).

In particular, investments in property, plant and equipment and intangible assets came to EUR 482 million, up EUR 52 million mainly due to higher capital expenditure reported by Enel OGK-5 in 2009.

Investments in entities or business units, net of cash and cash equivalents acquired in the amount of EUR 243 million, totaled EUR 429 million, down EUR 1.548 million on 2008. In 2009 they relate to the acquisition at fair values of several Romanian companies whereas in 2008 they regarded the acquisition of a further stake of Enel OGK-5 for EUR 833 million, of ENA and ELA for EUR 596 million and 271 million respectively, of 10% of Bayan for EUR 139 million and of a few wind projects in Greece amounting to EUR 122 million.

The disposal of entities or business units, net of cash and cash equivalents sold totaling EUR 136 million, generated cash flows for EUR 1582 million and its is attributable to the divestiture of renewable companies at 1 January 2009 (EUR 1.555 million) and Enel Erelis (EUR 27 million). Moreover the cash acquired of Muntenia companies further to a voluntary non-cash share premium contribution by and between Enel Spa and the Company at 2009 year ended (EUR 526 million) as well as the cash collected through the share premium repayment from the investee Artic Russia to the Company totaling (EUR 68 million) have provided an additional positive effect on the Group cash balances.

Cash flows from financing activities generated cash in the amount of EUR 265 million in line with 2008. Cash flows for 2009 essentially reflect financing needs covered by Enel OGK-5 through new borrowings (EUR 216 million) and commercial paper (EUR 93 million) partially offset by intercompany loans repayments for EUR 67 million.

The significant rise in the *Cash flows from investing/disinvesting activities* along with the positive *cash flows generated from* operating *and financing activities* have contributed to a remarkable reduction of the net cash deficit during 2009 which dropped to a negative EUR 68 million at 31 December 2009 compared to a negative EUR 1.730 at the end of 2008.

Main risks and uncertainties

Business risks

The energy markets in which the Group operates are currently undergoing gradual liberalization, which is being implemented using different approaches and timetables from country to country.

As a result of these processes, the Group is exposed to increasing competition from new entrants and the development of organized markets.

The business risks generated by the natural participation of the Group in such markets have been addressed by integrating along the value chain, with a greater drive for technological innovation, diversification and geographical expansion. More specifically, the initiatives taken have increased the customer base in the free market, with the aim of integrating downstream into final markets, optimizing the generation mix, improving the competitiveness of plants through cost leadership, seeking out new high-potential markets and developing renewable energy resources with appropriate investment plans in a variety of countries.

The Group often operates in regulated markets, and changes in the rules governing operations in such markets, and the associated instructions and requirements with which the Group must comply, can impact our operations and performance.

In order to mitigate the risks that such factors can engender, Enel has forged closer relationships with local government and regulatory bodies, adopting a transparent, collaborative and proactive approach in tackling and eliminating sources of instability in regulatory arrangements.

Supply continuity

In order to limit the risk of interruptions in fuel supplies, the Group has diversified fuel sources, using suppliers from different geographical areas and encouraging the construction of transportation and storage infrastructure.

Credit risk

In its commercial and financial activities, the Group is exposed to the risk that its counterparties might not be able to discharge all or part of their obligations, whether these involve payment for goods already delivered and services rendered or payment of the expected cash flows under financial derivatives contracts.

In order to minimize such risks, the Group assesses the creditworthiness of the counterparties to which it plans to maintain its largest exposures on the basis of information supplied by independent providers and internal rating models.

This process provides for the attribution of an exposure limit for each counterparty, the request for appropriate guarantees for exposures exceeding such limits and periodic monitoring of the exposures.

For certain segments of its customer portfolio, the Group also enters into insurance contracts with leading credit insurance companies.

Liquidity risk

Liquidity risk is managed by the Group Treasury Unit at Enel Spa, which ensures adequate coverage of cash needs (using lines of credit and issues of bonds and commercial paper) and appropriate management of any excess liquidity.

The repayment of bonds issued by the Company is guaranteed by Enel Spa therefore there is no impact on the Group liquidity risk.

Exchange rate and interest rate risk

Enel Investment Holding B.V. and its subsidiaries are exposed to exchange rate risk associated with cash flows in respect of the purchase or sale of fuel or electricity on international markets, cash flows in respect of investments or other items in foreign currency and debt denominated in currencies other than the functional currency of the respective countries.

The main exchange rate exposure of the Company is in respect of the Russian ruble and Romanian leu. During the year, management of exchange rate risk was pursued through compliance with Enel Group's risk management policies, encountering no difficulties in accessing the derivatives market.

Interest rate risk management is aimed at balancing the structure of the debt, reducing the amount of debt exposed to interest rate fluctuations and minimizing borrowing costs over time, limiting the volatility of results. The main source of the exposure to this category of risk for the Group is floating-rate debt. Enel Investment Holding B.V. and its subsidiaries are involved in the management policies implemented by the Parent Company Enel S.p.A. to optimize the Group's overall financial position, ensure the optimal allocation of financial resources and control financial risks.

Other risks

Breakdowns or accidents that temporarily interrupt operations at Group's plants represent an additional risk associated with the Group's business. In order to mitigate such risks, the Group adopts a range of prevention and protection strategies, including preventive and predictive maintenance techniques and technology surveys to identify and control risks, and implement international best practices. Any residual risk is managed using specific insurance policies to protect corporate assets and provide liability coverage in the event of harm caused to third parties by accidents, including pollution, that may occur in during the production and distribution of electricity.

Outlook

The Company will keep on maintaining the role of holding of several foreign subsidiaries of the Enel Group operating in the traditional power sources field and will continue to support Enel group in the framework of its presence in the international market.

The Group's attention will be focused on the further consolidation and integration of its various parts, with the aim of creating value by leveraging the professionalism, skills and synergies it possesses, without neglecting the search for new opportunities in technological innovation and in organic growth in the areas and businesses in which it operates.

At the same time, the portfolio optimization efforts designed to reinforce the Group's financial position, which has been affected considerably by the international expansion policy pursued in recent years, will continue.

Research and Development

The Company does not perform any research and development activities directly. These are performed by the operating entities, such as the subsidiaries and other Enel Group Companies.

Personnel

As of 31 December 2009, the Group employed a total of 9.466 people (5.077 at 31 December 2008).

Changes in the total number of employees with respect to 31 December 2008 are summarized below:

Balance at 31 December 2008	**5.077**
- Acquisitions	5.493
- Disposals	(748)
Changes in the scope of consolidation	**4.745**
Hirings and terminations	(356)
Employees at 31 December 2009	**9.466**

As per 31 December 2009 the Company had, other than the nine directors, three staff member employed.

Statement of the Board of Directors

Statement ex Article 5:25c Paragraph 2 sub c Financial Markets Supervision Act ("Wet op net Financieel Toezicht").

To our knowledge,

1. the financial statements give a true and fair view of the assets, liabilities, financial position and result of Enel Investment Holding B.V. and its consolidated companies;
2. the management report gives a true and fair view of the company's position as per 31 December 2009 and the developments during the financial year 2009 of Enel Investment Holding B.V. and its consolidated companies;
3. the director's report describes the principal risks the issuer is facing.

Amsterdam, 29 April 2010

The Board of Directors:

L. Ferraris

A. Brentan

C. Machetti

C. Tamburi

C. Palasciano

H. Marseille

F. Mauritz

A.J.M. Nieuwenhuizen

K. Schell

Consolidated Financial Statements

Prepared in accordance with the

International Financial Reporting Standards

as adopted by the European Union

for the year ended 31 December 2009

Enel Investment Holding BV consolidated income statement for the year ended 31 December 2009

Prepared in accordance with the IFRS as adopted by the European Union

Millions of Euro	*Note*		
		2009	**2008**
		EUR	EUR
Revenues			
Revenues from sales and services	*9*	1.400	1.257
Costs			
Raw materials and consumables	*10*	890	729
Services	*11*	112	123
Personnel expenses	*12*	79	64
Depreciation, amortization and impairment losses	*13*	135	135
Other operating expenses	*14*	62	58
	[Subtotal]	*1.278*	*1.109*
Total operating result		**122**	**148**
Financial income	*15*	177	106
Financial expenses	*15*	(222)	(338)
Share of income/(expense) from equity investments accounted for using the equity method	*16*	98	37
	[Subtotal]	*53*	*(195)*
Income before taxes		**175**	**(47)**
Income taxes	*17*	(10)	51
Net income for the year (shareholders of the Parent Company and minority interests)		**185**	**(98)**
Attributable to minority interests		31	28
Attributable to shareholders of the Parent Company		154	(126)

The Notes on pages 37 to 101 are an integral part of these Consolidated Financial Statements

Enel Investment Holding BV consolidated statement of Other Comprehensive Income for the year ended 31 December 2009

Prepared in accordance with the IFRS as adopted by the European Union

Millions of euro	*Notes*		
		2009	2008
Net income for the period		**185**	**(98)**
Other components of comprehensive income:			
- Effective portion of change in the fair value of cash flow hedges		(4)	-
- OCI of associated companies accounted for using equity method		(84)	-
- Change in the fair value of financial investments available for sale		125	-
- Sundry riserve		8	-
- Exchange rate differences		(91)	(262)
Income (loss) recognized directly in equity	*30*	**(46)**	**(262)**
Comprehensive income for the period		**139**	**(360)**
Attributable to:			
- shareholders of the Parent Company		108	(388)
- minority interests		31	28

The Notes on pages 37 to 101 are an integral part of these Consolidated Financial Statements

Enel Investment Holding BV Consolidated Statement of Financial Position as at 31 December 2009

Prepared in accordance with the IFRS as adopted by the European Union

Millions of Euro	*Notes*		
ASSETS			
		31 Dec.2009	31 Dec.2008
Non-current assets			
Property, plant and equipment	*18*	4.002	3.487
Intangible assets	*19*	1.860	1.915
Deferred tax assets	*34*	38	49
Equity investments accounted for using the equity method	*20*	754	1.326
Equity investments in other companies	*21*	174	72
Non-current financial assets	*22*	802	867
Other Non-current assets	*23*	61	60
	[Total]	**7.691**	**7.776**
Current assets			
Inventories	*24*	80	76
Trade receivables	*25*	401	145
Tax receivables	*26*	4	16
Current financial assets	*27*	315	64
Other current assets	*28*	114	91
Cash and cash equivalents	*29*	974	403
	[Total]	**1.888**	**795**
TOTAL ASSETS		**9.579**	**8.571**

The Notes on pages 37 to 101 are an integral part of these Consolidated Financial Statements

Enel Investment Holding BV Consolidated Statement of Financial Position as at 31 December 2009

Prepared in accordance with the IFRS as adopted by the European Union

Millions of Euro	Notes		
LIABILITIES AND SHAREHOLDERS' EQUITY		**31 Dec.2009**	31 Dec.2008
Equity attributable to the shareholders of the Parent Company	*30*		
Share capital		1.593	1.593
Reserves		2.055	1.233
Retained earnings (losses)		(400)	84
Profit (Loss) for the year		154	(126)
	[Total]	**3.402**	**2.784**
Equity attributable to minority interests		1.212	898
TOTAL SHAREHOLDERS' EQUITY		**4.614**	**3.682**
Non-current liabilities			
Long-term loans	*31*	1.342	1.138
Post-employment and other employee benefits	*32*	54	39
Provisions for risks and charges	*33*	130	110
Deferred tax liabilities	*34*	402	311
Other non-current liabilities	*35*	220	75
	[Total]	**2.148**	**1.673**
Current liabilities			
Short-term loans	*36*	1.325	2.412
Current portion of long-term loans	*31*	248	172
Current portion of provisions	*33*	132	3
Trade payables	*37*	308	236
Income tax payable		22	33
Current financial liabilities	*38*	42	80
Other current liabilities	*39*	740	280
	[Total]	**2.817**	**3.216**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**9.579**	**8.571**

The Notes on pages 37 to 101 are an integral part of these Consolidated Financial Statements

Enel Investment Holding BV Consolidated Cash Flow Statement for the year ended 31 December 2009

Prepared in accordance with the IFRS as adopted by the European Union

Millions of euro

	2009	2008
Income for the year (shareholders of the Parent Company and minority interests)	**185**	**(98)**
Adjustments for:		
Amortization and impairment losses of intangible assets	27	6
Depreciation and impairment losses of property, plant and equipment	107	69
Other Impairment	1	60
Provisions	33	15
Financial (income)/expense	45	205
Income taxes	(10)	51
(Gains)/Losses and other non-monetary items	(98)	(10)
Cash flow from operating activities before changes in net current assets	*290*	*298*
Increase/(Decrease) in provisions	(8)	(11)
(Increase)/Decrease in inventories	28	(10)
(Increase)/Decrease in trade receivables	(59)	(43)
(Increase)/Decrease in financial and non-financial assets/liabilities	143	359
Increase/(Decrease) in trade payables	(37)	123
Interest income and other financial income collected	115	49
Interest expense and other financial expense paid	(234)	(160)
Income taxes paid	(38)	(18)
Cash flows from operating activities (a)	**200**	**587**
Investments in property, plant and equipment	(477)	(426)
Investments in intangible assets	(5)	(4)
Investments in entities (or business units) less cash and cash equivalents acquired	(429)	(1.977)
Disposals of entities (or business units) less cash and cash equivalents sold	1.582	-
(Increase)/decrease in other investing activites	(26)	-
Share premium contribution	566	-
Cash flows from investing/disinvesting activities (b)	**1.211**	**(2.407)**
Financial debt (new long-term borrowing)	332	220
Financial debt (repayments and other changes)	(67)	45
Cash flows from financing activities (c)	**265**	**265**
Impact of exchange rate fluctuations on cash and cash equivalents (d)	**(14)**	**2**
Increase/(Decrease) in cash and cash equivalents (a+b+c+d)	**1.662**	**(1.553)**
Cash and cash equivalents at the beginning of the year	(1.730)	(177)
Cash and cash equivalents at the end of the year[1]	(68)	(1.730)

[1] including intercompany current account held with Enel S.p.A. Refer to notes 29.

The Notes on pages 37 to 101 are an integral part of these Consolidated Financial Statements

Enel Investment Holding BV Consolidated Statement of Changes in Shareholders' Equity at 31 December 2009

Prepared in accordance with the IFRS as adopted by the European Union

Millions of euro

	Share capital	Share premium reserve	FV and sundry reserves	Currency translation reserve	OCI equity method reserve	Retained earnings	Profit for the year	**Group net equity**	**Minority interests**	**Total shareholders' equity**
Balance at 31 December 2007	**1.593**	**1.541**	**22**	**(39)**	**-**	**64**	**45**	**3.226**	**146**	**3.372**
Profit appropriation						45	(45)	**-**		**-**
Capital contribution								**-**		**-**
Dividends distribution						(25)		**(25)**		**(25)**
Change in scope of consolidation								**-**	**724**	**724**
Revaluation assets available for sale			-					**-**		**-**
Net income/(loss) for the period recognized in equity			(29)	(262)				**(291)**		**(291)**
Net income/(loss) for the period							(126)	**(126)**	**28**	**(98)**
2008 movements	**-**	**-**	**(29)**	**(262)**	**-**	**20**	**(171)**	**(442)**	**752**	**310**
Balance at 31 December 2008	**1.593**	**1.541**	**(7)**	**(301)**	**-**	**84**	**(126)**	**2.784**	**898**	**3.682**
Profit appropriation	-	-	-	-	-	(126)	126	**-**	**-**	**-**
Capital contribution	-	869	-	-	-	-	-	**869**	**-**	**869**
Dividend distribution	-	-	-	-	-	-	-	**-**	**-**	**-**
Change in scope of consolidation	-	-	(13)	-	-	-	-	**(13)**	**(4)**	**(17)**
Effects of PPA allocation process	-	-	-	-	-	-	-	**-**	**110**	**110**
Under common control transactions	-	-	-	-	-	(358)	-	**(358)**	**200**	**(158)**
Net income/(loss) for the period recognized in equity	-	-	129	(79)	(84)	-	-	**(34)**	**(22)**	**(56)**
Net income/(loss) for the period	-	-	-	-	-	-	154	**154**	**31**	**185**
2009 movements	**-**	**869**	**116**	**(79)**	**(84)**	**(484)**	**280**	**618**	**314**	**932**
Balance at 31 december 2009	**1.593**	**2.410**	**109**	**(380)**	**(84)**	**(400)**	**154**	**3.402**	**1.212**	**4.614**

The Notes on pages 37 to 101 are an integral part of these Consolidated Financial Statements

Notes to the Enel Investment Holding BV consolidated financial statements for the year ended 31 December 2009

1 Form and content of the Consolidated Financial Statements

Following the EU legislation, issuers of financial instruments listed on regulated markets are required to prepare their financial statements in accordance with international accounting standards.

Therefore, Enel Investment Holding B.V., starting with the 2007 financial year, has been preparing the financial statements in accordance with the International Financial Reporting Standards (IFRS), the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretation Committee (SIC) as updated by the European Commission (hereinafter "IFRS-EU").

The consolidated financial statements of the Company as at and for the year ended 31 December 2009 comprise the financial statements of the Company and its subsidiaries ("the Group") and the Group's interest in associates and jointly controlled entities. A list of the subsidiaries included in the scope of consolidation is reported in the annex.

1.1 Relationship with parent Company and principal activities

Enel Investment Holding B.V. (hereafter: The "Company") is a private limited liability Company, where 100% of the shares are held by Enel SpA, the ultimate parent company, having its statutory seat in Rome Italy. The Company's financial statements are included into the consolidated financial statements of Enel S.p.A. which can be obtained from the Investor Relations section of Enel S.p.A. official website (http://www.enel.com).

Enel Investment Holding B.V., having its statutory seat at Weteringschans 28 (sous) in Amsterdam The Netherlands, was incorporated on 15 December 2000 under Dutch Law.

The purpose of the Company is to carry on activities and to invest directly or indirectly in companies or ventures that conduct their business:

- in the electricity industry, including all the activities of production, distribution and sale, as well as transmission;
- in the energy industry in general, including fuels, and in the field of environmental protection, as well as water sector;
- in the communications, telematics, information-technology industries and those of multimedia and interactive services;
- in network-based sectors (electricity, water, gas, district heating, telecommunications) on those which, in any case, provide urban services;
- in other sectors in any way related or connected with the activities carried out in the sectors mentioned above.

1.2 Going concern

Enel S.p.A., the Parent company, has issued on 26 February 2010 a letter of support as per 31 December 2009 with respect to the Company, guaranteeing its continued financial support to meet the Company's liabilities.

2 Basis of preparation

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by European Union and with the provisions of the Netherlands Civil Code, Book 2, Title 9.

The consolidated financial statements were approved by the Board of Directors and authorized for issue effective on 29 April 2010.

2.2 Basis of presentation

The consolidated financial statements consist of the consolidated income statement, the statement of comprehensive income, the consolidated statement of financial position, the statement of changes in consolidated equity and the consolidated statement of cash flows and the related notes.

The assets and liabilities reported in the consolidated balance sheet are classified on a "current/non-current basis", with separate reporting of assets and liabilities held for sale. Current assets, which include cash and cash equivalents, are assets that are intended to be realized, sold or consumed during the normal operating cycle of the company or in the twelve months following the balance-sheet date; current liabilities are liabilities that are expected to be settled during the normal operating cycle of the company or within the twelve months following the close of the financial year.

The consolidated income statement is classified on the basis of the nature of costs, while the indirect method is used for the cash flow statement.

The financial statements are prepared on a going-concern basis using the cost method, with the exception of items that are measured at fair value under IFRS-EU, as specified in the measurement policies for the individual items, which are the following:

- derivative financial instruments (see note 3.16);
- financial instruments at fair value through profit and loss (see note 3.16);
- available for sale financial assets (see note 3.16).

2.3 Functional and presentation currency

The consolidated financial statements are presented in euro, the functional currency of Enel Investment Holding BV. All figures are shown in millions of euro unless stated otherwise.

2.4 Use of estimates

Preparing the consolidated financial statements under IFRS-EU requires the use of estimates and assumptions that impact the carrying amount of assets and liabilities and the related information on the items involved as well as the disclosure required for contingent assets and liabilities at the balance sheet date. The estimates and the related assumptions are based on previous experience and other factors considered reasonable in the circumstances. They are formulated when the carrying amount of assets and liabilities is not easily determined from other sources. The actual results may therefore differ from these estimates. The estimates and assumptions are periodically revised and the effects of any changes are reflected in the income statement if they only involve that period. If the revision involves both the current and future periods, the change is recognized in the period in which the revision is made and in the related future periods.

A number of accounting policies are felt to be especially important for understanding the financial statements. To this end, the following section examines the main items affected by the use of estimates, as well as the main assumptions used by management in measuring these items in compliance with the IFRS-EU. The critical element of such estimates is the use of assumptions and professional judgments concerning issues that are by their very nature uncertain.

Changes in the conditions underlying the assumptions and judgments could have a substantial impact on future results.

3 Accounting policies and measurement criteria

3.1 Revenue recognition

Revenues from sales to customers are recognized on an accruals basis. Revenues from sales of electricity to retail customers are recognized at the time the electricity is supplied on the basis of periodic meter readings and also include an estimate of the value of electricity consumption after the date of the last meter reading of the year. Revenues between the date of the meter reading and the end of the year are based on estimates of the daily consumption of individual customers calculated on the basis of their consumption record, adjusted to take account of weather conditions and other factors that may affect estimated consumption.

3.2 Pensions and other post-employment benefits

Part of the Group's employees participate in pension plans offering benefits based on their wage history and years of service.

Certain employees are also eligible for other post-employment benefit schemes.

The expenses and liabilities of such plans are calculated on the basis of estimates carried out by consulting actuaries, who use a combination of statistical and actuarial elements in their calculations, including statistical data on past years and forecasts of future costs.

Other components of the estimation that are considered include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of wage increases and trends in the cost of medical care.

These estimates can differ significantly from actual developments owing to changes in economic and market conditions, increases or decreases in withdrawal rates and the lifespan of participants, as well as changes in the effective cost of medical care.

Such differences can have a substantial impact on the quantification of pension costs and other related expenses.

3.3 Recoverability of non-current assets

The carrying amount of non-current assets is reviewed periodically and wherever circumstances or events suggest that more frequent review is necessary.

Where the value of a group of non-current assets is considered to be impaired, it is written down to its recoverable value, as estimated on the basis of the use of the assets and their future disposal, in accordance with the company's most recent plans.

The estimates of such recoverable values are considered reasonable. Nevertheless, possible changes in the estimation factors on which the calculation of such values is performed could generate different recoverable values. The analysis of each group of non-current assets is unique and requires management to use estimates and assumptions considered prudent and reasonable in the specific circumstances.

3.4 Provision for doubtful accounts

The provision for doubtful accounts reflects estimates of losses on the Group's receivables portfolio. Provisions have been made against expected losses calculated on the basis of historical experience with receivables with similar credit risk profiles, current and historical arrears, eliminations and collections, as well as the careful monitoring of the quality of the receivables portfolio and current and forecast conditions in the economy and the relevant markets.

Although the provision recognized is considered appropriate, the use of different assumptions or changes in economic conditions could lead to changes in the provision and therefore impact net income.

The estimates and assumptions are reviewed periodically and the effects of any changes are taken to the income statement in the year they accrue.

3.5 Related parties

3.5.1 Definition

Related parties are mainly parties that have the same parent company with Enel SpA (the shareholder of Enel Investment Holding B.V.), companies that directly or indirectly through one or more intermediaries control, are controlled or are subject to the joint control of Enel SpA and in which the latter has a holding that enables it to exercise a significant influence. Related parties also include the members of the Compliance/Supervisory Board of Enel SpA, managers with strategic responsibilities, and their close relatives, of Enel SpA and the companies over which it exercises direct, indirect or joint control and over which it exercises a significant influence. Managers with strategic responsibilities are those persons who have the power and direct or indirect responsibility for the planning, management and control of the activities of the Company. They include Company directors.

3.5.2 Transactions with related parties

Concerning transactions with related parties, Enel Investment Holding B.V. adopted the policy defined by the parent company Enel S.p.A.

In December 2006, the Board of Directors of Enel S.p.A. – in compliance with the provisions of the Italian Civil Code and the recommendations of the Self-regulation Code – adopted regulations that establish the procedures for approving and carrying out transactions undertaken by Enel S.p.A. or its subsidiaries with related parties, in order to ensure the transparency and correctness, both substantial and procedural, of the aforesaid transactions.

According to these regulations, the Internal Control Committee of Enel S.p.A. is entrusted with the prior examination of the various kinds of transactions with related parties, with the exception of those that present a low level of risk for Enel S.p.A. and the Group (the latter including the transactions carried out between companies entirely owned by Enel S.p.A., as well as those that are typical or usual, those that are regulated according to standard conditions, and those whose consideration is established on the basis of official market prices or rates established by public authorities).

After the Internal Control Committee has completed its examination, the Board of Directors gives its prior approval (if the transactions regard Enel S.p.A.) or prior evaluation (if the transactions regard Group companies like Enel Investment Holding B.V.) of the most significant transactions with related parties, by which is meant (i) atypical or unusual transactions; (ii) transactions with a value exceeding EUR 25 million (with the exception of the previously mentioned ones that present a low level of risk for Enel S.p.A. and the Group); and (iii) other transactions that the Internal Control Committee thinks should be examined by the Board of Directors.

3.6 Basis of consolidation

3.6.1 Subsidiaries

Subsidiaries comprise those entities for which the Company has the direct or indirect power to determine their financial and operating policies for the purposes of obtaining the benefits of their activities. In assessing the existence of a situation of control, account is also taken of potential voting rights that are effectively exercisable or convertible. The figures of the subsidiaries are consolidated on a full line-by-line basis as from the date control is acquired until such control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Company.

3.6.2 Associated companies and Joint Ventures

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 20 and 50 percent of the voting power of another entity. Joint ventures are those entities over whose activities the Company has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Associates and jointly controlled entities are accounted for using the equity method (equity accounted investees) and are initially recognized at cost. The Company's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Company's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Company, from the date that significant influence or joint control begins until the date that significant influence or joint control ceases. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

3.6.3 Transactions under common control

Transactions under common control are defined those operations arising from transfer of interests among the Company and all other entities belonging to Enel Spa scope of consolidation.

The companies acquired, either at fair values from affiliated companies or trough a contribution in kind from the shareholder, are considered as an under common control transaction and therefore their values in the Company consolidated financial statement have been performed in continuity to their consolidated values included in the last parent company Enel Spa consolidated financial statement.

Consequently the differences need to align the value of the subsidiary as recorded in the Company separate financial statement to the value as recorded in the last parent company Enel Spa consolidated financial statement, has been filed as a difference in the retained earnings.

The acquisition is accounted for as from the date that control was established by the Company. The income statement is consolidated as of that moment too.

The assets and liabilities acquired from entities owned by the Company or its parent company are recognized at the book values at transaction date.

3.7 Consolidation procedures

The financial statements of subsidiaries used to draw up the Company consolidated financial statements were prepared at 31 December 2009 and at 31 December 2008 in accordance with the accounting policies adopted by the parent company Enel S.p.A.

All intercompany balances and transactions, including any unrealized profits or losses on transactions within the Group, are eliminated, net of the theoretical tax effect. Unrealized profits and losses with associates and joint ventures are eliminated for the part attributable to the Group.

In both cases, unrealized losses are eliminated except when relating to impairment.

3.8 Translation of foreign currency items

Each subsidiary prepares its financial statements in the functional currency of the economy in which it operates.

Transactions in currencies other than the functional currency are recognized in these financial statements at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency other than the functional currency are later adjusted using the balance sheet exchange rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of initial recognition of the transaction.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments, which are recognized in other comprehensive income.

3.9 Translation of financial statements denominated in a foreign currency

For the purposes of the consolidated financial statements, all profits/losses, assets and liabilities are stated in euro, which is the functional currency of the Company.

In order to prepare the consolidated financial statements, the financial statements of consolidated companies in functional currencies other than the euro are translated into euro by applying the relevant period-end exchange rate to the assets and liabilities, including goodwill and consolidation adjustments, and the average exchange rate for the period, which approximates the exchange rates prevailing at the date of the respective transactions, to the income statement items.

Any resulting exchange rate gains or losses are recognized as a separate component of equity in a special reserve. The gains and losses are recognized in the income statement on the disposal of the subsidiary.

3.10 Business combinations

All business combinations are recognized using the purchase method, where the purchase cost is equal to the fair value at the date of the exchange of the assets acquired and the liabilities incurred or assumed, plus any costs directly attributable to the acquisition.

This cost is allocated by recognizing the assets, liabilities and identifiable contingent liabilities of the acquired company at their fair values.

Any positive difference between the purchase cost and the fair value of the share of the net assets acquired attributable to the Group is recognized as goodwill. Any negative difference is recognized in profit or loss. If the fair values of the assets, liabilities and contingent liabilities can only be calculated on a provisional basis, the business combination is recognized using such provisional values. Any adjustments resulting from the completion of the measurement process are recognized within twelve months of the date of acquisition.

On first-time adoption of the IFRS-EU, the Group elected to not apply IFRS 3 (Business combinations) retrospectively to acquisitions carried out before 1 January 2006. Accordingly, the goodwill associated with acquisitions carried out prior to the IFRS-EU transition date is still carried at the amount reported in the last consolidated financial statements prepared on the basis of previous accounting standards.

When control is obtained in successive share purchases (a "step acquisition"), each significant transaction is accounted for separately and the identifiable assets, liabilities and contingent liabilities acquired are stated at fair value when control is obtained. As with an acquisition achieved in a single transaction, minority interests are measured at the minority's proportion of the net fair value of the identifiable assets, liabilities and contingent liabilities

3.11 Property, plant and equipment

Property, plant and equipment, is recognized at historic cost, including directly attributable ancillary costs necessary for the asset to be ready for use.

Where a significant period of time is required before the asset is ready for use or sale, for plants on which construction began after January 1, 2009, the purchase price or production cost includes any borrowing costs directly attributable to the purchase, construction or production of such asset.

Certain items of property, plant and equipment that were revalued at January 1, 2006 (the transition date) or in previous periods are recognized at their revalued amount, which is considered as their deemed cost at the revaluation date.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within "other income" in profit or loss.

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred to replace a component of such item will flow to the Company and the cost of the item can be reliably determined. All other expenditure is recognized as an expense in the period in which it is incurred. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Where major components of property, plant and equipment have different useful lives, the components are recognized and depreciated separately.

The cost of replacing part or all of an asset is recognized as an increase in the value of the asset and is depreciated over its useful life; the net carrying amount of the replaced unit is eliminated through profit or loss, with the recognition of any capital gain/loss.

Property, plant and equipment are reported net of accumulated depreciation and any impairment losses determined as set out below. Depreciation is calculated on a straight-line basis over the item's estimated useful life, which is reviewed annually, and any changes are reflected on a prospective basis. Depreciation begins when the asset is ready for use.

The estimated useful life of the main items of property, plant and equipment is as follows:

	Useful life
Hydroelectric power plants (1)	35-40 years
Geothermal power plants	20 years
Alternative Energy power plants	15-35 years
Civil buildings	40-65 years
Thermal power plants (1)	10-40 years
Transport lines	20-40 years
Industrial and commercial equipment	4-25 years
Transformation plant	32-42 years
Medium- and low-voltage distribution networks	20-40 years

(1) Excluding assets to be relinquished free of charge, which are depreciated over the duration of the concession if shorter than useful life.

Land, both unbuilt and on which civil and industrial buildings stand, is not depreciated as it has an indefinite useful life.

Depreciation methods, residual values and useful lifes are evaluated periodically.

3.12 Intangible assets

Intangible assets are measured at purchase or internal development cost, when it is probable that the use of such assets will generate future economic benefits and the related cost can be reliably determined.

The cost includes any directly attributable incidental expenses necessary to make the assets ready for use. The assets, with a definite useful life, are reported net of accumulated amortization and any impairment losses, determined as set out below.

Amortization is calculated on a straight-line basis over the item's estimated useful life, which is checked at least annually; any changes in amortization policies are reflected on a prospective basis.

Amortization commences when the asset is ready for use.

The estimated useful life of the main intangible assets is reported in the notes to the caption.

Intangible assets with an indefinite useful life are not amortized systematically. Instead, they undergo impairment testing at least annually.

Goodwill deriving from the acquisition of subsidiaries, associated companies or joint ventures is allocated to each of the cash-generating units identified. After initial recognition, goodwill is not amortized but is tested for recoverability at least annually using the criteria described in the notes. Goodwill relating to equity investments in associates is included in their carrying amount.

If licenses meet the definition of an intangible asset they are accounted for in accordance with IAS 38. The amortization follows the amortization of the power plant related to the license. Amortization methods, residual values and useful life are evaluated periodically.

3.13 Impairment losses

3.13.1 Impairment of financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognized in the Profit and Loss.

Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

For financial assets measured at amortized cost and available-for-sale financial assets that are debt securities, the reversal is recognized in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

3.13.2 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.13.3 Impairment of non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

3.14 Inventories

Inventories are measured at the lower of cost and net estimated realizable value. Average weighted cost is used, which includes related ancillary charges. Net estimated realizable value is the estimated normal selling price net of estimated selling costs or, where applicable, replacement cost.

3.15 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

3.16 Financial instruments

3.16.1 Equity investments in other entities and other financial assets

Equity investments in entities other than subsidiaries, associates and joint ventures as well as other financial assets are recognized at fair value with any gains or losses recognized in equity (*if* classified as "available for *sale*") or *in* profit or loss (*if* classified as "fair value through profit or loss"). On the sale of available-for-sale assets, any accumulated gains and losses previously recognized in equity are released to the income statement.

When the fair value cannot be determined reliably, equity investments in other entities are measured at cost adjusted by impairment losses with any gains or losses recognized in profit or loss. Such impairment losses are measured as the difference between the carrying amount and the present value of future cash flows discounted using the market interest rate for similar financial assets. The losses are not reversed.

Such cumulative impairment losses for assets measured at fair value through shareholders' equity are equal to the difference between the purchase cost (net of any principal repayments and amortization) and the current fair value, reduced for any loss already recognized through profit or loss, and are reversed from equity to the income statement.

3.16.2 Trade receivable and other current assets

Trade receivable and other current assets are recognized at amortized cost, net of any impairment losses. Impairment is determined on the basis of the present value of estimated future cash flows, discounted at the original effective interest rate.

Trade receivable and other current assets falling due in line with generally accepted trade terms not exceeding 12 months are not discounted.

3.16.3 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and investments in marketable securities that are readily convertible to known amounts of cash and which are subjected to insignificants risk of changes in value (with original maturity of three months or less).

Tied up balances of cash, which are shown under cash and cash equivalents as restricted funds (see Note 19), relate to an escrow account to secure transactions. The current classification is based on the expected timing of the settlement of this account.

Cash and cash equivalents are recognized net of bank overdrafts at period-end in the statement of cash flows.

3.16.4 Debt securities

Debt securities that the Company intends and is able to hold until maturity are recognized at the trade date and, upon initial recognition, are measured at fair value including transaction costs; subsequently, they are measured at amortized cost using the effective interest rate method, net of any impairment losses.

Impairment losses are measured as the difference between the carrying amount and the present value of expected future cash flows discounted using the effective interest rate.

For securities measured at fair value through shareholders' equity (available-for-sale securities), when a reduction in fair value has been recognized directly in equity and there is objective evidence that such securities have suffered an impairment loss, the cumulative loss recognized in equity is reversed to the income statement.

For securities measured at amortized cost (loans and receivables or held-to-maturity investments), the amount of the loss is equal to the difference between the carrying amount and the present value of future cash flows discounted using the original effective interest rate.

Debt securities held for trading and designated at fair value through profit or loss are initially recognized at fair value and subsequent variations are recognized in profit or loss.

3.16.5 Trade payable

Trade payables are recognized at amortized cost.

3.16.6 Financial liabilities

Financial liabilities other than derivatives are initially recognized at the settlement date at fair value, less directly attributable transaction costs. Financial liabilities are subsequently measured at amortized cost using the effective interest rate method.

3.16.7 Derivative financial instruments

Derivatives are recognized at the trade date at fair value and are designated as hedging instruments when the relationship between the derivative and the hedged item is formally documented and the effectiveness of the hedge (assessed periodically) is high.

The manner in which the result of measurement at fair value is recognized depends on the type of hedge accounting adopted:

- fair value hedges: when the derivatives are used to hedge the risk of changes in the fair value of hedged assets or liabilities, any changes in the fair value of the hedging instrument are taken to profit or loss. The adjustments in the fair values of the hedged assets or liabilities are also taken to profit or loss.
- cash flow hedges: when derivatives are used to hedge the risk of changes in the cash flows generated by the hedged items, changes in fair value are initially recognized in equity, in the amount qualifying as effective. The accumulated gains and losses are subsequently released from equity to profit or loss in line with the gains and losses on the hedged items.

The ineffective portion of the fair value of the hedging instrument is taken directly to profit or loss under "Net financial income/expense".

Changes in the fair value of derivatives that no longer qualify for hedge accounting under IFRS-EU are recognized in profit or loss.

The fair value is determined using the official prices for instruments traded on regulated markets. The fair value of instruments not listed on regulated markets is determined by discounting expected future cash flows on the basis of the market yield curve at the balance-sheet date and translating amounts in currencies other than the Euro using year-end exchange rates.

3.17 Share-based payments

The Company's subsidiary Enel OGK-5 has a share option plan that allows employees to acquire shares of the company, the fair value of the options is measured at grant date and considers the period for which employees become unconditionally entitled to the options. The cost of the options is then expensed between the grant date and the vesting date written into the share option contract. The fair value of the options is measured based on the Black Scholes formula, which take into account the terms and conditions upon which the instruments were granted.

The liability to acquire the shares in OGK-5 by the Company, from the option holders, has been recognized in 2008 as the difference between acquisition price and strike price against equity in the sundry reserves. This movement has been reversed in equity during 2009.

3.18 Employee benefits

Liabilities related to employee benefits paid upon leaving or after ceasing employment in connection with defined benefit plans or other long-term benefits accrued during the employment period, which are recognized net of any plan assets, are determined separately for each plan, using actuarial assumptions to estimate the amount of the future benefits that employees have accrued at the balance sheet date. The liability is recognized on an accruals basis over the vesting period of the related rights. These appraisals are performed by independent actuaries.

The cumulative actuarial gains and losses exceeding 10% of the greater of the present value of the defined benefit obligation and the fair value of the plan assets are recognized in profit or loss over the expected average remaining working lives of the employees participating in the plan. Otherwise, they are not recognized.

Where there is a demonstrable commitment, with a formal plan without realistic possibility of withdrawal, to a termination before retirement eligibility has been reached, the benefits due to employees in respect of the termination are recognized as a cost and measured on the basis of the number of employees that are expected to accept the offer.

3.19 Provisions for risks and charges

Accruals to the provisions for risks and charges are recognized where there is a legal or constructive obligation as a result of a past event at period-end, the settlement of which is expected to result in an outflow of resources whose amount can be reliably estimated. Where the impact is significant, the accruals are determined by discounting expected future cash flows using a pre-tax discount rate that reflects the current market assessment of the time value of money and, if applicable, the risks specific to the liability. If the amount is discounted, the periodic adjustment of the present value due to the time value of money is recognized as a financial expense.

Changes in estimates are recognized in the income statement in the period in which the changes occur and are classified under the same item reporting the related provision.

3.20 Grants

Grants are recognized at fair value when it is reasonably certain that they will be received or that the conditions for receipt have been met.

Grants received for specific expenditure or specific assets the value of which is recognized as an item of property, plant and equipment or an intangible asset are recognized as other liabilities and credited to the income statement over the period in which the related costs are recognized.

Operating grants are recognized fully in profit or loss at the time they satisfy the requirements for recognition.

3.21 Revenues

Revenues are recognized using the following criteria depending on the type of transaction:

- revenues from the sale of goods are recognized when the significant risks and rewards of ownership are transferred to the buyer and their amount can be reliably determined;
- revenues from the sale and transport of electricity refer to the quantities provided during the period, even if these have not yet been invoiced, and are determined using estimates as well as the fixed meter reading figures. Where applicable, this revenue is based on the rates and related restrictions established by law, the Authority for Electricity during the applicable period;
- revenues from the rendering of services are recognized in line with the stage of completion of the services. Where it is not possible to reliably determine the value of the revenues, they are recognized in the amount of the costs that it is considered will be recovered.

3.22 Financial incomes and expenses

Financial income and expense is recognized on an accruals basis in line with interest accrued on the net carrying amount of the related financial assets and liabilities using the effective interest rate method.

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognized in profit or loss. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Dividend income is recognized in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, dividends on preference shares classified as liabilities, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognized on financial assets, and losses on hedging instruments that are recognized in profit or loss. All borrowing costs are recognized in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

3.23 Dividends

Dividends from equity investments are recognized when the shareholder's right to receive them is established.

Dividends and interim dividends payable to third parties are recognized as changes in equity at the date they are approved by the Shareholders' Meeting and the Board of Directors, respectively.

3.24 Income taxes

Current income taxes for the period, recognized under tax payables/receivables net of any payments on account, are determined using an estimate of taxable income and in conformity with the relevant tax regulations.

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Deferred tax liabilities and assets are calculated on the temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding values recognized for tax purposes on the basis of tax rates in effect on the date the temporary difference will reverse, which is determined on the basis of tax rates that are in force or substantively in force at the balance-sheet date.

Deferred tax assets are recognized when recovery is probable, i.e. when an entity expects to have sufficient future taxable income to recover the asset.

The recoverability of deferred tax assets is reviewed at each period-end.

Taxes in respect of components recognized directly in equity are taken directly to equity.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend is recognized.

4 Recently issued accounting standards

4.1 First-time adoption and applicable standards

The company has adopted the following international accounting standards and interpretations taking effect as from January 1, 2009:

"*Amendments to IAS 1 – Presentation of financial statements*": this introduces a new method of presentation of financial statements, with a particular impact on the presentation of income statement data for the period through "comprehensive income", which provides for separate reporting of profit and loss for the period and of profit and loss recognized as a change in equity ("other comprehensive income"). The standard gives companies the options of presenting this information in one "statement of comprehensive income", or in two separate statements presented together:

- one statement ("income statement"), which shows the components of profit and loss for the period; and
- a second statement ("statement of comprehensive income") which, starting with the net income (loss) for the period, includes gains and losses recognized directly in equity (OCI - other comprehensive income).

The Group has elected to present two separate statements. The Revised IAS 1 also eliminated the option of disclosing changes in shareholders' equity items and transactions with owners in the notes to the financial statements and rather requires this information to be presented in a separate statement.

"*Amendments to IAS 23 - Borrowing costs*": this eliminates the option which allowed the expensing of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset and requires their capitalization as part of the cost of that asset. The application of the standard on a prospective basis did not have impact for the Group.

"*Amendments to IAS 32 and IAS 1 - Puttable financial instruments and obligations arising on liquidation*". The amendments introduce an exception to the definition of equity instruments by extending the definition to encompass puttable financial instruments where the instruments impose obligations on the entity in the event of liquidation, provided the instruments have certain characteristics and meet certain conditions. The retrospective application of the amendments did not have an impact for the Group.

"*Amendments to IAS 39 and IFRS 7 Reclassification of financial assets - Effective date and transition*". This amendment modified the sections concerning the effective date of the amendments to IAS 39 and IFRS 7 issued by the IASB and endorsed by the European Commission in October 2008 concerning the reclassification of financial assets, improving the provisions in order to eliminate a number of presentation inconsistencies. More specifically, the IASB specified that reclassifications made as from November 1, 2008 shall be effective as from the date of reclassification. No reclassifications can be applied retrospectively with effect before July 1, 2008.

"*Amendments to IFRIC 9 - Reassessment of embedded derivatives*" and "*Amendments to IAS 39 Financial instruments - Recognition and measurement*". The amendments require companies that intend to reclassify a financial instrument designated as at fair value through profit or loss under the provisions of the amendments of IAS 39 endorsed by the European Commission in October 2008 to reassess the contract to determine whether an embedded derivative should be measured separately. If the company is unable to measure the derivative separately, the financial instrument many not be reclassified out of the FVTPL category. The retrospective application of the interpretation did not have an impact for the Group.

"Amendment to IFRS 2 - Share-based payment": the standard sets out the accounting treatment to be used in respect of "non-vesting conditions" that may apply to a share-based payment. Furthermore, the new standard extends the IFRS 2 rules governing cancellation of stock option plans by an entity to include cases in which the entity did not itself decide the cancellation or settlement during the vesting period. The retrospective application of the amendments did not have an impact for the Group.

"Amendments to IFRS 7 - Financial instruments: Disclosures" and *"Amendments to IFRS 4 - Insurance contracts"*. The amendments introduce a three-level hierarchy for classifying assets and liabilities measured at fair value and providing the related disclosures. The hierarchy classifies financial instruments recognized at fair value in consideration of the inputs used to determine such value. Level 1 includes financial instruments measured at fair value on the basis of quoted prices in active markets for such assets or liabilities. Level 2 comprises financial instruments whose fair value was determined with a valuation technique using directly or indirectly observable market inputs connected with the assets or liabilities being measured. Level 3 includes financial instruments whose fair value was calculated using inputs not based on observable market data. This hierarchy reflects the availability of observable market data to be used in determining fair value. The amendments also introduce new disclosure requirements, with the information to be presented in table form, for assets and liabilities measured at fair value for each of the three levels in the hierarchy, with the extension of disclosure requirements for financial assets measured at fair value on the basis of inputs not based on observable market data. The disclosure requirements for liquidity risk were also amended to reflect the manner in which such risk is managed. The application of the amendments on a prospective basis did not have a material impact for the Group.

"IFRS 8 - Operating segments": the standard replaces IAS 14 and essentially requires the adoption of the management approach in determining and reporting segment profit or loss, i.e. using the methodologies adopted by management in internal reporting in order to assess performance and allocate resources among segments. The application of the standard on a prospective basis did not have an impact for the Group.

"IFRIC 13 - Customer loyalty programs": the interpretation governs the accounting treatment of the obligation to provide prizes to customers as part of customer loyalty programs and establishes that the fair value of the obligations to provide the awards must be accounted for separately from revenues from sales and deferred until the obligation to the customer is extinguished or the customer's right lapses or is not exercised. The retrospective application of the interpretation did not have a material impact for the Group.

"IFRIC 14 - IAS 19 The limit on a defined benefit asset, minimum funding requirements and their interaction": the interpretation provides guidance for the application of the rules contained in IAS 19 relating to the "asset ceiling". It also defines the effects of a minimum funding requirement on liabilities and/or assets held in relation to a defined benefit plan or other long-term benefits (contractually or legally established minimum amount of assets required to service the plan). The application of the interpretation on a prospective basis did not have impact for the Group.

"Improvements to International Financial Reporting Standards": these comprise a series of amendments to individual standards concerning the presentation, recognition and measurement of items in the financial statements, as well as terminological or editorial changes, that had no impact on measurement for accounting purposes. Following the changes to presentation

requirements (IAS 1 - *Presentation of financial statements*), the classification criteria for non-current and current financial assets and liabilities were clarified, specifying that financial assets and liabilities designated as at fair value through profit or loss with a maturity of more than 12 months that are held for operational hedging purposes and that the company intends to hold for at least 12 months as from the reporting date shall be classified as non-current. The retrospective application of this change involved the consistent reclassification, with regard to the comparative figures for December 31, 2008, of derivatives measured at fair value through profit or loss with the above characteristics from current to non-current.

4.2 Standards not yet adopted and not yet applicable

In 2009, the European Commission endorsed the following new accounting standards and interpretations, which were not yet applicable as of December 31, 2009:
"Amendments to IAS 27 Consolidated and separate financial statements". The new version of the standard establishes that changes in equity interests in a subsidiary that do not result in a loss of control shall be recognized in equity. Where a controlling interest is divested, any residual interest must be re-measured to fair value on that date.
"Amendment to IAS 39 - Financial instruments: recognition and measurement: eligible hedged items". With this amendment to the current IAS 39 standard, the IASB has sought to clarify the conditions under which certain financial/non-financial instruments may be designated as hedged items. The amendment specifies that an entity may also choose to hedge only one kind of change in the cash flow or in the fair value of the hedged item (i.e. that the price of a hedged commodity increases beyond a specified price), which would constitute a one-sided risk. The IASB also specifies that a purchased option designated as a hedge in a one-sided risk hedge relationship is perfectly effective only if the hedged risk refers exclusively to changes in the intrinsic value of the hedging instrument, not to changes in its time value as well. The application of the provisions is not expected to have an impact for the Group.
"Amendments to IAS 32 Financial instruments – Presentation". The amendment specifies that rights, options or warrants that entitle the holder to purchase a specific number of equity instruments of the entity issuing such rights for a specified amount of any currency shall be classified as equity if (and only if) the entity offers the rights, options or warrants pro rata to all existing holders of its equity instruments (other than derivatives) in the same class for a fixed amount of currency. The changes shall be applied retrospectively as from periods beginning on or after January 31, 2010. The application of the amendments is not expected to have a significant impact for the Group.
"Revised IFRS 3 - Business combinations", issued in January 2008: this introduced important amendments to the acquisition method for the recognition of business combinations. The changes include:

- the obligation to recognize in profit or loss any changes in the consideration subsequently paid by the acquiring party, as well as the transaction costs of the business combination;
- the possibility of opting for either the full goodwill or the partial goodwill approach in choosing the methodology for initial recognition of goodwill;
- the obligation to recognize, in the case of the acquisition of additional holdings after acquiring control, the positive difference between the purchase price and the corresponding share of equity as an adjustment of equity;

- the obligation to recognize in profit or loss the effects of the fair value measurement, at the date of acquisition of control, of the holdings acquired previously in business combinations achieved in stages.

"IFRIC 12 - Service concession arrangements". The interpretation requires that, depending on the characteristics of the concession arrangements, the infrastructure used to deliver the public services shall be recognized under intangible assets or under financial assets, depending, respectively, on whether the concession holder has the right to charge users of the services or it has the right to receive a specified amount from the grantor agency. The new interpretation applies to both infrastructure that the concession holder builds or acquires from a third party for the purposes of the service arrangement and existing infrastructure to which the concession holder is given access by the grantor for the purposes of the service arrangement. More specifically, IFRIC 12 applies to service concession arrangements between public grantors and private operators if:

- the grantor controls or regulates what services the operator must provide using the assets, to whom, and at what price; and
- the grantor also controls, via ownership or other arrangement, any significant residual interest in the assets at the end of the term of the arrangement.

The Enel Group has analyzed the impact of the application of the interpretation. The analysis found that for the concession operated in Italy for the distribution of electricity to tied customers, the conditions for application of IFRIC 12 do not obtain, as the concession holder has full control, as defined in the interpretation, of the infrastructure serving the electricity distribution service. The Group is completing the analysis of the concessions for the distribution of electricity held by the Romanian subsidiaries; this amendment is not expected to have a significant impact for the Group

"IFRIC 15 - Agreements for the construction of real estate". This interpretation sets out the guidelines for recognizing revenues and costs arising from the contracts for the construction of real estate and clarifies when a contract falls within the scope of "IAS 11 - Construction contracts" and "IAS 18 - Revenue". The interpretation also specifies the accounting treatment to be used in respect of revenues from the delivery of additional services relating to real estate under construction. The application of this interpretation is not expected to have an impact for the Group.

"IFRIC 16 - Hedges of a net investment in a foreign operation". The interpretation applies to entities that intend to hedge the exchange rate risk associated with a net investment in a foreign operation. The main aspects of the interpretation are :

- the hedge may only cover the exchange rate difference between the functional currency (not the presentation currency) of the foreign operation and the functional currency of the parent (a parent being a controlling entity at any level, whether intermediate or final);
- in the consolidated financial statements, the risk may be designated as hedged only once, even if more than one entity in the same group has hedged its exchange rate exposure to the same foreign operation;
- the hedging instrument may be held by any entity in the group (apart from that being hedged);
- in the event of the disposal of the foreign operation, the value of the translation reserve reclassified to profit or loss in the consolidated financial statements shall be equal to the value of the gain/loss on the effective portion of the hedging instrument.

The application of this interpretation is not expected to have a significant impact for the Group.

"IFRIC 17 - Distributions of non-cash assets to owners". The interpretation clarifies matters relating to the distribution of non-cash dividends to owners. In particular:

- dividends shall be recognized as soon as they are authorized;
- the company shall measure dividends at the fair vale of the net assets to be distributed;
- the company shall recognize the difference between the carrying amount of the dividend and its fair value through profit or loss.

The application of this interpretation is not expected to have an impact for the Group.

"IFRIC 18 - Transfers of assets from customers" clarifies the recognition and measurement of assets received from a customer connected with the ongoing supply of goods and services. The Group is assessing the future impact of these new rules.

During 2009, the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) also published new standards and interpretations that, as of December 31, 2009 had not yet been endorsed by the European Commission. The standards are set out below:

"IFRS 9 - Financial instruments", issued in November 2009: the standard is the first of three phases in the project to replace IAS 39. The standard establishes new criteria for the classification of financial assets, based on the business model of the entity and the cash flow characteristics of the financial assets. The new standard requires financial assets to be measured initially at fair value plus, in the case of financial assets not at fair value through profit or loss, any transaction costs. Subsequently, they are measured at fair value or amortized cost. As regards equity instruments not held for trading, an entity can make an irrevocable election to measure it at fair value through other comprehensive income. Any dividend income shall be recognized through profit or loss. The new standard will take effect, subject to endorsement, for periods beginning on or after January 1, 2013, with the possibility of early adoption.

"Revised IAS 24 - Related party disclosures", issued in November 2009: the standard allows companies that are subsidiaries or under the significant influence of a government agency to adopt special related-party disclosure rules allowing summary disclosure of transactions with the government agency and with other companies controlled or under the significant influence of the government agency. The new version of IAS 24 also amends the definition of related parties for the purposes of disclosure in the notes to the financial statements. The new version of the standard will take effect retrospectively, subject to endorsement, for periods beginning on or after January 1, 2011.

"Amendments to IFRIC 14 - Prepayments of a minimum funding requirement", issued in November 2009: the changes clarify the circumstances in which a company that prepays a minimum funding requirement for an employee benefit plan can recognize such payments as an asset. The new rules will take effect, subject to endorsement, for periods beginning on or after January 1, 2011.

"IFRIC 19 - Extinguishing financial liabilities with equity instruments", issued in November 2009: the interpretation clarifies the accounting treatment that a debtor must apply in the case of liability being extinguished through the issue of equity instruments to the creditor. In particular, the equity instruments issued represent the consideration for extinguishing the liability and must be measured at fair value as of the date of extinguishment. Any difference between the carrying amount of the extinguished liabilities and the initial value of the equity instruments shall be recognized through profit or loss. The interpretation will take effect, subject to endorsement, for financial periods beginning on or after July 1, 2010.

"Amendment to IFRS 2 – Group cash-settled share-based payment transactions", issued in June 2009. The amendments, which incorporate the guidelines contained in IFRIC 8 and IFRIC 11, clarify the accounting treatment of cash-settled share-based payments involving different Group companies (e.g. when a parent company is obliged to pay the employees of a subsidiary an amount for their services based on the price of its own shares).

The new rules will take effect, subject to endorsement, for periods beginning on or after January 1, 2010.

5 Determination of fair values

5.1 General

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

5.2 Property, plant and equipment

The fair value of property, plant and equipment recognized as a result of a business combination is based on market values.

5.3 Investments in equity and debt securities

The fair value of financial assets at fair value through profit or loss, held-to-maturity investments and available-for-sale financial assets is determined by reference to their quoted bid price at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.

5.4 Trade and other receivables

The fair value of trade and other receivables, excluding construction work in progress, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

5.5 Derivatives

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds). The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

5.6 Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. In respect of the liability component of convertible notes, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option. For finance leases the market rate of interest is determined by reference to similar lease agreements.

6 Financial risk management

The Company has exposure to the following risks arising from the use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The board of Director has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

Tha company risk management policies are established to identify and analyse the risk faced by the company to set appropriate risk limits and control, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regulary to reflect changes in market conditions and the company's activities. The company, through its training and management standards and procedures, aims to develop a disciplined and contructive control environment in which all employees understand their roles and obligations.

6.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

Millions of euro		Carrying amount	
	note	**31 Dec. 2009**	31 Dec. 2008
Equity investments available for sale	21	169	39
Non-current financial assets	22	802	867
Other non-current financial assets	23	61	60
Current financial assets	27	315	64
Trade and other receivables	25,26,28	519	252
Cash and cash equivalents	29	974	403
TOTAL		**2.840**	**1.685**

Enel Investment Holding B.V. manages credit risk by operating solely with counterparties considered solvent by the market, i.e. those with high credit standing, and does not have any concentration of credit risk. Most of the counterparties are located in Europe and Russia, which is in line with the realisation of revenues as explained in note 9.

As part of activities related to the sale and distribution of electricity to eligible customers, Enel grants trade credit to external counterparties. The counterparties selected are carefully monitored through the assessment of the related credit risk, the pledge of suitable guarantees and/or security deposits to ensure adequste protection from default risk.

The credit risk in respect of the derivatives portfolio is considered negligible since transactions are conducted solely with leading Italian and international banks, diversifying the exposure among different institutions.

With respect to the credit risk on non-current financial assets, we refer to note 22. The amounts are receivable mainly from the parent company and from EDF, the French electricity company.

The current financial assets mainly consist of receivables from the parent company. As explained in note 22, the parent company has guaranteed repayment of the bond.

6.2 Liquidity Risk

Liquidity risk is managed by the Group Treasury unit at Enel SpA, which ensures adequate coverage of cash needs (using lines of credit and issues of bonds and commercial paper) and appropriate management of any excess liquidity.

The financial crisis originally triggered by the crisis in US subprime mortgages, which then continued with the problems at and rescues/acquisitions of leading banks and insurance companies, which has caused credit conditions to tighten.

Despite this turbulence, the Enel Group continued to have access to the bank credit and commercial paper markets. Any difficulties in raising funds have been overcome through careful financial planning and funding policies.

An additional deterioration in the credit market could nevertheless increase liquidity risk for Enel. In any event, a variety of options are under study to strengthen the financial structure of the Group even further.

Millions of euro		31 Dec. 2009		31 Dec. 2008	
	note	Carrying amount	Nominal value	Carrying Amount	Nominal value
Long-term loans	31	1.342	1.369	1.138	1.144
Other non-current loans	35	220	220	75	75
Short-term loans	36	1.325	1.325	2.412	2.412
Current portion long-term loans assets	31	248	248	172	172
Trade and other payables	37,38,39	1.112	1.112	629	629
TOTAL		**4.247**	**4.274**	**4.426**	**4.432**

We refer to note 31 for information about the expected cash flows of the long-term loans. The current liabilities are all expected to be paid within the next 12 months.

6.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

As part of its operations, the Company is exposed to different market risks, notably the risk of changes in interest rates and exchange rates. To contain this exposure within the limits set at the start of the year as part of its risk management policies, Enel enters into derivative contracts using instruments available on the market.

Transactions that, in compliance with risk management policies, qualify for hedge accounting are designated as hedging transactions, while those that do not qualify for hedge accounting are classified as trading transactions.

The fair value is determined using the official prices for instruments traded on regulated markets. The fair value of instruments not listed on regulated markets is determined using valuation methods appropriate for each type of financial instrument and market data as of the close of the financial year (such as interest rates, exchange rates, commodity prices, volatility), discounting expected future cash flows on the basis of the market yield curve at the balance sheet date and translating amounts in currencies other than the euro using period-end exchange rates provided by the European Central Bank.

The financial assets and liabilities associated with derivative instruments are classified as:

- cash flow hedges, mainly related to hedging the risk of changes in the cash flows associated with a number of long-term floating-rate loans;
- trading derivatives, related to hedging interest and exchange rate risk and commodity risk but which do not qualify for recognition under IAS 39 as hedges of specific assets, liabilities, commitments or future transactions.

The notional value of a derivative is the contractual amount on the basis of which differences are exchanged. Amounts denominated in currencies other than the euro are converted into euro at the exchange rate prevailing at the balance-sheet date.

6.3.1 Interest rate risk

Interest rate risk management is aimed at balancing the structure of the debt, reducing the amount of debt exposed to interest rate fluctuations and minimizing borrowing costs over time, limiting the volatility of results. To this end, various types of derivatives are used, including interest rate swaps and interest rate collars.

All these contracts are agreed with a notional amount and expiry date lower than or equal to that of the underlying financial liability or the expected future cash flows, so that any change in the fair value and/or expected future cash flows is offset by a corresponding change in the fair value and/or the expected future cash flows of the underlying position. Accordingly, the fair value of the financial derivatives generally reflects the estimated amount that Enel would have to pay or receive in order to terminate the contracts at the balance-sheet date. Consequently, if the interest rate had been 1 basis point higher or lower at 31 December2009, all other variables being equal, no impact would have been at shareholders' equity and income statements. We refer to note 31 for the information about fixed and floating rates of the long-term loans. The non-current financial assets consist mainly of the intercompany receivables with respect to the bond issued that is passed to Enel S.p.A. under the same conditions as the liability (see note 22).

The following table reports the notional amount and fair value of exchange rate derivatives at 31 December 2009 and 31 December 2008:

Millions of euro	Notional		Fair value		Fair value assets		Fair value liabilities	
	31 Dec. 2009	31 Dec. 2008	**31 Dec. 2009**	31 Dec. 2008	**31 Dec. 2009**	31 Dec. 2008	**31 Dec. 2009**	31 Dec. 2008
Cash Flow Hedge derivatives:								
- interst rate swaps	200	0	(18)	0	0	0	(18)	0
TOTAL	**200**	**0**	**(18)**	**0**	**0**	**0**	**(18)**	**0**

6.3.2 Exchange rate risk

Exchange rate risk is mainly generated with the following transaction categories:

- debt denominated in currencies other than the functional currency of the respective countries entered into by the holding company or the individual subsidiaries;
- cash flows in respect of investments in foreign currency, dividends from unconsolidated foreign associates or the purchase or sale of equity investments.

Of the long term loans amounting to EUR 1.591 million, EUR 116 million is related to a debt in *rubles. As at 31 December 2009, assuming a 10% appreciation of the Ruble against the Euro,* all other variables being equal, shareholder's equity and result would have been approximately EUR 10 million lower.

In order to reduce the exchange rate risk on these exposures, Enel uses foreign exchange forward and option contracts in order to hedge cash flows in currencies other than the functional currencies of the various Group entities.

These contracts are also normally agreed with a notional amount and expiry date equal to that of the underlying financial liability or the expected future cash flows, so that any change in the fair value and/or expected future cash flows of these contracts stemming from a potential appreciation or depreciation of the domestic currency against other currencies is fully offset by a corresponding change in the fair value and/or the expected future cash flows of the underlying position.

The following table reports the notional amount and fair value of exchange rate derivatives at 31 December 2009 and 31 December 2008:

Millions of euro	Notional		Fair value		Fair value assets		Fair value liabilities	
	31 Dec. 2009	31 Dec. 2008	**31 Dec. 2009**	31 Dec. 2008	**31 Dec. 2009**	31 Dec. 2008	**31 Dec. 2009**	31 Dec. 2008
Cash Flow Hedge derivatives:								
- exchange rate forwards	319	0	(10)	0	0	0	(10)	0
TOTAL	**319**	**0**	**(10)**	**0**	**0**	**0**	**(10)**	**0**

This financial derivative absorbed cash as at 31 March 2010 when its related hedged item impacted positively the Group cash flows.

6.4 Capital management

The board policy of the Group is to maintain a strong capital base so as to maintain creditor and market confidence and so sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as total shareholders' equity and the level of dividends to ordinary shareholders. The board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantanges and security afforded by a sound capital position.

There were no changes in the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

7 Changes in the scope of consolidation

The following section reports the effects of the completion in 2009 of the purchase price allocation process in accordance with IFRS 3 for the acquisitions of control completed in the previous twelve months. Note that the changes in the balance sheet figures as a result of the allocation of the purchase price do not affect the comparability of the data for the two periods and so the comparative balances for the previous periods have not been restated.

In the two periods examined here, the scope of consolidation changed as a result of the following main transactions:

2008

- as regards the 2007 acquisitions of International Windpower S.A., Wind Parks of Thrace S.A. and International Wind Parks of Thrace S.A. the purchase price allocation has been performed in 2008 with a badwill recognized amounting to EUR 3 million for International Windpower S.A and a total goodwill recognized amounting to EUR 20 million for the remaining two companies;
- as regards the 2007 acquisition of Inelec S.r.l. de C.V. the purchase price allocation was completed in 2008 with a goodwill recognized amounting to EUR 84 million;
- the acquisition, on 5 March 2008, of a 85% stake in Enel Productie S.r.l. (formerly Global power Investment S.R.L.), a Romanian company which is developing a project of construction of a coal power plant in Romania. The purchase price was EUR 0.2 million; goodwill amounts to EUR 0,1 million.
- the acquisition, on 19 May 2008, of 100% of International Wind Parks of Crete S.A. and Hydro Constructional S.A., which operate in Greece in the generation of electricity from renewable sources; the purchase price was EUR 23 million; goodwill amounts to EUR 16 million;
- the conclusion, on 28 May 2008, of the changes in the governance arrangements of OGK-5, which gave Enel full control as from that date. Enel Investment Holding B.V. , had acquired 59.80% of the Russian company in a series of purchases, of which 22.65% in the public tender completed on 6 March 2008, before selling a minority stake of 4.1% on 25 June 2008. As from 28 May 2008, the company is consolidated on a line-by-line basis. The purchase price was EUR 2,478 million, goodwill amounts to EUR 1,515 million;
- the incorporation on 5 June 2008 of a new Dutch company named Enel Green Power International B.V. 100% owned by the Company to which all the international shareholdings held by Enel Investment Holding B.V. and Enel Group in the renewable sector has been contributed during the 2008;
- the acquisition, on 30 June 2008, of a 80% stake in Marcinelle Energie S.A., which is building a combined-cycle gas turbine plan in Belgium; the purchase price amounted to EUR 37 million. The company is consolidated taking account of the put option on 20% granted to Duferco (shareholder of Marcinelle Energie S.A.) at the time of the sale, the estimated value of the put option at 31 December 2008 amounted to EUR 29 million; goodwill amounts to EUR 63 million;

- the contribution at book value, on 25 September 2008, by Enel Green Power Holding Sarl of 100% of Enel North America Inc. and Enel Latin America Llc. for an amount of respectively EUR 596 million and EUR 271 million. These two American companies operate in the generation of electricity from renewable resources.

2009

- the disposal at the book value, on 1 January 2009, of the entire capital of the Dutch company Enel Green Power International B.V. to Enel Green Power S.p.A., which is in turn organized under the Italian laws and wholly owned by Enel S.p.A. Enel Green Power International B.V. now hold, directly and indirectly, the following shareholdings:
  - ELA B.V.,
  - Enel Latin America Llc.,
  - Americas Generation Corporation,
  - Inelec Srl de cv,
  - Blue Line S.r.l.,
  - Enel Green Power Bulgaria EAD,
  - Enel North America Inc.,
  - Hydro Constructional S.A.,
  - International Wind Parks of Crete S.A.,
  - International Wind Parks of Thrace S.A,
  - International Wind Power S.A.,
  - Wind Parks of Thrace S.A.;
- the acquisition, on 21 May 2009, of a further 15% stake in Enel Productie S.r.l. from Romelecrto and Global International 2000: as from that date Enel Productie S.r.l. is fully consolidated with no minorities reported;
- the disposal, on 23 September 2009, of 51% of SeverEnergia, a Russian company 100% owned until that date by Artic Russia, in which Enel and Eni have stakes of 40% and 60%, respectively. Taking account of the existing governance mechanisms, which enable the Group to exercise a significant influence over the company through Artic Russia, as from that date SeverEnergia keeps on being accounted for using the equity method with a lower share equal to 19,6%;
- the disposal, on 30 October 2009 of the entire capital of the French company Enel Erelis S.a.s. to Enel Green Power International B.V.. Further to this disinvestment, carried out at the book value, the Group will no longer operate in the renewable business;
- the contribution against book value, on 29 December 2009, as voluntary non-cash share premium contribution by and between Enel S.p.A. and the Company of:
  - a 80% stake in Enel Romania S.r.l. which provides management services for all other Romanian companies within Enel Group;
  - a 64,43% stake in Enel Distributie Muntenia S.A. which performs distribution of electricity in Romania. The remaining share capital is owned by two Romanian shareholders:

Electrica for the 23,57% and Fondul Proprietatea for the 12%. As from 29 December 2009 the company is fully consolidated on a line-by-line basis, taking also account of the shareholding covered by the put option granted to Electrica at the time of the sale, equal to 23.6%, with separate reporting of the minority interest of 12%;

- a 64,43% stake in Enel Energie Muntenia S.A. which performs the supply of electricity in Romania. The remaining share capital is owned by two Romanian shareholders: Electrica for the 23,57% and Fondul Proprietatea for the 12%. As from 29 December 2009 the company is fully consolidated on a line-by-line basis, taking also account of the shareholding covered by the put option granted to Electrica at the time of the sale, equal to 23.6% with separate reporting of the minority interest of 12%.

➢ the acquisition at fair value, on 29 December 2009, from the affiliated company Enel Distribuzione Spa of:

- a 51% stake in Enel Distributie Dobrogea S.A. which operates in the distribution of electricity in the Eastern part of Romania. The remaining share capital is owned by two Romanian shareholders: Electrica for the 24,90% and Fondul Proprietatea for the 24,09%. As from 29 December 2009 Enel Distributie Dobrogea S.A. is fully consolidated on a line-by-line basis with separate reporting of the minority interests of 49%;
- a 51% stake of Enel Distributie Banat S.A which operates in the distribution of electricity in the Western part of Romania. The remaining share capital is owned by two Romanian shareholders: Electrica for the 24,86% and Fondul Proprietatea for the 24,12% As from 29 December 2009 Enel Distributie Banat S.A. is fully consolidated on a line-by-line basis with separate reporting of the minority interests of 49%;
- a 51% stake of Enel Energie S.A. which performs the supply of electricity to Romanian end users. The remaining share capital is owned by two Romanian shareholders: Electrica for the 24,86% and Fondul Proprietateaa for the 24,12% As from 29 December 2009 Enel Energie S.A. is fully consolidated on a line-by-line basis with separate reporting of the minority interests of 49%;.

➢ the acquisition at fair value, on 29 December 2009, from the affiliated company Enel Produzione Spa of:

- a 100% stake in Maritza East III Power Holding B.V. a Dutch holding company, which in turn holds a 73% stake in Enel Maritza East 3 AD, a Bulgarian generation company. The remaining 27% of Enel Maritza East 3 AD is held by the Bulgarian state utility company Nationalna Elektricheska Kompania (NEK). As from 29 December 2009 this company is fully consolidated on a line-by-line basis with separate reporting of the minority interests of 27%;
- a 100% stake in Maritza O&M Netherlands B.V. a Dutch holding company which in turn holds a 73% stake in Enel Operations Bulgaria, a Bulgarian company responsible for maintaining Enel Maritza East 3 plant. The remaining 27% of Enel Operations Bulgaria is held by the Bulgarian state utility company Nationalna Elektricheska Kompania (NEK). As from 29 December 2009 this company is fully consolidated on a line-by-line basis with separate reporting of the minority interests of 27%.

With respect to the acquisitions of Enel co S.A., Enel OGK-5 and Marcinelle Energie S.A. the allocation of the equity investments at fair value of the assets acquired and liabilities assumed was completed in 2009 so the residual goodwill recognized can be considered definitive.

Final allocation of the purchase price for the assets acquired and liabilities assumed of OGK-5 (now Enel OGK-5)

Determination of goodwill

Millions of euro	
Net assets acquired before allocation (1) (3)	780
Fair value adjustments:	
- property, plant and equipment	953
- net deferred tax liabilities	(261)
- Sundry and minority provisions	(396)
- Other minority	34
Net assets acquired after allocation(1)	**1.110**
Value of the transaction (2)	2.467
Goodwill at the acquisition date	**1.357**

(1) net assets in proportion of the Group interest (partial goodwill);
(2) including incidental expenses
(3) these values differ from the PPA set out in the Company consolidated financial statements as of 31 December 2008 because the latter PPA already considered part of fair value adjustments which were provisionally allocated to Enel OGK-5 net asset acquired

Balance sheet at the acquisition date (28 May 2008)

Millions of euro	Carrying amounts before 28 May 2008	Fair value adjustments	Carrying amounts recognized at 28 May 2008
Property, plant and equipment	1.449	953	2.402
Intangible assets	2	-	2
Inventories, trade receivables and other receivables	150	(6)	144
Cash and cash equivalents	3	-	3
Other current and non-current assets	139	39	178
Total assets	**1.743**	**986**	**2.729**
Shareholders' equity	**780**	**330**	**1.110**
Trade payables	31	0	31
Long and short-term debt	135	(1)	134
Other current and non-current liabilities	192	261	453
Sundry and minority provisions	605	396	1.001
Total liabilities and shareholders' equity	**1.743**	**986**	**2.729**

The definitive allocation of the purchase price to the assets acquired and the liabilities assumed was completed after the preparation of the consolidated financial statements at 31 December 2008. The main adjustments, the effects of which are summarized above, compared with the provisional calculation of the fair value of the assets acquired and the liabilities and contingent liabilities assumed are essentially attributable to:

- the adjustment of the value of certain items of property, plant and equipment as the result of the completion of the determination of their fair value;
- the determination, where applicable, of the tax effects on the adjustments;
- the attribution of the adjustments to minority shareholders in proportion to their holding.

Final allocation of the purchase price for the assets acquired and liabilities assumed of Marcinelle Energie

Determination of goodwill

Millions of euro	
Net assets acquired before allocation [(1)]	3
Fair value adjustments:	
- intangible assets	45
- net deferred tax liabilities	(15)
Net assets acquired after allocation[(1)]	**33**
Value of the transaction [(2)]	66
Goodwill at the acquisition date	**33**

[(1)] net assets in proportion to Group interest (partial goodwill)
[(2)] including incidental expenses and debt for minorities purchase

Balance sheet at the acquisition date (30 June 2008)

Millions of euro	Carrying amounts before 30 June 2008	Fair value adjustments	Carrying amounts recognized at 30 June 2008
Property, plant and equipment	2	-	2
Intangible assets	-	45	45
Cash and cash equivalents	3	-	3
Total assets	**5**	**45**	**50**
Shareholders' equity	**3**	**30**	**33**
Trade payables	2	-	2
Other current and non-current liabilities	-	15	15
Total liabilities and shareholders' equity	**5**	**45**	**50**

The definitive allocation of the purchase price to the assets acquired and the liabilities assumed was completed after the preparation of the consolidated financial statements at 31 December 2008.

Final allocation of the purchase price for the assets acquired and liabilities assumed of Enelco

Determination of goodwill

Millions of euro	
Net assets acquired before allocation [1]	0
Fair value adjustments:	
- intangible assets	13
- net deferred tax liabilities	3
Net assets acquired after allocation[1]	**10**
Value of the transaction [2]	18
Goodwill at the acquisition date	**8**

[1] net assets in proportion to Group interest (partial goodwill)
[2] including incidental expenses

Balance sheet at the acquisition date

Millions of euro	Book values before 2006 year end	Fair value adjustments	Book values at 1 January 2007
Intangible assets	0	17	17
Total assets	**0**	**17**	**17**
Shareholders' equity	**0**	**13**	**13**
Deferred tax liabilities	0	4	4
Total liabilities and shareholders' equity	**0**	**17**	**17**

The definitive allocation of the purchase price to the assets acquired and the liabilities assumed was completed after the preparation of the consolidated financial statements at 31 December 2008. The goodwill and the amount related to the evaluation of the intangible assets (licenses) were written off as at 31 December 2009 as described further on in Impairment Losses of Income Statement (see note 13).

Acquisitions/disinvestments under common control in 2009

The acquisitions and disinvestments under common control performed in 2009 have had the following impact on the Company consolidated financial statements as at 31 December 2009:

- **Enel Distributie Muntenia and Enel Energie Muntenia (formerly Electrica Muntenia Sud at the acquisition date)**

These two companies have been acquired through a non-cash share premium contribution by and between the Company and its parent company Enel S.p.A. at book value. This contribution has been valued by the Company management as an operation incurred among companies under common control and therefore both Romanian companies has been consolidated as of 31 December 2009 in the Company consolidated financial statements reflecting their same consolidated values as reported in Enel Spa consolidated financial statements at 2009 year end. Consequently also the goodwill recorded by the Group at 31 December 2009 is equal to that accounted for in Enel Spa consolidated financial statements. In compliance with IFRS 3 requirements the following tables show the final allocation process of purchase price of the above mentioned companies taking into consideration that at the acquisition date there was only one existing company named Electrica Muntenia Sud:

Determination of goodwill

Millions of euro	
Net assets acquired before allocation [1]	599
Fair value adjustments:	
- intangible assets	331
- deferred operating liabilities	115
- net deferred tax liabilities	(72)
- sundry and minority provisions	(45)
Net assets acquired after allocation[1]	**928**
Value of the transaction [2]	1.262
Goodwill at the acquisition date	**334**

[1] net assets in proportion to Group interest (partial goodwill)

[2] including incidental expenses and debt for minorities purchase

Balance sheet at the acquisition date (4 June 2008)

Millions of euro	Carrying amounts before 4 June 2008	Fair value adjustments	Carrying amounts recognized at 4 June 2008
Property, plant and equipment	374	-	374
Intangible assets	1	331	332
inventories, trade receivables and other receivables	74		74
Cash and cash equivalents	493	-	493
Other current and non-current assets	2		2
Total assets	**944**	**331**	**1.275**
Shareholders' equity	**599**	**329**	**928**
Trade payables	59	-	59
Long and short-term debt	5		5
Other current and non-current liabilities	175	(43)	132
Sundry and minority provisions	106	45	151
Total liabilities and shareholders' equity	**944**	**331**	**1.275**

- **Bulgarian companies**

Millions of euro	Maritza East III Power Holding BV	Enel Maritza East 3 AD	Maritza O&M Netherlands BV	Enel Operations Bulgaria
Property, plant and equipment	-	520	-	-
Intangible assets	-	27	-	-
Inventories and trade receivables	-	72	-	3
Cash and cash equivalents	-	50	-	2
Other current and non-current assets	172	74	2	-
Total assets	**172**	**743**	**2**	**5**
Shareholders' equity [(1)]	**172**	**237**	**2**	**2**
Trade payables	-	33	-	-
Long and short-term debt	-	436	-	-
Provisions for risks and charges and employee benefits	-	4	-	1
Other current and non-current liabilities	-	33	-	2
Total liabilities and shareholders' equity	**172**	**743**	**2**	**5**

[(1)] including Group and minority interests

- **Romanian companies (the most significant acquisitions):**

Millions of euro	Enel Distributie Banat	Enel Distributie Dobrogea	Enel Energie	Enel Distributie Muntenia	Enel Energie Muntenia
Property, plant and equipment	234	188	1	408	-
Intangible assets	1	1	1	191	81
Inventories and trade receivables	32	24	107	66	84
Cash and cash equivalents	94	54	37	438	88
Other current and non-current assets	10	8	6	6	6
Total assets	**371**	**275**	**152**	**1.109**	**259**
Shareholders' equity [(1)]	**257**	**184**	**47**	**857**	**141**
Trade payables	26	25	79	35	89
Long and short-term debt	-	-	-	-	-
Provisions for risks and charges and employee benefits	12	8	6	17	2
Other current and non-current liabilities	76	58	20	200	27
Total liabilities and shareholders' equity	**371**	**275**	**152**	**1.109**	**259**

[(1)] including Group and minority interests

- **Green Power International entities (the most significant disinvestments):**

Millions of euro	AGC	ELA	ENA	INELEC	ELICA
Property, plant and equipment	323	254	820	50	93
Intangible assets	31	93	113	3	37
Inventories and trade receivables	20	62	20	1	1
Cash and cash equivalents	59	19	20	13	21
Other current and non-current assets	13	7	15	0	0
Total assets	**446**	**435**	**988**	**67**	**152**
Shareholders' equity [1]	**321**	**305**	**647**	**43**	**91**
Trade payables	24	15	37	1	1
Long and short-term debt	63	83	220	16	21
Provisions for risks and charges and employee benefits	12	3	14	0	14
Other current and non-current liabilities	26	29	70	7	27
Total liabilities and shareholders' equity	**446**	**435**	**988**	**67**	**154**

[1] including Group and minority interests

8 Segment information

All subsidiaries of Enel Investment Holding B.V. are part of the *"International Division"* and therefore no separate segment reporting has been disclosed since all information included in these consolidated financial statement relates to the International Division.

Information on the Consolidated Income Statement

9 **Revenues** - EUR 1.400 million

Millions of euro

	2009	2008	2009-2008
Revenues from the sale and transport of electricity	1.283	1.143	140
Revenues from premium reassurance provided	42	38	4
Other sales and services	75	76	(1)
Total	**1.400**	**1.257**	**143**

"Revenues from the sale and transport of electricity" include revenues from the sale and transport of electricity performed by Enel France (EUR 360 million), Enel OGK5 (EUR 921 million) and Enel Erelis until its deconsolidation date (EUR 2 million). Greater volumes of electricity sold in 2009 by Enel OGK5 and Enel France along with a different period of consolidation of Enel OGK5 (fully consolidated as from 28 May 2008) have contributed to boost electricity revenues with an increase year-on-year of EUR 359 million which has partially offset those revenues recorded only in 2008 attributable to renewable companies deconsolidated as from 1 January 2009.

"Revenues from premium reassurance provided" refers exclusively to the activity of Enel Re. Ltd.

The table below gives a breakdown of revenues from sales and services by geographical area:

Millions of euro

	2009	2008	2009-2008
European Market	299	276	23
Extra European Market	984	664	320
America	-	203	(203)
Total	**1.283**	**1.143**	**140**

10 **Raw material and consumables** - EUR 890 million

Millions of euro

	2009	2008	2009-2008
Electricity purchases	359	368	(9)
Fuel purchases for electricity production and trading	512	360	152
Materials	19	1	18
Total	**890**	**729**	**161**

"Electricity purchases" refer to costs incurred in 2009 by Enel France (EUR 269 million) and Enel OGK5 (EUR 90 million) in connection with their activity of electricity sale on free and regulated markets.

"Fuel purchases for electricity production and trading" include natural gas purchases for EUR 311 million and other fuels purchases for EUR 201 million exclusively pertaining to Enel OGK5 for its electricity production and trading activities.

11 **Services** – EUR 112 million

Millions of euro

	2009	2008	2009-2008
Maintenance and repairs	27	27	-
Services connected with electricity systems	17	27	(10)
Building costs	6	5	1
Insurance costs	20	19	1
Leases and rentals	5	4	1
Other	37	41	(4)
Total	**112**	**123**	**(11)**

12 **Personnel** – EUR 79 million

Millions of euro

	2009	2008	2009-2008
Wages and salaries	60	43	17
Social security contributions	11	6	5
Employee leaving incentives	2	9	(7)
Other costs	6	6	-
Total	**79**	**64**	**15**

Personnel costs rose by EUR 15 million to EUR 79 million.

The figure largely reflects the change in the scope of consolidation between the two periods under review as the net effect of the different period of consolidation of Enel OGK5 (up EUR 25 million) and the deconsolidation of renewable companies (down EUR 10 million). Employees leaving incentives also dropped to EUR 2 million, down EUR 7 million on 2008.

13 **Depreciation, amortization and impairment losses** – EUR 135 million

Millions of euro

	2009	2008	2009-2008
Depreciation	107	67	40
Amortization	2	6	(4)
Impairment losses	26	62	(36)
Total	**135**	**135**	**-**

"Depreciation" of tangible assets amounting to EUR 107 million refers exclusively to Enel OGK5 contribution.

"Impairment losses" totaling EUR 26 million include the impairment of goodwill (EUR 8 million) and the impairment of the licensing right (EUR 17 million) connected to the Livadia Project involving the subsidiary Enelco after having given up the project because of new stricter requirements set by Greek Government. In 2008 impairment losses mostly reflected the impairment of the equity investment in Enel Green Power Holding Sarl for an amount of EUR 60 million.

14 Other operating expenses – EUR 62 million

Millions of euro

	2009	2008	2009-2008
Provision for risks and charges	30	15	15
Levies and taxes	28	31	(3)
Other expenses	4	12	(8)
Total	**62**	**58**	**4**

"Provision for risks and charges" exclusively refer to the activity of Enel Re. Ltd. while "Levies and taxes" include the contribution of Enel OGK5 for EUR 26 million and Enel France for EUR 2 million.

15 Financial income/(expense) - EUR (45) million

Millions of euro

	2009	2008	2009-2008
Interest and other income from financial assets (current and non-current):			
-interest income at effective rate on non-current securities and receivables	30	32	(2)
-interest income at effective rate on short -term financial investments	4	4	-
Total interest and other income from financial assets	**34**	**36**	**(2)**
Foreign exchange gains	141	42	99
Income from derivative instruments	-	24	(24)
Other interest and income	2	4	(2)
TOTAL FINANCIAL INCOME	**177**	**106**	**71**

"Financial income" amounted to EUR 177 million, up EUR 71 million on the previous year.

The rise is attributable to realized foreign exchange gains of Enel OGK5 for EUR 141 million partially made up for income from derivative instruments credited to income statement in 2008.

Millions of euro

	2009	2008	2009-2008
Interest expense and other charges on financial debt (current and non-current):			
-interest expense on bank loans	16	3	13
-interest expense on bonds	36	42	(6)
-interest expense on other loans	24	95	(71)
Total interest and other income from financial assets	**76**	**140**	**(64)**
Financial charges from securities		6	(6)
Foreign exchange losses	139	50	89
Expense from derivative instruments	-	18	(18)
Charges from equity investments	-	120	(120)
Accretion of employee benefits and other provisions	6	1	5
Other interest expense and financial charges	1	3	(2)
TOTAL FINANCIAL EXPENSES	**222**	**338**	**(116)**

"Financial expenses" totaled EUR 222 million, a drop of EUR 116 on 2008. The fall is mainly due to lower interest expense on other loans attributable to the Company (down EUR 55 million) after the divestment of renewable subsidiaries as well as the impairment loss of available-for sale investment in Bayan resources T.b.K recorded in 2008 (EUR 118 million) partially offset by higher foreign exchange losses realized by Enel OGK5 (EUR 89 million).

16 Share of income/(expense) from equity investments accounted for using the equity method - EUR 98 million

Millions of euro

	2009	2008	2009-2008
Income from associates	106	54	52
Expense from associates	(8)	(17)	9
Total	**98**	**37**	**61**

Income from equity investments accounted for using the equity method recorded in 2009 includes:

- the realignment at 1 January 2009 of the evaluations of both Res Holding BV and Artic Russia taking into consideration their consolidated financial statements (EUR 27 million);
- the income effect concerning Res Holding BV (EUR 8 million);
- the income effect regarding Artic Russia (EUR 71 million) which benefit from the gain of the disposal of the 51% stake of Severenergia to Gazprom on 23 September 2009 (EUR 65 million).

17 Income taxes – EUR (10) million

Millions of euro

	2009	2008	2009-2008
Current taxes	37	51	(14)
Deferred tax liabilities	(62)	7	(69)
Deferred tax assets	15	(7)	22
Total	**(10)**	**51**	**(61)**

The current taxation amounted to EUR 37 million (EUR 51 million in 2008), a drop of EUR 14 million on 2008 mainly due to the net effect of renewable companies deconsolidation (positive EUR 31 million) and higher income taxes by Enel France (negative EUR 16 million) arising from its expanded volumes of electricity sold.

Deferred taxation essentially reflects the reversal into income statement of deferred tax *liabilities* of Enel OGK5 concerning the *allocation of excess costs to assets (EUR 59 million)* after the completion of PPA process.

The following table reconciles the theoretical tax rate with the effective rate:

Millions of euro

	2009		2008	
Income before taxes	175		(47)	
Theoretical tax	45	25,5%	(12)	25,5%
Permanent differences and minor items	(55)	-31,4%	63	-134,0%
Difference on estimated income taxes from prior years	-	-	-	-
Total	**(10)**	**-57%**	**51**	**-108,5%**

Information on the Consolidated Balance Sheet

Assets

Non-current assets

18 Property, plant and equipment - EUR 4.002 million

Millions of euro	Land	Buildings	Plants and machinery	Industrial and commercial equipment	Other assets	Assets under constructi on and advances	Total
Balance at 31 Dec. 2007	**1**	**23**	**407**	**-**	**-**	**18**	**449**
Investments	2	2	11	-	8	403	**426**
Assets entering service	-	12	291	-		(303)	**0**
Depreciation	-	(9)	(55)	-	(1)	-	**(65)**
Business combinations	15	657	1.487	1	50	647	**2.857**
Exchange rate differences	-	(70)	(71)	-	-	(35)	**(176)**
Disposals and other changes	-	(4)	10	-	(5)	(5)	**(4)**
Total changes	**17**	**588**	**1.673**	**1**	**52**	**707**	**3.038**
Cost	18	630	2.308	1	59	725	**3.741**
Accumulated depreciation	0	(19)	(228)	0	(7)	0	**(254)**
Balance at 31 Dec. 2008	**18**	**611**	**2.080**	**1**	**52**	**725**	**3.487**
Investments	1	0	2	0	0	474	**477**
Depreciation	0	(20)	(87)	0	0	0	**(107)**
Assets entering service	0	2	75	0	1	(78)	**0**
Change in scope of consolidation	10	269	(398)	12	(32)	(129)	**(268)**
Exchange rate differences	0	(22)	(29)	0	(1)	(10)	**(62)**
Disposals and other changes	0	136	330	0	3	6	**475**
Total changes	**11**	**365**	**(107)**	**12**	**(29)**	**263**	**515**
Cost	29	1.015	2.285	13	30	988	**4.360**
Accumulated depreciation	0	(39)	(312)	0	(7)	0	**(358)**
Balance at 31 Dec. 2009	**29**	**976**	**1.973**	**13**	**23**	**988**	**4.002**

"Investments" in 2009 totaling EUR 477 million (EUR 426 million as of 31 December 2008) essentially refers to assets under construction (EUR 474 million) of which:

- EUR 312 million connected to OGK-5 costs for the ongoing construction of the two CCGT units at Sredneuralskaya GRES and Nevinnomysskaya GRES as well as the capital expenditure of a new dry ash removal system in Reftinskaya GRES;
- EUR 54 million related to the development of thermal power plants in Belgium (Marcinelle Energie).

The "Change in scope of consolidation" for 2009 concerned the acquisition of Romanian and Bulgarian companies for EUR 834 million and EUR 517 million respectively minus the disposal of renewable companies which accounts for EUR 1.619 million.

"Disposals and other changes" essentially include the value adjustments made in 2009 as part of the final allocation of the purchase price for the business combinations involving Enel OGK-5 totaling EUR 460 million. Disposals of tangible assets during 2009 are negligible.

19 Intangible assets - EUR 1.860 million

Changes in intangible assets between 2008 and 2009 are set out in the table below:

Millions of euro	Development costs	Industrial patent & intellectual property rights	Concessions, licences and similar rights	Custmer List	Other intangible assets	Assets under constuction intangible	Goodwill	Total
Balance at 31 Dec. 2007	-	-	**31**	-	-	-	**262**	**293**
Investments	-	-	-	-	3	1	-	4
Change in scope of consolidation	-	2	48	-	84	-	1.641	1.775
Exchange rate differences	-	-	(6)	-	2	-	(150)	(154)
Amortization	-	-	(2)	-	(4)	-	-	(6)
Other changes	-	-	-	-	36	-	(33)	3
Total changes	-	**2**	**40**	-	**121**	**1**	**1.458**	**1.636**
Cost	-	2	84	-	154	1	1.720	1.961
Accumulated amortization	-	-	(11)	-	(33)	-	-	(44)
Accumulated impairment losses	-	-	(2)	-	-	-	-	(2)
Balance at 31 Dec. 2008	-	**2**	**71**	-	**121**	**1**	**1.720**	**1.915**
Investments	-	5	-	-	-	-	-	5
Change in scope of consolidation	27	(1)	120	81	(118)	6	34	148
Exchange rate differences	-	0	0	-	(0)	-	(53)	(53)
Amortization	-	(2)	-	-	-	-	-	(2)
Impairment losses	-	-	(18)	-	-	-	(8)	(26)
Other changes	-	2	64	-	-	-	(194)	(128)
Total changes	**27**	**4**	**166**	**81**	**(118)**	**6**	**(221)**	**(55)**
Cost	27	8	268	81	36	7	1.507	1.934
Accumulated amortization	-	(2)	(11)	-	(33)	-	-	(46)
Accumulated impairment losses	-	-	(20)	-	-	-	(8)	(28)
Balance at 31 Dec. 2009	**27**	**6**	**237**	**81**	**3**	**7**	**1.499**	**1.860**

In 2009 the "change in the scope of consolidation" for intangible assets (with the exception of goodwill, which is discussed below) essentially regards the acquisition Romanian and Bulgarian subsidiaries at the end of 2009 (EUR 625 million) partially made up for the intangible assets disposed of which were attributable to renewable companies (EUR 477 million).

"Impairment losses" (including goodwill) exclusively reflects the impairment recorded in the consolidated income statement as regards Enelco goodwill and licensing right connected to the Livadia Project after having encountered several new constraints set by Greek Government which haven't allowed Enelco to carry on the project in a profitable manner.

"Other changes" mainly reflect the impact of value adjustments and intangible assets identified as a result of the final allocation of the purchase price for Marcinelle Energie amounting to EUR 45 million.

"Goodwill" came to EUR 1.499 million, with a decrease of EUR 221 million over the corresponding period of 2008.

Millions of euro

	31 Dec. 2008	Change in scope of consolidation	Translation differences	Impairment losses	Other changes	**31 Dec. 2009**
OGK-5	1.356	15	(53)	-	(141)	**1.177**
Americas Generation Corporation (formerly Enel Panama and Enel Fortuna)	96	(96)	-	-	-	-
Inelec S.r.l de C.V.	89	(89)	-	-	-	-
Marcinelle Energie	63	-	-	-	(43)	**20**
Enel Erelis S.a.s	28	(28)	-	-	-	-
Enelco S.A.	18	-	-	(8)	(10)	-
International Windpower SA, Wind Parks of Thrace SA and International Wind Parks of Thrace SA	20	(20)	-	-	-	-
Hydro Constructional SA and International Wind Parks of Crete SA	16	(16)	-	-	-	-
Blue Line S.r.l	1	(1)	-	-	-	-
ELA Llc	21	(21)	-	-	-	-
ENA Inc.	12	(12)	-	-	-	-
Enel Distributie Muntenia	-	228	-	-	-	**228**
Enel Energie Muntenia	-	58	-	-	-	**58**
Enel Maritza East 3 AD	-	13	-	-	-	**13**
Enel Operations Bulgaria AD	-	3	-	-	-	**3**
Total	**1.720**	**34**	**(53)**	**(8)**	**(194)**	**1.499**

The "change in the scope of consolidation" refers to the goodwill of Bulgarian and Romanian companies acquired at 2009 year end totaling EUR 302 million partially offset by the goodwill derecognized after the disposal of renewable companies amounting to EUR 283 million.

The column "other changes" essentially includes changes due to the finalization in 2009 of the allocation of the cost of the investments in OGK-5, Marcinelle Energie and Enelco.

All purchase price allocations regarding the acquisitions carried out in 2008 and 2009 have been finalized and therefore the goodwill recognized as of 31 December 2009 is definitive.

The recoverable value of the goodwill recognized was estimated by calculating the value in use of the asset using discounted cash flow models, which involve estimating expected future cash flows and applying an appropriate discount rate, selected on the basis of market inputs such as risk-free rates, betas and market risk premiums. More specifically, the cash flows were determined on the basis of the most recent forecasts and the assumptions underlying those forecasts concerning the performance of the Group contained in the Group business plan. To discount certain flows, an explicit period of more than five years was used, in line with those forecasts, i.e. the average useful life of the assets or the duration of the concessions. The terminal value was calculated as a perpetuity or annuity at a growth rate equal to inflation as deemed appropriate for the country involved or in any case no higher than the average long-term growth rate of the reference market. The value in use calculated as described above was found to be greater than the amount recognized on the balance sheet.

In order to verify the robustness of the value in use, analyses were conducted of its sensitivity to changes in the parameters of the valuations with the greatest impact on the valuations themselves. The sensitivity analysis did not point to significant impacts on the results of the measurements themselves and consequently on the differences found. With specific reference to the main goodwill amounts recognized, sensitivity analyses were conducted for changes in the discount rate (+/- 100 basis points) and the growth rate (+/- 100 basis points) used in determining terminal values. The criteria used to identify the cash generating units were essentially based (in line with management's strategic and operational vision) on the specific characteristics of their business, on the operational rules and regulations of the markets in which Enel operates and on the corporate organization, including technical and management factors, as well as the level of reporting monitored by management.

Millions of euro	Amount	Tax rate	Growth rate [1]	Discount rate WACC [2]	Explicit period of cash flows	Terminal Value [3]
	31 Dec. 2009					
Enel OGK-5	1.177	20%	1.00%	12.90%	10 years	Perpetuity
Enel Distributie Muntenia	228	16%	3.00%	10.00%	10 years	Perpetuity
Enel Energie Muntenia	58	16%	3.00%	11.50%	10 years	20
Marcinelle Energie	20	34%	2.00%	5.20%	10 years	17
Enel Maritza East 3 AD	13	10%	2.50%	8.00%	10 years	14
Enel Operations Bulgaria	3	10%	2.50%	8.00%	10 years	14

(1) Perpetual growth rate of cash flows after explicit period.

(2) WACC represents the weighted average capital cost.

(3) The terminal value has been estimated on the basis of a perpetuity or an expected annuity with a rising yield for the years indicated in the column.

20 Equity investments accounted for using the equity method - EUR 754 million

Equity investments in associated companies accounted for using the equity method are as follows:

Millions of euro	31 Dec. 2008	%	Acquisitions	Change in scope of consolidation	Capital repayments	Income effect	Other changes	**31 Dec. 2009**	%
Artic Russia	739	40,0%	(14)	-	(68)	90	(72)	675	40,0%
Enel Green Power International Sarl	9	32,9%	-	-	-	-	-	9	32,9%
ELICA II	122	-	-	(122)	-	-	-	-	
EUFER	372	50,0%	-	(372)	-	-	-	-	
Res Holdings	74	49,5%	-	-	-	8	(12)	70	49,5%
Other	10	-	-	(10)	-	-	-	-	
Total	**1.326**		**(14)**	**(504)**	**(68)**	**98**	**(84)**	**754**	

The decrease of EUR 572 million in equity investments accounted for using the equity method for the year is essentially due to the following factors:

- the disposal of several Greek companies (ELICA II), Enel Union Fenosa and other equity investees to Enel Green Power International BV at 1 January 2009 for EUR 504 million;
- the share capital repayment from Artic Russia to the Company (EUR 68 million) following the sale of 51% stake in Severnergia.

Net income from equity investments primarily refers to the Company's share of the positive changes in Artic Russia subconsolidated equity which has essentially benefited from the gain of 51% stake in Severenergia.

"Other changes" primarily includes the negative currency translations effects (Russian Ruble against Euro) of the evaluation of Artic Russia and Res Holding BV sub-consolidated financial statements at 2009 year ended.

The main income statement and balance sheet data for the equity investments in associates (see also note 52.2) are reported in the following table:

Millions of euro	Assets	Liabilities	Revenues	Net income/(loss)	Assets	Liabilities	Revenues	Net income /(loss)
	31 Dec.2009				31 Dec.2008			
Artic Russia [1]	1.661	46	216	179	2.208	688	1	70
Enel Green Power Holding	29	-	-	-	33	5	-	(44)
EUFER	-	-	-	-	1.270	1.111	188	30
Res Holding [1]	99	65	1.567	16	81	44	1.334	14

[1] including its subsidiaries and associated

21 Equity investments in other companies - EUR 174 million

As regards "Equity investments in other companies", the fair value of listed companies was determined with reference to the market value of their shares at the end of the year, whereas the fair value of unlisted companies was calculated with reference to a reliable valuation of their significant balance sheet items.

21.1 Equity investment available for sale - EUR 169 million

Millions of euro		% holding		% holding	
	31 Dec. 2009		31 Dec. 2008		2009-2008
PT Bayan Resources	138	10,0%	21	10,0%	117
Echelon	24	7,4%	18	7,9%	6
Others	7		0		7
Total	**169**		**39**		**130**

PT Bayan Resources – EUR 138 million

PT Bayan Resources T.b.k., listed on the Indonesian Stock Exchange, produces coal in Indonesia with integrated coal mining, processing and logistic operations. The company is primarily engaged in the business of surface open cut mining of thermal coal and has a diversified product portfolio that ranges from bituminous coal, with high calorific content, to sub-bituminous and semi-soft coking coal.

The 10% stake in the corporate capital of PT Bayan Resources T.b.k. acquired in August 2008, is measured at fair value with changes recognized in shareholders equity.

At the end of 2009 the fair value of PT Bayan Resources T.b.k. totals EUR 138 million with an increase of EUR 118 million over the corresponding period of the last year thanks to a rise of the share price and to a revaluation of Indonesian currency against Euro.

Echelon – EUR 24 million

Echelon, listed on the NASDAQ market in the USA, is engaged in the field of control networking technology for automation systems.

The 7,9% stake in the corporate capital of Echelon acquired in December 2005, is measured at fair value with changes recognized in shareholders equity.

At the end of 2009 the fair value of Echelon amounted to EUR 24 million (EUR 18 million at 31 December 2008).

21.2 Other investments - EUR 5 million

The equity investments in other investments at 31 December 2009 are mainly referred to the purchase of the 9,15% stake in the share capital of the Romanian company EnergoNuclear SA whose corporate purpose is to develop, finance, construct and operate two nuclear units of Cernavoda power plant. The total acquisition cost included in the cost price as per 31 December 2009 amounts to EUR 3 million.

In 2008 other investments referred to equity investments under construction in Greece (ELICA I) for EUR 32 million and to Selecta S.p.A. for EUR 1 million which both have been sold during 2009.

22 Non-current financial assets - EUR 802 million

Non current financial assets can be specified as follows:

Millions of euro

	31 Dec. 2009	31 Dec. 2008	2009-2008
Bond issued by Enel S.p.A.	30	30	0
Other securities designated at fair value through profit and loss	108	55	53
Medium Long Term Financial receivables	346	260	86
Medium Long Term Financial receivables for Leasing Agreements	21	-	21
Loans due from shareholder	297	522	(225)
TOTAL	**802**	**867**	**(65)**

The "Bond issued by Enel S.p.A." is held by Enel.re for an amount of EUR 30 million as of 31 December 2009 with no change over 31 December 2008.

At 31 December 2009 "Other securities designated at fair value through profit and loss" essentially consist of investments in bonds, government securities and long-term deposits whereas at 31 December 2008, the item included investments in bonds and long-term deposits.

The following table breaks down the two items discussed above on the basis of the hierarchy of inputs used in determining fair value, as specified in the amendments to IFRS 7:

Millions of euro	**Fair value**	**Level 1**	**Level 2**	**Level 3**
	31 Dec. 2009			
Equity investments in other companies	169	162	-	7
Other securities designated at fair value through profit or loss	108	108	-	-

The following table shows changes in equity investments measured using level 3 inputs:

Millions of euro	
Balance at 1 January 2009	**-**
Net income/loss in income statement	2
Acquisitions	5
Balance at 31 December 2009	**7**

The Medium Long Term Financial receivables essentially refer to the financial receivable related to the capitalization of the costs following the Cooperation Agreement "EPR Flamanville 3" between Enel France S.a.s. and EDF (EUR 343 million).

The Loans due from shareholder relate to the assumption of the issued bonds by Enel S.p.A. Based on this agreement Enel S.p.A. undertakes to the Company to assume all the obligations of payment of the Company under the notes, therefore any differences identified between book value and fair value do not have impact on Enel Investment Holding B.V. The non current portion amounting to EUR 297 million and maturing in 2023, relates to a 5,25% fixed rate bond installment (please refer to note 53.1 for other conditions).

23 Other non-current assets - EUR 61 million

The Other non currents assets primarily refer to Tax receivables (EUR 9 million), to Advances paid to suppliers (EUR 5 million) and to other sundry receivables (EUR 39 million).

Current assets

24 Inventories – EUR 80 million

Millions of euro

	31 Dec. 2009	31 Dec. 2008	2009-2008
Raw materials, consumables and supplies:			
- fuel	35	42	(7)
- materials, equipment and other inventories	45	30	15
Total	**80**	**72**	**8**
Advances	-	4	(4)
TOTAL	**80**	**76**	**4**

The "Raw materials, consumables and supplies" consist of fuel inventories for covering the requirements of the generation companies and trading activities, as well as materials and equipment for plant operation, maintenance and construction.

25 Trade receivables - EUR 401 million

Millions of euro

	31 Dec. 2009	31 Dec. 2008	2009-2008
- sale and transport of electricity	392	134	258
- reinsurance operations (Enel.Re Ltd.)	8	7	1
- other trade receivables	1	4	(3)
Total	**401**	**145**	**256**

The increase in "Sale and transport of electricity" is largely the result of the change in the scope of consolidation in the two reporting periods which mostly refers to Enel Energie (EUR 98 million), Enel Distributie Muntenia (EUR 75 million) and Enel Maritza East 3 AD (EUR 57 million).

Trade receivables from customers are recognized net of allowances for doubtful accounts, which totaled EUR 140 million at the end of 2009.

26 Tax receivables - EUR 4 million

"Tax receivables" are essentially attributable to Enel OGK5 and totaled EUR 4 million as of 31 December 2009; the fall (EUR 12 million) over 31 December 2008 is due to the deconsolidation of renewable companies as from 1 January 2009.

27 **Current financial assets** - EUR 315 million

Millions of euro	**31 Dec 2009**	31 Dec 2008	2009-2008
Intercompany Current Account	73	14	59
Other securities designated at fair value through profit or loss	5	21	(16)
Short-term portion of long-term financial receivables	225	0	225
Other	12	29	(17)
Total	**315**	**64**	**251**

The item "Intercompany Current Account" as of 31 December 2009 is a receivable from the shareholder Enel S.p.A. by the following subsidiaries:

- Enel Maritza East 3 AD for EUR 68 million;
- Pragma Energy for EUR 5 million.

The "Short-term portion of long term financial receivables" is entirely connected to the reclassification from non current to current financial asset of the Loan due from shareholder in respect of the portion maturing by 31 December 2010 (see also note 53.1).

"Other Securities" amounting to EUR 5 million refer to securities measured at fair value through profit and loss held by Enel Re. The following table breaks down "Other securities" on the basis of the hierarchy of inputs used in determining fair value, as specified in the amendments to IFRS 7:

Millions of euro	***Fair value***	***Level 1***	***Level 2***	***Level 3***
	31Dec. 2009			
Other securities designated at fair value through profit or loss	5	5	-	-

28 **Other current assets** – EUR 114 million

Millions of euro	**31 Dec. 2009**	31 Dec.2008	2009-2008
Vat receivables	52	37	15
Advanced paid to suppliers	30	26	4
Operational prepayments and accrued income	5	14	-9
Sundry receivables	24	14	10
Other	3	0	3
Total	**114**	**91**	**23**

29 **Cash and cash equivalents** – EUR 974 million

Millions of euro

	31 Dec. 2009	31 Dec. 2008	2009-2008
Bank and post office deposits - free	816	114	702
Bank and post office deposits - tied up	158	262	(104)
Cash and cash equivalents on hand	-	27	(27)
Total	**974**	**403**	**571**

Cash and cash equivalents, detailed in the table above, are equal to EUR 974 million at the end of 2009 with an increase of EUR 571 million over 31 December 2008. The rise is due to the change in scope of consolidation after acquiring the Romanian and Bulgarian companies at the end of 2009 (up EUR 769 million) partially offset by the disposal of renewable companies at the beginning of 2009 (down EUR 132 million).

The item is not restricted by any encumbrances, apart from EUR 158 million (EUR 262 million at 31 December 2008) which mainly refers to an USD escrow account with Citibank Milan related to the acquisition of Bayan Resources T.b.K (EUR 148 million).

In the cash flow statement, cash and cash equivalents are presented at EUR 68 million negative (31 December 2008: EUR 1730 million negative). This amount includes securities of EUR 5 million (31 December 2008: EUR 21 million) and net intercompany current account payable of EUR 1.046 million with ENEL S.p.A. (31 December 2008: 2.154 million).

Liabilities and shareholders' equity

30 Group Net Equity – EUR 3.402 million

Share capital – EUR 1.593 million

The authorized share capital of Enel Investment Holding B.V. amounts to EUR 7.500 million, divided into 750.000 thousand ordinary shares of EUR 10 each, of which 159.305 thousand ordinary shares have been issued and fully paid up.

Share premium reserve – EUR 2.410 million

The change for the period amounting to EUR 869 million is due to a non-cash share capital contribution by and between Enel Spa and the Company through the contribution in kind of the following interests:

- Enel Romania (80,0% of the shares transferred on 18 December 2009);
- Enel Distributie Muntenia SA (64,4% of the shares transferred on 29 December 2009);
- Enel Energie Muntenia SA (64,4% of the shares transferred on 29 December 2009).

Fair value reserve and sundry reserves – EUR 109 million

This item mainly includes net cumulative and unrealized gains/(losses) recognized directly in equity resulting from:

- the measurement at fair value of cash flow hedge derivatives assumed at end of 2009 related to Enel Maritza East 3 AD with a negative fair value of EUR 13 million;
- the measurement at fair value of available-for-sale financial assets referring to the investments in Bayan Resources T.b.K and Echelon Corporation with a positive increase of EUR 122 million over 31 December 2008.
- the reversal of the sundry reserve connected to Enel OGK-5 stock-options plan totalling EUR 9 million at 31 December 2008.

Foreign currency translation reserve – EUR (380) million

The change recognized directly in equity in 2009 (negative EUR 79 million) is connected to the variation of Enel OGK5 net assets translation effects reflecting the depreciation of Russian Ruble against the functional currency (negative EUR 92 million), partially offset by the derecognition of the Group share of the foreign currency translation reserve attributable to renowable companies sold at 1 January 2009 (positive EUR 13 million).

Reserve from equity investments accounted for using the equity method- EUR (84) million

This reserve includes the Company's share of the equity movements of equity accounted investees other than those recorded in the investees' income statement. The amount at 2009 year ended mainly reflects the accumulated and negative currency translation effect arising from the evaluation of Res Holding and Artic Russia sub-consolidated financial statements which take into consideration their own subsidiaries and investees reporting in Russian Rubles.

Retained earnings – EUR (400) million

Apart from the 2008 net loss appropriation totaling a negative EUR 126 million, the change in 2009 is related to the effect of a few under common control transactions incurred in 2009 *among Enel Investment Holding BV Group and other companies belonging to Enel Group*. More specifically the aggregate includes the impacts of:

- the disposal of renewable companies at 1 January 2009 (negative EUR 79 million) and of Enel Erelis (positive EUR 14 million);
- the acquisition of Enel Distributie Banat SA, Enel Distributie Dobrogea SA, Enel Romania Srl (only for its 20% stake), Enel Energie SA, Maritza East III Power Holding BV, Maritza O&M Netherlands BV at the end of 2009 (negative 195 million). These companies have been acquired at fair values in an under common control transaction and therefore their values in the Company consolidated financial statements have been performed in continuity to their consolidated values as included in Enel Spa consolidated financial statements: consequently the difference between the fair value paid for acquiring those companies and their consolidated values, including their entire net income realized in 2009, has been recorded as a reduction of the Group retained earnings;
- the acquisition of Enel Distributie Muntenia SA, Enel Energie Muntenia SA and Enel Romania Srl *(for the remaining* 80% *stake)* at the *end of* 2009 *(negative* EUR 95 *million)*. These companies have been acquired through a non-cash share premium contribution by and between the Company and Enel Spa in an under common control transaction and therefore their values in the Company consolidated financial statement have been performed in continuity to their consolidated values as included in Enel Spa consolidated financial statement: consequently all prior consolidated contribution of the above mentioned companies, including the effects of the accumulated currency translation reserve and the entire net income realize in 2009, has been booked as a decrease of the Group retained earnings.

Non-current liabilities

31 Long-term loans (including the portion falling due within 12 months) - EUR 1.591 million

This aggregate includes long-term payables related to bonds, bank loans, and other loans in euro and other currencies, including the portion falling due within twelve months.

The following table shows long-term debt and repayment schedules at 31 December 2009 compared to 31 December 2008, grouped by loan and interest rate type.

Millions of euro	Maturing	Balance	Nominal value	Balance	Portion falling due at more than 12 months	Current portion	Maturing in				
		31 Dec. 2009	**31 Dec. 2009**	31 Dec. 2008		2010	2011	2012	2013	2014	Beyond
Bonds:											
- listed, fixed rate	2010 - 2023	513	516	592	413	100	116	-	-	-	297
- listed, floating rate	2010	100	100	100	-	100	-	-	-	-	-
- unlisted, fixed rate	-	-	-	-	-	-	-	-	-	-	-
- unlisted, floating rate	2010	25	25	25	-	25	-	-	-	-	-
Total		**638**	**641**	**717**	**413**	**225**	**116**	**0**	**0**	**0**	**297**
Bank loans:											
- fixed rate	2022	127	136	40	127	-	-	-	-	-	127
- floating rate	2023	526	540	40	502	24	23	24	25	27	403
Total	-	**653**	**676**	**80**	**629**	**24**	**23**	**24**	**25**	**27**	**530**
Non-bank loans:											
- with related parties		272	272	337	272	-	272	-	-	-	-
- fixed rate		-	-	157	-	-	-	-	-	-	-
- floating rate		28	28	19	28	-	-	-	-	-	28
Total		**300**	**300**	**513**	**300**	**-**	**272**	**-**	**-**	**-**	**28**
TOTAL		**1.591**	**1.617**	**1.310**	**1.342**	**249**	**411**	**24**	**25**	**27**	**855**

The table below reports long-term financial debt by currency:

Millions of euro	*Balance*	*Nominal Value*	*Balance*
	31 Dec. 2009		31 Dec.2008
Euro	**1.475**	**1.501**	**878**
US dollar	-	-	311
Russian Ruble	116	116	121
Total non-euro currencies	**116**	**116**	**432**
Total	**1.591**	**1.617**	**1.310**

The following chart shows changes in the nominal value of long-term debt:

Millions of euro	Nominal value	Repayments	Change in scope of consolidation	New financing	Exchange rate differences	Nominal value
	31 Dec. 2008					**31 Dec. 2009**
Bonds	717	0	(71)	0	(5)	641
Bank loans	80	0	370	226	0	676
Intercompany Loan	336	(64)	0	0	0	272
Other loans	177	(3)	(169)	23	0	28
Total financial debt	**1.310**	**(67)**	**130**	**249**	**(5)**	**1.617**

Compared with 31 December 2008, the nominal value of long-term debt at 31 December 2009 increased by EUR 307 million, which is the net effect of EUR 67 million in repayments and redemptions, EUR 130 million arising from changes in the scope of consolidation, EUR 249 million in new financing and EUR 5 million in exchange rate gains.

The new financing transactions in 2009 refers to the use of bank loans granted to Enel OGK5 (EUR 226 million) and the use of a floating-rate non bank loan by Marcinelle Energie (EUR 23 million).

The following table compares the carrying amount and the fair value of long-term debt, including the portion falling due within twelve months with the exception of intercompany loans amounting to EUR 272 million which are not disclosed. For listed debt instruments, the fair value is given by official prices. For unlisted instruments the fair value is determined using appropriate valuation models for each category of financial instrument and market data at the closing date of the year.

Millions of euro	Carrying amount	Fair value
	31 Dec. 2009	
Bonds:		
- fixed rate	513	547
- floating rate	125	125
Total	**638**	**672**
Bank loans:		
- fixed rate	127	145
- floating rate	526	610
Total	**653**	**755**
Non-bank loans:		
- fixed rate	-	-
- floating rate	28	28
Total	**28**	**28**
TOTAL	**1.319**	**1.455**

31.1 **Bonds issued** – EUR 638 million

The EUR 638 million at 31 December 2009 refers to bonds issued by Enel Investment Holding B.V. (EUR 522 million) and Enel OGK-5 (EUR 116 million).

In June 2006 the Company signed an agreement with the parent company for the assumption of Debt with its shareholder Enel S.p.A. Based on this agreement Enel S.p.A. undertook to the

Company to assume all the obligations of payment of the Company is respect of the mentioned bonds. The bonds, listed on the Luxembourg Stock Exchange, have been issued by Enel Investment Holding BV in five different installments for a nominal value of EUR 525 million. The maturity of Enel Investment Holding BV bonds ranges from 1 to 14 years as specified in the following chart:

Millions of euro	Year maturing	Balance	Nominal Value	Balance
		31 Dec. 2009	**31 Dec. 2009**	31 Dec. 2008
Bond, fixed rate 5,25%	2023	297	300	297
Bond, fixed rate 4,125%	2010	100	100	100
Bond, floating rate Euribor 6m +0,50%	2010	50	50	50
Bond, interest linked to UE C.P.I.	2010	50	50	50
Bond, interest linked to UE C.P.I.	2010	25	25	25
Total		**522**	**525**	**522**

OGK-5 on 5 October 2006 completed a public offering of interest bearing non-convertible bonds, with a mandatory centralized custody. The number of issued bonds was 5.000.000 with a nominal value of Russian Ruble 1,000 per each bond, with maturity of 1.820 days from the date of the issue. Earlier redemption is possible in 1.092 days.

The fair value of both fixed and variable rate bonds at 31 December 2009 amounted to EUR 547 million and EUR 125 million respectively.

31.2 **Bank Loans** – EUR 653 million

The Bank Loans at 31 December 2009 relate to a floated rate loan maturing in 2023 of Enel Maritza East 3 AD (EUR 437 million) and to Enel OGK5 (EUR 216 million) with the following breakdown:

- a fixed rate loan maturing in 2022 (EUR 127 million)
- a floated rate loan maturing in 2021 (EUR 89 million).

The fair value of both fixed and variable rate bank loans at 31 December 2009 amounted to EUR 145 million and EUR 610 million respectively.

31.3 **Non-bank Loans** - EUR 300 million

The non-bank Loans with related parties amounting to EUR 272 million wholly refers to Enel France S.A.S. at 2009 year end and it is connected to a Revolving Credit Facilities accorded by Enel Finance International S.A. (a subsidiary of Enel S.p.A. having its statutory seat in Luxembourg) to a few subsidiaries of Enel Investment Holding B.V, including Enel France. Following the disposal of renewable companies in 2009 all their related non-bank loans have been consequently deconsolidated as from the date in which the Company control has ceased.

Amounts drawn on this Revolving Credit Facilities at 31 December 2009 are detailed in the table below:

Millions of euro	**31 Dec. 2009**	31 Dec. 2008	2009-2008
Loan Enel Latin America LLC	-	32	(32)
Loan Enel Rus LLC	-	2	(2)
Loan Enel France S.A.S.	272	224	48
Loan Erelis S.A.S.	-	79	(79)
Total	**272**	**337**	**(65)**

The EUR 28 million of Non-bank Loans with third parties are related to Marcinelle Energie.

On 30 December 2009 Enel OGK-5 registered a Ruble Commercial Paper program totaling 54 billion rubles with a maximum term of three years and repayable after the first year. At 31 December 2009, the program remained unused.

32 Post-employment and other employee benefits - EUR 54 million

The item "Post-employment and other employee benefits" regards estimated accruals made to cover benefits due at the time the employment relationship is terminated and other long-term benefits to which employees have a statutory or contractual right.

The table below reports the change for the year in actuarial liabilities and the fair value of plan assets, as well as a reconciliation of the actuarial liabilities, net of assets, with the carrying amount of liabilities recognized as at 31 December 2009 and 31 December 2008.

Millions of euro	Benefits due upon termination of employment and other long-term benefits	
	2009	2008
Changes in actuarial liabilities:		
Actuarial liabilities at the beginning of the year	36	-
Service cost	2	2
Interest cost	3	1
Benefits paid	(12)	(1)
Other changes	(4)	-
Changes in scope of consolidation	21	41
Actuarial (gains)/losses	8	(3)
Foreign exchange (gains)/losses	(2)	(4)
Actuarial liability at the end of the year	**52**	**36**
Changes in plan assets:	-	-
Reconciliation with carrying amount:		
Net actuarial liabilities at the end of the year	52	36
Unrecognized (gains)/losses	(2)	(3)
Carrying amount of liabilities at the end of the year	**54**	**39**

The amount of the change in the scope of consolidation refers to a few Romanian and Bulgarian companies acquired at 2009 year ended which have defined benefit obligation and unrealized gains totaling EUR 21 million and EUR 8 million respectively.

33 Provision for risks and charges (including the portion falling within 12 months) - EUR 262 million

Millions of euro	31 Dec 2008	Change in scope of consolidation	Accruals	Utilization and other changes	31 Dec 2009
Provision for risks and charges:					
- *insurance indemnification*	84	-	30	(8)	106
- production order charges	4	-	-	-	4
- termination incentive	8	9	2	1	20
- other taxes and levies	13	(13)	-	111	111
- other	4	15	1	1	21
Total	**113**	**11**	**33**	**105**	**262**

The "Provision for insurance indemnifications" relates to Enel.Re activity (EUR 106 million). Full provision is made for estimated cost of all claims notified but not settled at the balance sheet date, less insurance recoveries, using the best information available at that time. Provision is also made for estimated cost of claims incurred but not reported at the balance sheet date. Any differences between original claims provisions and subsequent settlements are reflected in the underwriting results of the year in which the claims are settled.

The "provision for termination incentive" includes the estimated charges related to binding agreements for the voluntary termination of employment contracts in response to organizational needs. The item, amounting to EUR 20 million as of 31 December 2009, refers to OGK-5 (EUR 11 million) and to the Romanian companies acquired at 2009 year ended (EUR 9 million).

"Other taxes and levies" provisions mainly refer to Enel OGK5 with regard to a water tax dispute accounted for following the completion in 2009 of its Purchase Price Allocation.

34 **Deferred tax assets and liabilities** – EUR 38 million and EUR 402 million

Below is a detail of changes in deferred tax assets and liabilities by type of timing difference and calculated based on the tax rates established by applicable regulations.

Millions of euro	31 Dec. 2008	Increase/(Decrease) taken to income statement	Exchange Difference	Other changes	Change in scope of consolidation	**31 Dec. 2009**
Deferred tax assets:						
- differences on non-current assets	9	-	-	(1)	(8)	-
- *financial derivative* instruments	-	-	-	-	2	2
- other items	40	(15)	-	30	(19)	36
Total	**49**	**(15)**	-	**29**	**(25)**	**38**
Deferred tax liabilities:						
- differences on non-current assets	95	2	-	-	(90)	7
- allocation of excess costs to assets	192	(66)	(6)	170	-	290
- write-down of receivables	1	1	-	-	-	2
- other items	23	1	-	-	79	103
Total	**311**	**(62)**	**(6)**	**170**	**(11)**	**402**

As of 31 December 2009, deferred tax assets totaled EUR 38 million, a decrease of EUR 11 million compared to the previous year, primarily as a result of the deconsolidation of the renewable companies (down EUR 28 million) partially offset by the rise in deferred tax assets attributable to Enel OGK-5 (up EUR 17 million). Deferred tax assets on financial derivative instruments totaling EUR 2 million as of 31 December 2009 refer to tax effect recognized directly in equity through other comprehensive income as regards the cash flow hedge derivative of Enel Martiza East 3 AD (see note 5.3.1).

No deferred tax assets were recorded in relation to prior tax losses in the amount of EUR 578 million, EUR 553 million of which in relation to the holding companies located in the Netherlands, because the tax laws in force in this country do not treat the expected income (dividends) of the companies as taxable. At 31 December 2008, the unrecorded cumulative tax asset related to prior tax losses was EUR 689 million.

Deferred tax liabilities increased by EUR 91 million on 31 December 2008, primarily for the part of the cost incurred and allocated to assets recognized in respect of acquisitions carried out during the first half of 2009 regarding OGK-5 and Marcinelle Energie (respectively EUR 150 million and EUR 15 million) partially made up for the reversal to income statement of deferred tax liabilities connected to the allocation of excess costs to assets by Enel OGK5 (EUR 66 million).

35 Other non-current liabilities - EUR 220 million

Millions of euro

	31 Dec.2009	31 Dec.2008	2009-2008
Other non-current payables	22	40	(18)
Non-current operative deferred revenues	180	35	145
Financial derivatives	18	-	18
Total	**220**	**75**	**145**

At 31 December 2009 "Other non current liabilities" totaled EUR 220 million, an increase of EUR 145 million essentially due to the deferred revenues connected to electricity business of the Romanian companies acquired at the end of 2009 (EUR 180 million). Financial derivative refers to a cash flow hedge derivative entered by Enel Maritza East 3 AD aiming at balancing the structure of the debt reducing the amount of debt exposed to interest rate fluctuations.

Current liabilities

36 Short-term loans - EUR 1.325 million

At 31 December 2009, short-term loans amounted to EUR 1.325 million as detailed below.

Millions of euro

	31 Dec. 2009	31 Dec. 2008	2009-2008
Enel S.p.A - IC loan account	1.119	2,168	(1.049)
Other short term loans - Group	113	195	(82)
Short term bank loans - secured	0	45	(45)
Other short term loans - Group	0	4	(4)
Commercial paper	93	-	93
Total	**1.325**	**2,412**	**(1.087)**

The intercompany loan account is entirely between Enel Investment Holding B.V. and the parent Company Enel Spa; it bears interests at one month EURIBOR plus a spread of 100 basis points.

The "Other short term loans - Group" (EUR 113 million) essentially refer to Revolving Credit Facilities accorded by Enel Finance International S.A., (a subsidiary of Enel Group having its statutory seat in Luxembourg), almost entirely attributable to the Company. The amounts drawn on this Revolving Credit Facilities at 31 December 2009 are detailed in the table below:

Millions of euro	31 Dec. 2009	31 Dec. 2008	2009-2008
Short term loan Enel Green Power International BV	-	124	(124)
Short term loan Enel Investment Holding BV	111	17	94
Short term loan Blue Line	-	2	(2)
Short term loan Enel Productie	-	1	(1)
Short term loan Enel North America	-	51	(51)
Short term loan Enel Romania	2	-	2
Total	**113**	**195**	**(82)**

37 Trade payables - EUR 308 million

This item totaled EUR 308 million, an increase of EUR 72 million compared with 31 December 2008. It includes payables for the supply of electricity, fuel, materials and equipment for tenders and sundry services, and also payables for contract work in progress (EUR 16 million).

38 Current financial liabilities - EUR 42 million

Millions of euro

	31 Dec 2009	31 Dec.2008	2009-2008
Accrued expenses from shareholder:			
- Enel SpA - interest and credit fees on IC current account	11	61	(50)
- Enel SpA - guarantee fees	1	6	(5)
Financial accruals - Third parties	30	13	17
Total	**42**	**80**	**(38)**

39 Other current liabilities - EUR 740 million

Millions of euro

	31Dec 2009	31 Dec 2008	2009-2008
Payables to related parties:			
- Artic Russia B.V.	-	13	(13)
- Other companies	1	4	(3)
Payables to third parties:			-
- Acquisition of equity investments	429	57	372
- Current operational deferred revenue	20	21	(1)
- Other tax payable	29	18	11
- Liability to sellers of PT Bayan Resources Indonesia	148	153	(5)
- Other sundry payables	113	14	99
Total	**740**	**280**	**460**

At the end of 2009 the "Acquisition of equity investments" refer to payables related to options granted to minority shareholders of already controlled entities for purchasing a further 20% stake of Marcinelle Energie (EUR 16 million) as well as an additional 23,6% stake of Enel Distributie Muntenia and Enel Energie Muntenia (EUR 332 million and EUR 59 million respectively).

The increase of "Other sundry payables" totaling EUR 99 million mainly reflects the effect of the consolidation of Romanian companies as from 2009 year ended.

40 Related parties

In compliance with the Enel Group's rules of corporate governance, transactions with related parties are carried out in accordance with criteria of procedural and substantive propriety.

Transactions between Enel Investment Holding B.V. and with the other companies of the Enel Group involve the exchange of goods, provision of services, financing and treasury management. These transactions are part of the ordinary operations of the company and are settled on the basis of standard intra-Group contracts at market prices.

During 2009, as a part of the corporate reorganization of the shareholdings, the following transactions classified under common control were realized:

- the disposal at book value of EUR 1.690 million, on 1 January 2009, of the entire capital of the Dutch company Enel Green Power International B.V. to Enel Green Power S.p.A.;
- the disposal at book value of EUR 27 million, on 30 October 2009 of the entire capital of the French company Enel Erelis S.a.s. to Enel Green Power International B.V.;
- the acquisition at fair value, on 29 December 2009, from the affiliated company Enel Distribuzione Spa of:
  - a 51% stake in Enel Distributie Dobrogea S.A. for EUR 160 million;
  - a 51% stake in Enel Distributie Banat S.A. for EUR 220 million;
  - a 51% stake in Enel Energie S.A. for EUR 80 million;
  - a 20% stake in Enel Romania Srl for EUR 0,01 million;
- the acquisition at fair value, on 29 December 2009, from the affiliated company Enel Produzione Spa of:
  - a 100% stake in Maritza East III Power Holding BV for EUR 204 million;
  - a 100% stake in Maritza O&M Netheralnds BV for EUR 8 million;
- the contribution against book value, on 29 December 2009, as voluntary non-cash share premium contribution for EUR 869 million by and between Enel S.p.A and the Company of:
  - a 80% stake in Enel Romania S.r.l.;
  - a 64,43% stake in Enel Distributie Muntenia S.A.;
  - a 64,43% stake in Enel Energie Muntenia.

The following table summarizes the financial relationships between the Company and related parties.

	Balance Sheet		Income Statement	
	Receivables 31 dec 2009	Payables 31 dec 2009	Cost 2009	Income 2009
Shareholder				
Enel Spa	623	1.161	17	23
Associated Company				
Artic Russia	-	-	-	-
Res Holding	-	-	-	21
Enel Green Power Holding Sarl	-	-	-	-
Other Affilied Companies				
Enel Produzione	1	5	2	-
Enel Trade	12	14	1	148
Enel Ingegneria	1	22	9	1
Enel Finance International	-	272	12	-
Enel Servizi	-	8	1	-
Enel Distribuzione	-	9	2	-
Enel Energia	-	4	-	-
Enel Servizio Elettrico	-	2	-	-
Enel Rus	-	-	2	-
	637	1.496	46	193

	Balance Sheet		Income Statement	
	Receivables 31 dec 2008	Payables 31 dec 2008	Cost 2008	Income 2008
Shareholder				
Enel Spa	539	2.264	91	52
Associated Company				
Artic Russia	-	13	-	-
Enel Green Power Holding Sarl	-	3	-	-
Other Affilied Companies				
Enel Produzione	41	40	1	-
Enel Trade	17	5	11	202
Enel Finance International	-	532	16	-
Others	1	1	-	7
	598	2.858	119	261

Compensation of directors

The compensation paid to directors of the Company is summarized in the following table:

(all amounts in thousands of Euro)	**31 Dec 2009**	31 Dec 2008
Mr. A.J.M. Nieuwenhuizen	**20**	40
Mr. F. Mauritz	**15**	25
Mr. H. Marseille	**15**	25
Mr. K.J. Schell	**15**	25
Mr. L.Ferraris	**-**	-
Mr. A. Brentan	**-**	-
Mr. G. Frea (*)	**-**	-
Mr. C. Machetti	**-**	-
Mr. C. Palasciano Villamagna	**-**	-
Mr. C. Tamburi (*)	**-**	-
	65	115

(*) Mr. G. Frea has been replaced by Mr. C. Tamburi as per June 2008.

The remuneration paid to Mr. A.J.M. Nieuwenhuizen comprises an amout of EUR 5 thousand related to his activity as director of Res Holding B.V.

41 Contractual commitments and guarantees

The contractual commitments and guarantees as per 31 December 2009 can be specified as follows:

- during 2008 Enelco S.A. was awarded the tender offer for the construction of a combined cycle gas plant of 430 MW at Livadia in central Greece. In this respect the Company has approved, to support Enelco with an equity investment for a total amount of up to EUR 100 million. In order to cover the financial need of Enelco relating to the project described, during 2008, the Company has subscribed a share capital increase in favour of Enelco, for a total amount up to EUR 36 million, of which 75% (EUR 29 million) has to be paid by the Company. The amount of EUR 21 million was paid by the Company in December 2008 while the remaining EUR 8 million was paid in March 2009. Moreover in February 2009, the Company subscribed a new share capital increase in favour of the Greek vehicle for a total commitment of EUR 13 million of which 75%, equal to EUR 10 million, was paid by the Company in May 2009.

- in respect of a guarantee issued by MCC S.p.A. for contracts signed by Enelco, Enel S.p.A. has issued, on behalf of the Company, a comfort letter in favour of MCC S.p.A. in the amount of EUR 10 million;

- in June 2008 the Company has acquired from Duferco Diversification (DD), the 80% of the share capital of the Belgium company Marcinelle Energie S.A. (ME), being the remaining 20% still held by DD. ME is a special purpose vehicle incorporated for the construction of a CCGT power plant in Marcinelle Belgium. For such above mentioned acquisition the Company paid an initial amount of EUR 19,2 million, postponing the payment of additional sums amounting as a whole to EUR 12,8 million, until the completion of some construction works. Pursuant to the sale and purchase agreement executed between the parties, in order to guarantee the payment of the above mentioned remaining amount of EUR 12,8 million, Enel S.p.A, as the parent company, issued two parent company guarantees, on behalf of the Company, respectively of EUR 4,8 million and of EUR 8 million. Furthermore, as provided by the sale and purchase agreement executed between the parties, Enel S.p.A., issued on behalf of the Company, a parent company guarantee, in order to counter guarantee the 80% of an agreement already executed by Marcinelle Energie with Fluxis S.A. for the connection to the natural gas grid, for an mount equal to EUR 11,4 million. Moreover, the Company granted to Duferco a "put option" for the remain 20% of the shares to be exercised within 72 months after 12 months from the "provisional acceptance" ;

- with reference to the shareholding of Artic Russia B.V., the guarantee received by Enel SpA amounting to USD 434 million outstanding as at 31 December 2008 and related to the Call Option Agreement with Gazprom, expired upon signature of the Share Sale and Purchase and Assignment Agreement between Artic Russia B.V., Gazprom, Eni SpA and Enel SpA; in this respect, the Company has requested Enel SpA to guarantee the performance of Artic Russia B.V.'s obligations and duties arising from the Share Sale and Purchase and Assignment Agreement. However, such duties and obligations were completely fulfilled at 31 December 2009, hence no guarantee was to be recorded at 2009 year-end.

- during 2007 Enel participated to a public tender launched by Nuclearelectrica (a company wholly owned by the Romanian State) having as object the selection of strategic investors for development, financing, construction and operation of two nuclear units, of 720 MW each, to Cernavoda power plant, a nuclear power plant in Romania owned by Nuclearelectrica. In this respect, in December 2008, the Company signed an Investment Agreement based on which the Company has the right to own a participation equal to 9,15% of the Romanian Project Company, EnergoNuclear, and has the obligation to fund 9,15% of the subscribed share capital of EnergoNuclear and of the development costs for a maximum amount equal to EUR 4 million. Should the project be deemed by the Company no more interesting, the Company will have the right to exit from the PCO in any time paying, as penalty, an amount equal to its quota of the development costs (maximum approximately EUR 4 million). According to the Investment Agreement, in March 2009 the Company subscribed the 9,15% of the Romanian Project Company EnergoNuclear share capital, upon its incorporation, for a total amount of RON 1,8 million and in the meantime, paid EUR 1,1 million as cost and expenses reimbursement to Nuclearelectrica;

- in December 2009 the Company subscribed with its parent company Enel S.p.A. a share premium contribution agreement and with Enel Distribuzione S.p.A. a share sale and purchase agreement relating to the several Romanian companies. More specifically Enel S.p.A. contributed to the Company the 80% of Enel Romania S.r.l., the 64,43% of Enel Distributie Muntenia S.A. and the 64,43% of Enel Energie Muntenia S.A., through a voluntary non-cash share premium contribution; while the Company acquired from Enel Distribuzione S.p.A. the 51% of Enel Distributie Dobrogea S.A. for EUR 160 million, the 51% of Enel Distributie Banat S.A. for EUR 220 million, the 51% of Enel Energie S.A. for EUR 80 million and the 20% of Enel Romania S.r.l. for EUR thousand. According to the Privatization Agreement (initially signed between Enel S.p.A. and the Rumanian S.C. Electrica SA), S.C. Electrica S.A. has the right (Put Option) to require during the period between 1 July and 31 December in each of 2008, 2009, 2010 and 2011 to the Company and the Company has the obligation to purchase the remaining 23,6% partecipation still held by S.C. Electrica S.A. in Enel Distributie Muntenia S.A. and Enel Energie Muntenia S.A. at a price equal to a) the Adjusted Purchase Price divided by the number of Sale Shares or b) a multiple of the Adjusted Purchase Price dividend by the number of Sale Shares (equal to the Adjusted Purchase Price divided by the number of Sale Shares * RAB on 1 January in the year in which the put option is exercised). Only at information level at time of publication of this document, the option value has been estimated in around EUR 390 million as of 31 December 2009;
- the Company has also commitments with regard to rental obligations as follows:
  - rental contract with Amtrust for the Company present office located in Amsterdam The annual rent paid by the Company is EUR 0,03 million but this contract will expiry in advance during 2010; in fact the Company has already signed in January 2010 a new rental contract for the new office at the Gouden Bocht Complex, Herengracht 471 in Amsterdam. The five-years contract will be effective until 31 December 2014 for a yearly rental (VAT included) of EUR 0,09 million;
  - two contracts related to furnished flats rented to Company staff with a cumulative annual rentals amounting to EUR 0,05 million.

42 Post balance sheet events

There haven't been significant post balance sheet events occurring after 31 December 2009.

Enel Investment Holding B.V.

Non -consolidated Financial Statements
Prepared in accordance with the International Financial Reporting Standards as adopted by the European Union
for the year ended 31 December 2009

Enel Investment Holding BV non-consolidated income statement for the year ended 31 December 2009

Prepared in accordance with IFRS as adopted by European Union

Millions of Euro	*Note*	**2009**		2008	
Revenues					
Revenue from services	*44*		-		3
Costs					
Cost of outsourced work	*44*	-		3	
Personnel expenses	*46*	-		-	
Other operating expenses	*47*	**1**		17	
Depreciation, amortization and impairment losses	*48*	**18**		178	
			19		198
Result from operating activities			**(19)**		(195)
Financial income	*49*	**25**		56	
Financial expenses	*50*	**(44)**		(123)	
Net finance expenses			**(19)**		(67)
Results from equity investments	*51*		**8**		32
Result from continuing operations			**(30)**		(230)
Income tax expense			**-**		-
Result from continuing operations attributable to the shareholder			**(30)**		(230)

The Notes on pages 111 to 140 are an integral part of these Consolidated Financial Statements

Enel Investment Holding BV non-consolidated statement of comprehensive income for the year ended 31 December 2009

Prepared in accordance with IFRS as adopted by European Union

Millions of Euro	**2009**	2008
Profit/(Loss) for the period (shareholder of the Company)	**(30)**	(230)
Other components of comprehensive income:		
Change in the fair value of financial investments available for sale	**124**	(24)
Change in the fair value of Cash Flow Hedge Derivatives	**(10)**	-
Net income for the period recognized in equity	**114**	(24)
TOTAL RECOGNIZED INCOME /(EXPENSES) FOR THE PERIOD	**84**	(254)
Attributable to:		
Equity holders of the Company	**84**	(254)

The Notes on pages 111 to 140 are an integral part of these Consolidated Financial Statements

Enel Investment Holding B.V. non-consolidated statement of financial position as at 31 December 2009

Prepared in accordance with IFRS as adopted by European Union

(before profit appropriation)

Millions of Euro	*Note*	**31 December 2009**		31 December 2008	
Non-current assets					
Property, plant and equipment		-		-	
Investments in equity accounted investments	52	**5.127**		5.248	
Investments in available-for-sale investments	53	**162**		38	
Other non-current financial assets	54	**297**		522	
Total non-current assets			**5.586**		5.808
Current assets					
Current financial assets	54	**342**		23	
Accounts receivable	55	-		6	
Other current assets		-		-	
Cash and cash equivalents	56	**152**		153	
Total current assets			**494**		182
Total assets			**6.080**		5.990
Capital and reserves	*57*				
Share capital		**1.593**		1.593	
Share premium		**2.410**		1.541	
Fair value reserve AFS		**122**		(2)	
Cash Flow Hedge derivatives reserve		**(10)**		-	
Retained earnings (losses)		**(168)**		62	
Loss for the year		**(30)**		(230)	
Total equity attributable to the equity of the Company			**3.917**		2.964
Non-current liabilities					
Loans and borrowings	58	**297**		522	
Other payables	59	**20**		13	
			317		535
Current liabilities					
Loans and borrowings	58	**342**		23	
Other payables	59	**1.492**		2.400	
Other current liabilities	60	**12**		68	
Total current liabilities			**1.846**		2.491
Total liabilities			**2.163**		3.026
Total Shareholders' Equity and liabilities			**6.080**		5.990

The Notes on pages 111 to 140 are an integral part of these Consolidated Financial Statements

Enel Investment Holding BV non-consolidated Statement of changes in Shareholders' equity for the year ended 31 December 2009

Prepared in accordance with IFRS as adopted by European Union

Millions of Euro	Share Capital	Share Premium	Fair value reserve AFS	Fair value reserve CFH Der.	Retained Earnings	Profit For the year	Total
Balance at: 1 January 2008	**1.593**	**1.541**	**22**	**-**	**43**	**19**	**3.218**
• Allocation of net income/ (loss) from the previous year	-	-	-	-	19	(19)	-
• Total recognized income and expenses for the period	-	-	(24)	-	-	(230)	(254)
of which:							
Net income/(loss) for the year recognized in equity	-	-	(24)	-	-		(24)
Net income/(loss) for the year	-	-	-	-	-	(230)	(230)
Balance at: 31 December 2008	**1.593**	**1.541**	**(2)**	**-**	**62**	**(230)**	**2.964**
• Allocation of net income/ (loss) from the previous year	-	-	-	-	(230)	230	-
• Share premium contribution	-	869	-	-	-	-	869
• Total recognized income and expenses for the period	-	-	124	(10)	-	(30)	84
of which:							
Net income/(loss) for the year recognized in equity	-	-	124	(10)	-	-	114
Net income/(loss) for the year	-	-	-	-	-	(30)	(30)
Balance at: 31 December 2009	**1.593**	**2.410**	**122**	**(10)**	**(168)**	**(30)**	**3.917**

The Notes on pages 111 to 140 are an integral part of these Consolidated Financial Statements

Enel Investment Holding BV non-consolidated cash flow statement for the year ended 31 December 2009

Prepared in accordance with IFRS as adopted by European Union

Millions of Euro	**2009**		2008	
Net income for the period		**(30)**		**(230)**
Adjustments for:				
• Depreciation and amortization		**-**		-
• Interest income		**(24)**		(29)
• Interest expenses		**35**		89
• Impairment loss		**18**		178
• Result equity investments		**(8)**		(31)
		(9)		**(23)**
Changes in working capital:				
• Accounts receivable		**2**		(2)
• Other current assets		**-**		28
• Accounts payable		**(18)**		18
• Other current liabilities		**(6)**		(12)
		(31)		**9**
Interest paid		**(86)**		(48)
Net cash from operating activities (a)		**(117)**		**(39)**
Interest received	**25**		34	
Dividend received	**74**		28	
Investments equity investments	**(1.592)**		(1.771)	
Divestments equity investments	**1.789**		-	
Movements financial and other assets	**(95)**		33	
Net cash from investing activities (b)		**201**		**(1.676)**
Loan and borrowings (borrowed)	**95**		17	
Loan and borrowings (repayments)	**-**		(50)	
Movement IC loan account shareholder	**(1.048)**		1.901	
Share premium contribution	**868**		-	
Net cash from financing activities (c)		**(85)**		**1.868**
Net cash flow for the period (a+b+c)		**(1)**		**153**
Cash and cash equivalents at the beginning of the period		**153**		**-**
Cash and cash equivalents at the end of the period		**152**		**153**

The Notes on pages 111 to 140 are an integral part of these Consolidated Financial Statements

Notes to the Enel Investment Holding B.V. non-consolidated financial statements as per 31 December 2009

Form and content of the financial statements

Relationship with parent Company and principal activities

Enel Investment Holding B.V. (hereafter: the "Company") is a private limited liability Company, where 100% of the shares are held by Enel S.p.A., the ultimate parent company, having its statutory seat in Rome Italy.

Enel Investment Holding B.V., having its statutory seat at Weteringschans 28 (sous) in Amsterdam, The Netherlands, was incorporated on 15 December 2000 under the Dutch Law.

The purpose of the Company is to carry on activities and to invest directly or indirectly in companies or ventures that conduct their business:

- in the electricity industry, including all the activities of production, distribution and sale, as well as transmission;
- in the energy industry in general, including fuels, and in the field of environmental protection, as well as water sector;
- in the communications, telematics, information-technology industries and those of multimedia and interactive services;
- in network-based sectors (electricity, water, gas, district heating, telecommunications) on those which, in any case, provide urban services;
- in other sectors in any way related or connected with the activities carried out in the sectors mentioned above.

Going concern

On 26 February 2010, Enel S.p.A., the parent company, has issued a letter of support as per 31 December 2009 with respect to the Company, guaranteeing its continued financial support to meet the Company's liabilities.

Statement of compliance

These non-consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The non-consolidated financial statements also comply with the requirements of Book 2 Title 9 of the Netherlands' Civil Code.

These non-consolidated financial statements were approved by the board of directors and authorized for issue effective on 29 April 2010.

Basis of preparation

These non-consolidated financial statements consist of the non-consolidated income statement, the non-consolidated statement of recognized income and expenses, the non-consolidated balance sheet, the non-consolidated statement of changes in shareholder's equity and cash flows and the related notes.

The non-consolidated income statement is classified on the basis of the nature of costs, while the indirect method is used for the cash flow statement.

The assets and liabilities reported in the non-consolidated balance sheet are classified on a "current/non-current basis". Current assets, which include cash and cash equivalents, are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Company or in the twelve months following the balance-sheet date; current liabilities are liabilities that are expected to be settled during the normal operating cycle of the Company or within the twelve months following the close of the financial year.

The non-consolidated financial statements have been prepared on the historical cost basis, with the exception of items that are measured at fair value, as specified in the measurement policies for the individual items, which are the following:

- derivative financial instruments;
- available-for-sale financial assets;
- other financial instruments (put/call options).

Functional and presentation currency

These non-consolidated financial statements are presented in Euro, which is the Company's functional currency. All financial information presented in millions of Euro unless stated otherwise.

Summary of significant accounting policies

Please see page 37 to 52 of the notes to consolidate financial statements for a description of the significant accounting principles.

The following accounting principle has been used, only in drawing up Enel Investment Holding non-consolidated financial statements as of 31 December 2009, for evaluating the equity investment in subsidiaries, associated and joint ventures:

"Subsidiaries comprise those entities for which the Company has the direct or indirect power to determine their financial and operating policies for the purposes of obtaining the benefits of their activities. Associated companies comprise those entities in which the Company has a significant influence. Joint ventures are enterprises in which the Company exercises joint control with other entities. In assessing the existence of a situation of control, significant influence and joint control, account is also taken of potential voting rights that are effectively exercisable or convertible.

These equity investments are measured at cost. The cost can also include as additional charge any put option granted to former shareholders of an acquired entity when the Company is obliged to acquire additional stakes of the entity. Put options are valued at each balance sheet date at their fair value and their subsequent re-measurements are recognized against the equity investment previously recorded.

Cost is adjusted for any impairment losses. Adjustments for impairment losses are reversed where the reasons for their recognition no longer obtain. The reversal may not exceed the original cost."

Please see pages 53 to 58 of the notes to consolidate financial statements for a description of the new IFRS standards and interpretations.

Use of estimates

Preparing the financial statements under IFRS-EU requires management to make judgments, the use of estimates and assumptions that impact the application of accounting policies, the carrying amount of assets and liabilities and the related information on the items involved as well as the disclosure required for contingent assets and liabilities at the balance sheet date. The estimates and the related assumptions are based on previous experience and other factors considered reasonable in the circumstances. They are formulated when the carrying amount of assets and liabilities is not easily determined from other sources. The actual results may therefore differ from these estimates. The estimates are used to recognize provisions for doubtful accounts, depreciation and amortization, impairment losses, liabilities in respect of employee benefits, taxes and other provisions. The estimates and assumptions are periodically revised and the effects of any changes are reflected in the income statement if they only involve that period. If the revision involves both the current and future periods, the change is recognized in the period in which the revision is made and in the related future periods.

A number of accounting policies are felt to be especially important for understanding the financial statements. To this end, the following section examines the main items affected by the use of estimates, as well as the main assumptions used by management in measuring these items in compliance with the IFRS-EU. The critical element of such estimates is the use of assumptions and professional judgments concerning issues that are by their very nature uncertain.

Changes in the conditions underlying the assumptions and judgments could have a substantial impact on future results.

Segment reporting

The Company is the Holding Company of the Group. According to IFRS 8, segment reporting is disclosed in note 8 of the notes to the consolidated financial statements.

43 Risk management

The Company has exposure to the following risks arising from its activities :

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements

43.1 Credit risk

In its commercial and financial activities, the Group is exposed to the risk that its counterparties might not be able to discharge all or part of their obligations arising from payments for goods already delivered and services rendered as well as payments of the expected cash flows under financial derivatives contracts.

Enel Investment Holding B.V. manages credit risk by operating solely with counterparties considered solvent by the market, i.e. those with high credit standing, and does not have any concentration of credit risk.

The credit risk in respect of the derivatives portfolio is considered negligible since transactions are conducted solely with leading Italian and international banks, diversifying the exposure among different institutions.

43.2 Liquidity Risk

Liquidity risk is managed by the Group Treasury unit at Enel SpA, which ensures adequate coverage of cash needs (using lines of credit and issues of bonds and commercial paper) and appropriate management of any excess liquidity.

Despite the recent turbulence of international financial markets, the Enel Group keeped on having access to the bank credit and commercial paper markets. Any difficulties in raising funds have been overcome through careful financial planning and funding policies.

The repayment of bonds issued by the Company according to GMTN Program is guaranteed by Parent Company Enel Spa and therefore there is no impact on the Group liquidity risk.

43.3 Market risk

As part of its operations, the Company may be exposed to different market risks, notably the risk of changes in interest rates, exchange rates and commodity prices.

Aiming at containing this exposure within the limits set at the start of the year as part of its risk management policies, Enel enters into derivative contracts using instruments available on the market.

Transactions that, in compliance with risk management policies, qualify for hedge accounting are designated as hedging transactions, while those that do not qualify for hedge accounting are classified as trading transactions.

The fair value is determined using the official prices for instruments traded on regulated markets. The fair value of instruments not listed on regulated markets is determined using valuation methods appropriate for each type of financial instrument and market data as of the close of the financial year (such as interest rates, exchange rates, commodity prices, volatility), discounting expected future cash flows on the basis of the market yield curve at the balance sheet date and translating amounts in currencies other than the euro using period-end exchange rates provided by the European Central Bank.

The financial assets and liabilities associated with derivative instruments are classified as:

- cash flow hedges derivatives, mainly related to hedging the exchange rate risk in the cash flows associated with transactions in currencies other than euro;
- trading derivatives, related to hedging interest and exchange rate risk and commodity risk but which do not qualify for recognition under IAS 39 as hedges of specific assets, liabilities, commitments or future transactions as well as proprietary trading activities.

The notional value of a derivative is the contractual amount on the basis of which differences are exchanged. Amounts denominated in currencies other than the euro are converted into euro at the exchange rate prevailing at the balance-sheet date.

43.3.1 Interest rate risk

Interest rate risk management is aimed at balancing the structure of the debt, reducing the amount of debt exposed to interest rate fluctuations and minimizing borrowing costs over time, limiting the volatility of results. To this end, various types of derivatives are used, including interest rate swaps and interest rate collars.

All these contracts are agreed with a notional amount and expiry date lower than or equal to that of the underlying financial liability or the expected future cash flows, so that any change in the fair value and/or expected future cash flows is offset by a corresponding change in the fair value and/or the expected future cash flows of the underlying position. Accordingly, the fair value of the financial derivatives generally reflects the estimated amount that Enel would have to pay or receive in order to terminate the contracts at the balance-sheet date.

At balance sheet date there are no outstanding interest rate derivatives. Floating-rate interests charged in the income statement of the Company connected to GMTN bond are entirely mirrored by floating-rate interests credited to the income statement related to the loan due from shareholder Enel SpA which the Parent Company has assumed; in fact based on this agreement Enel SpA undertakes to the Company to assume all obligations of payment of the Company under the notes.

43.3.2 Exchange rate risk

Exchange rate risk is mainly generated with the following transaction categories:

- debt denominated in currencies other than the functional currency of the respective countries entered into by the holding company or the individual subsidiaries;

- cash flows in respect of investments in foreign currency, dividends from unconsolidated foreign associates or the purchase or sale of equity investments.

In order to reduce the exchange rate risk on these exposures, Enel uses foreign exchange forward and option contracts in order to hedge cash flows in currencies other than the functional currencies of the various Group entities.

These contracts are also normally agreed with a notional amount and expiry date equal to that of the underlying financial liability or the expected future cash flows, so that any change in the fair value and/or expected future cash flows of these contracts stemming from a potential appreciation or depreciation of the domestic currency against other currencies is fully offset by a corresponding change in the fair value and/or the expected future cash flows of the underlying position.

The following table reports the notional amount and fair value of exchange rate derivatives at 31 December 2009 and 31 December 2008:

Millions of euro	*Notional*		*Fair value*		*Fair value assets*		*Fair value liabilities*	
	31 Dec. 2009	31 Dec. 2008	**31 Dec. 2009**	31 Dec. 2008	**31 Dec. 2009**	31 Dec. 2008	**31 Dec. 2009**	31 Dec. 2008
Cash Flow Hedge derivatives:								
- forwards	319	-	(10)	-	-	-	(10)	-
TOTAL EXCHANGE RATE DERIVATIVES	**319**	**-**	**(10)**	**-**	**-**	**-**	**(10)**	**-**

This financial derivative absorbed cashas at 31 March 2010 when the related hedged item impacted positively the Company cash flow.

Capital management

The board policy of the Group is to maintain a strong capital base so as to maintain creditor and market confidence and so sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as total shareholders' equity and the level of dividends to ordinary shareholders. The board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantanges and security afforded by a sound capital position.

There were no changes in the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Information on the income statement

44 Revenue from services

Millions of Euro	**2009**	2008
Services to related parties		
• Enel Fortuna SA	-	3
	-	3

45 Cost of outsourced work

Millions of Euro	**2009**	2008
Services from related parties		
• Central America Power Services Inc	-	3
	-	3

46 Personnel

As per 31 December 2009 the Company had, other than the nine directors, three staff members employed.

47 Other operating expenses

Millions of Euro	**2009**	2008
Brokerage fee acquisition Bayan Resources Indonesia	-	1
Other judicial and trial costs re. sale Wind	-	14
Other expenses	**1**	2
	1	17

48 Depreciation, amortization and impairment losses

Millions of Euro	**2009**	2008
Impairment loss in equity investment: Enelco	**18**	-
Impairment loss in equity investment: Enel Green Power Holding Sarl	-	60
Impairment loss in available for sale investment: PT Bayan Resources T.b.k.	-	118
	18	178

49 Financial income

Millions of Euro	**2009**	2008
Financial income from related parties		
• Enel S.p.A. – interest	**23**	28
• Marcinelle – interest	**1**	0
• Enel S.p.A. – income financial instruments	**0**	24
• Enel Fortuna SA- collateral fees	**0**	2
Financial income from third parties		
Interest bank account DB Moscow	**0**	1
Exchange rate differences	**1**	1
	25	56

Financial income (EUR 25 million at 31 December 2009) shows a decrease of EUR 31 million over 2008, that is mainly due to a group financial income arising from an exchange rate financial derivatives held with Enel Spa accounted for in 2008 totaling EUR 24 million.

50 Financial expenses

Millions of Euro	**2009**	2008
Financial expenses from related parties		
• Enel S.p.A. – interest and credit fees	**11**	61
• Enel S.p.A. - guarantee fees	**1**	6
• Enel S.p.A. - expenses financial instruments	**0**	18
• Enel S.p.A. - other	**0**	0
• Enel Finance International S.A. - interest	**1**	0
Financial expenses from third parties		
Interest bonds	**23**	28
Guarantee fees	-	2
Exchange rate differences	**8**	8
	44	123

Financial expenses (EUR 44 million at 31 December 2009) shows a decrease of EUR 79 million over 2008, that is mainly due to a significant fall in interest expenses on the Intercompany Current Account held with Enel Spa (EUR 50 million) as well as other financial charge recognized only in 2008 (EUR 18 million) deriving from exchange rate derivatives held with Enel Spa.

51 Results from equity investments

Millions of Euro	**2009**	2008
Dividend income Res Holdings B.V.	**8**	16
Dividend income Latin America Energy Holding B.V.	**62**	-
Dividend income Enel Panama Ltd	-	7
Dividend income Enel Panama Holding	-	5
Dividend income Pragma Energy S.A.	-	4
Write-off of equity investment in Latin America Energy Holding B.V.	**(62)**	-
	8	32

Results from equity investments (EUR 8 million at 31 December 2009) show a decrease of EUR 24 million over 2008, that is mainly due to a decrease of dividend income from Res Holding BV (EUR 8 million), as well as dividend income received only in 2008 regarding Enel Panama Ltd, Enel Panama Holding and Pragma Energy SA (totalling EUR 16 million).

In September 2009 Latin America Energy Holding B.V. distributed a dividend for EUR 62 million, recorded as an income by the Company and, at the same time, the Company recorded an impairment loss of the cost price for the same amount.

52 Equity investments

52.1 Subsidiaries

The table below shows for each equity investment in subsidiaries their carrying amounts at each balance sheet date as well as their movements during 2009.

Millions of Euro	31 December 2009					31 December 2008			
Name	**Cost Price**	**Impair-Ment**	**Other Mov**	**Book Value**	**% held**	**Cost Price**	**Impair-Ment**	**Book Value**	**% held**
Enel Green Power International B.V.	-	-		-	-	1.690	-	1.690	100
Latin America Energy Holding B.V., in liquidation	84	(62)	(22)	0	100	84	-	84	100
Maritza East III Power Holding B.V.	204	-	-	204	100	-	-	-	-
Maritza O&M Holding Netherlands B.V.	8	-	-	8	100	-	-	-	-
Enel Operations Belgium SA	0	-	-	0	100	-	-	-	-
Marcinelle Energie SA	56	-	(7)	49	80	56	-	56	80
Enel.Re. Ltd	21	-	-	21	100	21	-	21	100
Pragma Energy SA	6	-	-	6	100	6	-	6	100
Enelco S.A,	61	(18)	-	43	75	51	-	51	75
Enel France SAS	35	-	-	35	100	35	-	35	100
Enel Rus LLC	9	-	-	9	99	0	-	0	99
OGK - 5	2.499	-	-	2.499	56,8	2.478	-	2.478	55,9
Enel Albania SHPK	1	-	-	1	100	1	-	1	100
Linea Albania-Italia SHPK	0	-	-	0	100	0	-	0	100
Enel Productie SRL (GPI)	5	-	-	5	100	0	-	0	85
Enel Romania SRL	0	-	-	0	99,99	-	-	-	
Enel Distributie Muntenia SA	891	-	-	891	64,43	-	-	-	-
Enel Energie Muntenia SA	157	-	-	157	64,43	-	-	-	-
Enel Distributie Dobrogea SA	160	-	-	160	51	-	-	-	-
Enel Distributie Banat SA	220	-	-	220	51	-	-	-	-
Enel Energie SA	80	-	-	80	51	-	-	-	-
	4.497	**(80)**	**(29)**	**4.388**		**4.422**	**-**	**4.422**	

52.1.1 Enel Green Power International B.V.

On 1 January 2009 all shares held by the Company in Enel Green Power International B.V. were sold to Enel Green Power S.p.A. for an amount of EUR 1.690 million equal to the book value of this investment.

52.1.2 Latin America Energy Holding B.V., in liquidation

Latin America Energy Holding B.V. a company existing under the laws of The Netherlands, was the owner of the following companies:

- Hydromac Energy B.V.

- SLAP B.V.
- Maya Energy B.V.

In December 2008 the three 100% subsidiaries of Latin America Energy Holding B.V. sold 70% of the corporate capital in Inelec to Enel Latin America B.V., for a total amount of EUR 83,6 million.

On 31 December 2008 Latin America Energy Holding B.V. sold Hydromac Energy B.V. to Enel Latin America LLC. for an amount of EUR 27,9 million, which was equal to the net asset value.

During 2009 both SLAP B.V. and Maya Energy B.V. were liquidated, whereby all assets of these companies were distributed to Latin America Energy Holding B.V.

In September 2009 Latin America Energy Holding B.V. made a distribution from its share premium reserve in the amount of EUR 22 million which was deducted by the Company from the cost price. In addition Latin America Energy Holding B.V. distributed in September 2009 from their retained earnings a dividend totaling EUR 62 million. The receipt of the dividend in the amount of EUR 62 million was recorded as an income by the Company in 2009 and, at the same time, the Company recorded an impairment loss of the cost price for the same amount.

Latin America Energy Holding B.V. is in the process of being liquidated.

52.1.3 Maritza East III Power Holding B.V.

On 29 December 2009 the Company purchased 100% of the corporate capital of the Dutch company Maritza East III Power Holding B.V. from Enel Produzione S.p.A. for an amount of EUR 204 million.

Maritza East III Power Holding B.V. holds 73% of the share capital of the Bulgarian company Enel Maritza East 3 AD, while the remaining 26% is held by the Bulgarian state utility company Nationalna Elektricheska Kompania (NEK). Enel Maritza East 3 AD owns the thermal power plant Maritza located in Stara Zagora.

52.1.4 Maritza O&M Holding Netherlands B.V.

On 29 December 2009 the Company purchased 100% of the corporate capital of the Dutch company Maritza O&M Holding Netherlands B.V. from Enel Produzione S.p.A. for an amount of EUR 8 million.

Maritza O&M Holding Netherlands B.V. holds 73% of the share capital of the Bulgarian company Enel Operations Bulgaria AD, while the remaining 26% is held by the Bulgarian state utility company Nationalna Elektricheska Kompania (NEK). Enel Operations Bulgaria AD's scope of business consists of operation and maintenance activities for the Maritza power plant located in Stara Zagora.

52.1.5 Enel Operations Belgium S.A.

Enel Operations Belgium S.A. was incorporated, under Belgium Law, by the Company in October 2009 and this company will act as a holding and service company for the investments in Belgium.

The value of the shares issued and paid-up is EUR 0,2 million. This amount was paid by the Company in two installments in October and December 2009 respectively.

52.1.6 Marcinelle Energie S.A.

In June 2008 the Company acquired 80% of the corporate capital of the Belgian special purpose company Marcinelle Energie S.A. for a total amount of EUR 37 million. A part of the purchase price amounting to EUR 13 million will be paid after the completion of certain agreed events, which is expected to be completed in 2011: as a consequence this amount is classified under the non-current liabilities.

The Company also granted to Duferco a "put option" for the remaining 20% of the shares (considered as a further element of the acquisition price) to be exercised within 72 months and after 12 months from the "provisional acceptance". The value of this option as per 31 December 2009 is recognized as current liability amounting to EUR 12 million (EUR 19 million at 31 December 2008).

Marcinelle Energie S.A. was incorporated for the construction of a CCGT power plant in the Wallonia region Marcinelle in Belgium.

52.1.7 Enel Re. Ltd.

In order to put in place a reorganization of Enel's foreign subsidiaries and ensure a more efficient Enel's presence outside Italy, on 22 September 2004 the Board of Directors of the Company has resolved to wind up the subsidiary Enel Holding Luxembourg S.A., a Luxembourg company incorporated as an holding company carrying out financial activities for the Enel Group, which became inoperative.

As a result of the liquidation, the Company has absorbed all assets and liabilities of Enel Holding Luxembourg S.A. The assets of Enel Holding Luxembourg S.A., which were transferred, included a 99,99% participation in Enel.Re Limited, a reinsurance company existing under the laws of Ireland.

Following the acquisition of one share from an individual person in 2005, the Company holds directly 100% of the share capital of Enel Re. Ltd. as of 31 December 2005.

52.1.8 Pragma Energy S.A.

In March 2005 the Company bought 100% of Pragma Energy S.A. shares from Enel Trade S.p.A. for an amount of EUR 6 million (equivalent to about USD 8 million). Pragma Energy S.A., existing under the laws of Switzerland, is engaged in the coal trading business on the international market and was the owner of 90,89% of the shares of Carbones Colombianos del Cerrejon S.A., a Colombian company, owner of a coalmine in Colombia. The shares in Carbones Colombianos del Cerrejon S.A. were sold in February 2006 for an amount of EUR 3 million (equivalent to about USD 4 million).

52.1.9 Enelco S.A.

In November 2006 the Company bought 50% of the shares in Enelco S.A. from the affiliated company Enelpower S.p.A. for an amount of EUR 8 million.

In December 2006 the Company bought additional 25% of the shares in Enelco S.A. from a third party for an amount of EUR 10 million (EUR 4 million was paid in 2006, EUR 2 million was paid in 2007 and EUR 4 million was paid in 2008).

In July 2007 the Company paid to Enelco S.A. an amount of EUR 3 million for share premium.

During 2008 Enelco S.A. was awarded the tender offer for the construction of a combined cycle gas plant of 430 MW at Livadia in Central Greece. In this respect the Company has approved, to support Enelco with an equity investment in the overall amount of up to EUR 100 million. During 2008, for the finance of the project. the Company has subscribed to an equity increase in Enelco, for an aggregate amount up to EUR 37 million, 75% this amount being EUR 29 million has been paid by the Company.

In February 2009 the Company has subscribed to an additional equity increase in Enelco, for an aggregate amount up to EUR 13 million and 75% of this amount (EUR 10 million) was paid by the Company in May 2009. However after encountering a few new constraints set by the Greek government regarding the Livadia project, the Company has decided to account for an impairment loss of its equity investment in Enelco for an amount of EUR 18 million approximately equal to the licensing right and the connected implicit goodwill of the Livadia Project.

52.1.10 Enel France SAS

Enel France SAS was incorporated under French Law, by the Company in January 2007. It operates as a holding company under which all initiatives of Enel Group in various areas of business in France, including energy trading, are concentrated.

In February 2007 the Company increased the share capital of Enel France SAS for an amount of EUR 21 million. A part of this amount was used by Enel France SAS to purchase the shares in Erelis SAS. In December 2007 the Company increased the share capital of Enel France SAS with an amount of EUR 14 million.

During 2009 Enel France SAS has disposed of its entire equity investment in Enel Erelis SAS for a total consideration of EUR 28 million equal to its book value at the disposal date.

52.1.11 Enel Rus Llc.

Enel Rus Llc. was incorporated by the Company in February 2008 to support the integration of the Enel participated companies and future controlled companies in Russia. The amount paid for 99% of the shares issued by Enel Rus Llc. is RUB 0,3 million (equal to EUR 10 thousand).

During 2009 the Company recapitalized Enel Rus Llc. for an amount of RUB 400 million (approximately equal to EUR 9 million).

52.1.12 OGK-5

Established in 2004 as part of the industry reform, OGK-5 is one of six thermal wholesale generation companies in Russia, with assets strategically located in some of the most developed and fastest growing regions of the country, including:

- 2,400 MW of gas fired capacity at Konakovskaya GRES in the Tver Region (Central Russia)
- 1,290 MW of gas fired capacity at Nevinnomysskaya GRES in the Stavropol Region (Southern Russia)
- 3,800 MW of coal fired capacity at Reftinskaya GRES in the Sverdlovsk Region (Urals)

- 1,182 MW of gas fired capacity at Sredneuralskaya GRES in the Sverdlovsk Region (Urals).

During 2008 the Company has signed 121 Share Sale and Purchase Agreements involving OGK-5 directors (3) and employees (118) through the participation in the OGK-5 stock option program. According to this agreement the Company can be obliged to purchase a determined amount of OGK5 shares.

According to the aforementioned agreement as per 31 December 2008 the Company acquired 54.869.719 shares for a total amount of RUB 243 million (equal to EUR 6 million).

According to the aforementioned agreement as per 31 December 2009, based on information received from OGK5 legal department, the Company acquired 214.947.516 (equal to EUR 22 million).

As a result of the above mentioned events, the equity investment in OGK-5 amounts to EUR 2.499 million, with a 55,8% stake in its share capital.

52.1.13 Enel Albania SHPK

Enel Albania SHPK was incorporated by the Company in June 2008 to realize one or two coal power plants each of them with a power of 800MW in Albania.

The subscribed share capital of Enel Albania SHPK is Leke 73 million (equivalent to about EUR 0,6 million). As per 31 December 2009 the Company has not paid-up yet a part the shares subscribed for an amount of Leke 27 million (equivalent to about EUR 0,2 million): this sum is classified under the current liabilities.

52.1.14 Linea Albania-Italia SHPK

Linea Albania-Italia SHPK was incorporated by the Company in June 2008 to develop a merchant line for the connection between Albania and Italia in connection with Enel Albania SHPK.

The initial share capital of Enel Albania SHPK is Leke 27 million (equivalent to about EUR 0,2 million). As per 31 December 2009 the Company has not yet paid-up the shares issued. The amount is classified under the current liabilities.

52.1.15 Enel Productie Srl

In respect of the joint development of the construction of a coal power plant in the Free Trade Zone of the city of Galati (the Project), the Company acquired on 5 March 2008, in line with the Cooperation Agreement signed with Global International 2000 and Romelectro, 85% of the shares of Enel Productie Srl. (previously called Global Power Investment Srl.), minus one share for a amount of RON 0,8 million thousand (EUR 0,2 million). In May 2009 the Company acquired the remaining 15% of the corporate capital of Enel Productie Srl. from Global International 2000 (10%) and Romelectro (5%) for a total amount of EUR 30 thousand. One remaining share is held by Mr. Luigi Ferraris, a Director of the Company.

During 2009 the Company also recapitalized Enel Productie Srl. for an amount of RON 19 million (equal to EUR 4,5 million).

52.1.16 Enel Romania Srl

In December 2009 Enel Spa contributed 80% of the shares held in the Romanian company Enel Romania Srl as a voluntary non-cash share premium contribution.

The contribution was for EUR 42 thousand equal to the book value of Enel S.p.A.

The 20% of the shares in Enel Romania Srl. were purchased in December 2009 from Enel Distribuzione S.p.A. for an amount of EUR 11 thousand. One remaining share is held by Mr. Luigi Ferraris, a Director of the Company.

Enel Romania Srl. provides management services for all the other companies within Enel Group in Romania.

52.1.17 Enel Distributie Muntenia S.A.

In December 2009 Enel Spa contributed 64,43% of the shares held in the Romanian company Enel Distributie Muntenia S.A. as a voluntary non-cash share premium contribution for EUR 738 million.

Following the contribution of shares, Enel S.p.A. also transferred to the Company all rights and obligations included in the Privatization Agreement signed by and between Enel S.p.A. and the Romanian company Electrica S.A. on 11 June 2007. Under the Privatization Agreement Electrica S.A. has the right to request the Company to purchase a further 23,57% of the shares in Enel Distributie Muntenia S.A. The value of this put option as per 31 December 2009 is determined as a current liability of EUR 153 million and its effect has been already considered in the above mentioned share premium contribution.

Enel Distributie Muntenia S.A. performs the distribution of electricity in Bucharest and Ilfov and Giurgiu counties.

52.1.18 Enel Energie Muntenia S.A.

In December 2009 Enel Spa contributed 64,43% of the shares held in the Romanian company Enel Energie Muntenia S.A. as a voluntary non-cash share premium contribution for EUR 130 million.

Following the contribution of shares, Enel S.p.A. also transferred to the Company all rights and obligations included in the Privatization Agreement signed by and between Enel S.p.A. and the Romanian company Electrica S.A. on 11 June 2007. Under the Privatization Agreement Electrica S.A. has the right to request the Company to purchase a further 23,57% of the shares in Enel Energie Muntenia S.A. The value of this put option as per 31 December 2009 is determined as a current liability of EUR 27 million and its effect has been already considered in the above mentioned share premium contribution.

Enel Energie Muntenia S.A. performs the supply of the captive consumers whose consumption places are in the premises determined by the distribution license of Enel Distributie Muntenia S.A.

52.1.19 Enel Distributie Dobrogea S.A.

In December 2009 the Company purchased from Enel Distribuzione Spa the 51,003% of the shares held by the seller in the Romanian company Enel Distributie Dobrogea S.A. for an amount of EUR 160 million.

Enel Distributie Dobrogea S.A. performs the distribution of electricity in the counties Constanta, Tulcea, Calarasi and Ialomita in the eastern part of Romania.

52.1.20 Enel Distributie Banat S.A.

In December 2009 the Company purchased from Enel Distribuzione Spa the 51,003% of the shares held by the seller in the Romanian company Enel Distributie Banat S.A. for an amount of EUR 220 million.

Enel Distributie Banat S.A. performs the distribution of electricity in the counties Timisoara, Arad, Hunedoara and Caras-Serverin in the western part of Romania.

52.1.21 Enel Energie S.A.

In December 2009 the Company purchased from Enel Distribuzione Spa the 51,003% of the shares held by the seller in the Romanian company Enel Energie S.A. for an amount of EUR 80 million.

Enel Energie S.A. performs the supply of electricity to captive consumers ,whose consumption places are in the premises determined by the distribution licenses of Enel Distributie Dobrogea S.A. and Enel Distributie Banat S.A, as well as the electricity supply to free market consumers.

52.2 Associated companies

The following table lists equity investments in associated companies at 31 December 2009 and 31 December 2008, which are stated at cost.

Millions of Euro	31 December 2009					31 December 2008			
Name	**Cost Price**	**Impair-Ment**	**Other Mov**	**Book Value**	**% held**	**Cost Price**	**Impair-Ment**	**Book Value**	**% held**
Enel Green Power Holding Sarl.	69	(60)	-	9	32,9	69	(60)	9	32,9
Res Holdings B.V.	84	-	-	84	49,5	84	-	84	49,5
Artic Russia B.V.	731	-	(89)	642	40	731	-	731	40
	884	**(60)**	**(89)**	**735**		**884**	**(60)**	**824**	

52.2.1 Enel Green Power Holding Sarl (formerly Enel Green Power International S.A.)

The Company is the holder of 32,89% of the shares in Enel Green Power Holding Sarl. (previously named Enel Green Power International S.A.), a company which exists under the laws of Luxembourg; the remaining 67,11% stake are held by Enel Produzione S.p.A..

In order to be consistent with the expected cash estimated from the liquidation process, the Company recorded in 2008 income statement an EUR 60 million impairment loss.

52.2.2 Res Holdings B.V.

In June 2006 the Company bought 49,5% of the shares in Res Holdings B.V. for an amount of EUR 83 million (equal to USD 105 million) from a third party. Ancillary costs included in the cost price totalled EUR 1 million.

Res Holdings B.V., a company existing under the laws of The Netherlands, is the owner of 100% of the shares of the Russian electricity trading company, Rusenergosbyt Llc.

52.2.3 Artic Russia B.V.

In March 2007 the Company bought 40% of the shares in Artic Russia B.V. (previously called Eni Russia B.V.), a private liability company under Dutch law, for an amount of EUR 15,2 million (USD 20,6 million). A part of the total purchase price amounting to USD 10 million has not been paid yet and it is classified as per December 31, 2009 under the non-current liabilities.

Following the capital increase by Artic Russia B.V. in June 2007, the Company paid a share capital contribution of EUR 32 thousand in June 2007. Moreover additional financing needs of the operating activities required the Company to paid a share premium in 2007 amounting to EUR 666,3 million (USD 892,2 million).

Furthermore the Company paid in July 2008 a cash share premium contribution to Artic Russia B.V. in the amount of EUR 122,7 million (USD 191,4 million) in order to settle amounts between the Company and the other shareholder of Artic Russia B.V. (Eni International B.V.). Artic Russia Shareholders' meeting subsequently resolved to make a distribution out of the share premium reserve of USD 349,9 million to the shareholders in proportion of their percentage participation in Artic Russia B.V. The amount received by the Company was EUR 89,8 million (USD 139,9 million). The amount of EUR 122,8 million minus EUR 89,8 million being EUR 33 million was added to the cost price of the investment.

At the beginning of 2009, Artic Russia B.V. was the holder of 99,99999% of the corporate capital of the Russian company LLC SeverEnergia, which is the owner of the following gas assets:

- 100% of OAO Arcticgaz
- 100% of ZAO Urengoil
- 100% of OAO Neftegaztechnologia

Arcticgaz, Urengoil and Neftegaztechnologia own licenses for exploration and production of hydrocarbons in the Yamal Nenets region, the world's largest gas producing area. Together they hold approximately 5 billion (Russian reserve reporting standards) of oil and gas reserves.

Based on the call option granted by Artic Russia B.V. to Gazprom in 2007 and the subsequent agreements made in 2008, Gazprom purchased from Artic Russia B.V. in September 2009 the 51% of the corporate capital of the Russian company SeverEnergia LLC for an amount of USD 1.566 million. This consideration has to be paid to Artic Russia B.V. in two installments: the first USD 384 million installment has already been paid in September 2009 whereas the second tranche of USD 1.184 million will be paid on April 1, 2010. As regards Enel portion of the first collected tranche (USD 153,6 million) Artic Russia B.V. has used it to reimburse the outstanding loan from Enel Finance International SA. and to distribute a USD 102,8 million share premium repayment to the Company.

In order to hedge the exchange rate risck related to the second installment (USD 473 million) from Gazprom which is expected to be paid to Artic Russia BV on April 1, 2010, the Company has entered a financial derivative instrument with Enel S.p.A. that has been designed and presented as a Cash Flow Hedge derivative in the 2009 Financial Statement with its result recognised directly into Equity (Cash Flow Hedge derivatives Equity Reserve). As per 31 December 2009 its negative fair value totals EUR 10 million.

52.3 Other investments

The following table lists equity investments in other investments at 31 December 2009 and 31 December 2008.

Millions of Euro	31 December 2009				31 December 2008		
Name	**Cost Price**	**Divest ments**	**Book Value**	**% held**	**Cost Price**	**Book Value**	**% held**
Selecta S.p.A.	1	(1)	-	-	1	1	3,98
Energo Nuclear S.A.	3	-	3	9,15	-	-	-
	4	**(1)**	**3**		**1**	**1**	

52.3.1 Selecta S.p.A.

The shares in Selecta S.p.A., existing under the laws of Italy, were acquired through the merger with Webiz Holding B.V. in 2006. In July 2009 the Company sold its shares in Selecta S.p.A. The total amount received in respect of the sale was EUR 1,5 million resulting in a 0,5 capital gain on this disposal.

52.3.2 Energo Nuclear S.A.

During 2008 Enel participated to a public tender launched by Nuclearelectrica (a company wholly owned by the Romanian State) having as object the selection of strategic investors for development, financing, construction and operation of two nuclear units, each of 720 MW each, to Cernavoda power plant, a nuclear power plant in Romania owned by Nuclearelectrica. In this respect the Company has signed an investment agreement based on which the Company has the right to own a participation equal to 9,15% of the Romanian Project Company and has the obligation to fund 9,15% of the subscribed share capital of the PCO and of the development cost for a maximum amount equal to EUR 4 million. The 9,15% interest was acquired in March 2009 in the new incorporated Romanian company Societatea Comercială EnergoNuclear S.A., through a subscription of new issued shares with an overall exposure of RON 1,8 million (EUR 0,4 million).

The total acquisition cost included in the cost price as per 31 December 2009 amounts to EUR 3 million.

53 Equity investments available-for-sale

The following table lists equity investments classified as available for sale at 31 December 2009 and 31 December 2008.

Millions of Euro	31 December 2009					31 December 2008				
Name	Cost Price	Results recognized In equity	Impair-ment In P&L	Fair Value	% held	Cost Price	Results recognized In equity	Impair-ment In P&L	Fair Value	% held
Echelon	20	4	-	24	7,9	20	(2)	-	18	7,9
PT Bayan Resources T.b.k.	138	118	(118)	138	10	138	-	(118)	20	10
	158	**122**	**(118)**	**162**		**158**	**(2)**	**(118)**	**38**	

53.1 Echelon

The 7,9% stake in corporate capital of Echelon was bought in December 2005 from Enel S.p.A. for an amount of USD 25 million (EUR 20 million). Echelon is listed on the NASDAQ stock market in the USA and it is engaged in the field of control networking technology for automation systems.

The shares in Echelon are recognized at fair value with any gains or losses recognized directly in equity.

53.2 PT Bayan Resources T.b.k.

The 10% stake in corporate capital of PT Bayan Resources T.b.k. was acquired in August 2008 for a total consideration of IDR 1.933 billion (EUR 136 million). The shares were acquired via Bayan's initial public offering on the Indonesian Stock Exchange, through the implementation of an agreement with Bayan and its shareholders. The acquisition cost paid and added to the cost price amounts to EUR 2 million.

The shares acquired by the Company are subject to a lock-up period of 18 months from the closing date of the IPO. In this respect the amount kept as per 31 December 2009 by the Company on a blocked bank account amounts to USD 213 million, corresponding to a counter value at 31 December 2009 exchange rate of EUR 148 million. This amount is recorded both under the cash and cash equivalents and under the current liabilities.

PT Bayan Resources T.b.k., listed on the Indonesian Stock Exchange, produces coal in Indonesia with integrated coal mining, processing and logistic operations. The company is primarily engaged in the business of surface open cut mining of thermal coal and has a diversified product portfolio that ranges from bituminous coal, with high calorific content, to sub-bituminous and semi-soft coking coal.

The shares in PT Bayan Resources T.b.k. are recognized at fair value since share price decreased continuously by 80% since acquisition. The impairment recorded in 2008 amounting to EUR 118 million was recorded through the 2008 income statement.

At the end of 2009 the fair value of PT Bayan Resources T.b.k. totals EUR 138 million with an increase of EUR 118 million over the corresponding period of the last year thanks to a rise of the share price and to a revaluation of Indonesian currency against Euro.

The following table shows a detail of financial asset valued at fair value as required from IFRS 7 in its latest amended version:

Millions of euro	**Fair value at 31 December 2009**	Level 1	Level 2	Level 3
Equity investment AFS Bayan Resources	**138**	138	-	-
Equity investment AFS - Echelon	**24**	24	-	-

54 Financial assets

The financial assets can be specified as follows:

Millions of Euro	**31 Dec. 2009 Current**	**31 Dec. 2009 Non-Current**	31 Dec. 2008 Current	31 Dec. 2008 Non-Current
Loans held-held to maturity:				
• due from shareholder	**225**	**297**	-	522
• due from subsidiaries	**111**	**-**	17	-
Accrued interest receivables:				
• due from shareholder	**6**	**-**	6	-
• due from subsidiaries	**-**	**-**	-	-
	342	**297**	23	522

54.1 Loan due from shareholder

The loans due from shareholder relate to the assumption of the issued bonds by Enel S.p.A. Based on this agreement Enel S.p.A. undertakes to the Company to assume all the obligations of payment of the Company under the notes.

The obligations assumed can be specified as follows:

Millions of Euro	**Year maturing**	**Balance 31 Dec. 2009**	**Nominal Value 31 Dec. 2009**	Balance 31 Dec. 2008
Loan shareholder, fixed rate 5,25%	**2023**	**297**	**300**	297
Loan shareholder, fixed rate 4,125%	**2010**	**100**	**100**	100
Loan shareholder, floating Euribor 6m +0,50%	**2010**	**50**	**50**	50
Loan shareholder, interest linked to UE C.P.I.	**2010**	**50**	**50**	50
Loan shareholder, interest linked to UE C.P.I.	**2010**	**25**	**25**	25
		522	**525**	522

Millions of Euro	**Current portion < 12 months 31 Dec. 2009**	**Portion maturing > 12 months 31 Dec. 2009**	Current portion < 12 months 31 Dec. 2008	Portion maturing > 12 months 31 Dec. 2008
Loan shareholder, fixed rate 5,25%	**-**	**297**	-	297
Loan shareholder, fixed rate 4,125%	**100**	-	-	100
Loan shareholder, floating Euribor 6m +0,50%	**50**	-	-	50
Loan shareholder, interest linked to UE C.P.I.	**50**	-	-	50
Loan shareholder, interest linked to UE C.P.I.	**25**	-	-	25
	225	**297**	-	522

The interest receivables on the loan due from shareholder amounted to EUR 6 million in 2009 (EUR 6 million in 2008).

54.2 Loans due from subsidiaries

The obligations assumed can be specified as follows:

Millions of Euro	**Balance 31 Dec. 2009**	**Nominal Value 31 Dec. 2009**	Balance 31 Dec. 2008
Loan Marcinelle Energie S.A.	**111**	111	17

The interest receivables on the loan granted to Marcinelle Energie S.A. amounted to EUR 0 million (EUR 0,2 million 2008).

55 Accounts receivables

Millions of Euro	**31 Dec. 2009**	31 Dec. 2008
Receivables from related parties		
• Enel Fortuna SA	-	1
• Pragma (dividendT to be received)	-	4
Receivables from third parties		
• Value Added Tax to be received	-	1
	0	6

56 Cash and cash equivalents

Cash and cash equivalents, detailed in the table below, are not restricted by any encumbrances, apart from EUR 148 million (EUR 153 million at 31 December 2008) primarily in respect of deposits pledged to secure transactions.

Millions of Euro	**31 Dec. 2009**	31 Dec. 2008
Deutsche Bank - EUR current Account	**4**	0
Citibank Milan - USD escrow account re. Bayan Resources	**148**	153
	152	153

57 Shareholders' equity

57.1 Share capital

The authorized share capital of Enel Investment Holding B.V. amounts to EUR 7.500 million, divided into 750.000 thousand ordinary shares of EUR 10,- each, of which 159.305 thousand ordinary shares have been issued and fully paid up.

57.2 Share premium reserve

In December 2009, Enel S.p.A. contributed to the Company, as a voluntary non-cash share premium contribution, 80% of the shares in Enel Romania S.r.l., 64,43% of the shares in Enel Distributie Muntenia S.A. and 64,43% of the shares in Enel Energie Muntenia S.A. Total contribution was valued at EUR 869 million.

57.3 Fair value reserve AFS

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investment is derecognized.

57.4 Fair value change Cash Flow Hedge derivatives

The account includes cumulated gains and losses related to the effective fair value portion on Cash Flow Hedge financial instruments. The amounts recorded in this equity reserve are reversed to the income statement when the underlying hedged item also affects in its turn the income statement.

57.5 Reconciliation of non-consolidated equity to consolidated equity

Millions of Euro	31 Dec. 2009
Result separate financial statements	**(30)**
Results of subsidiaries	87
Intergroup dividends	(8)
Equity investments accounted for by using the equity method	98
Carrying amount and impairment adjustments	(3)
Consolidation difference at consolidation level	10
Result at consolidation level	**154**

Millions of Euro	31 Dec. 2009
Shareholders' Equity separate financial statements	**3.917**
Investment results from acquisitions	238
Disinvestments under common control	(65)
Acquisitions under common control at fair value	(404)
Currency translation reserve and OCI reserve	(455)
Cash-flow hedge derivatives	(13)
Adjustments result	184
Shareholders' Equity at consolidation level	**3.402**

58 Loans and borrowings

As at 31 December 2009 the loans and borrowings can be specified as follows:

Millions of Euro	**Current portion < 12 months 31 Dec. 2009**	**Portion maturing > 12 months 31 Dec. 2009**	Current portion < 12 months 31 Dec. 2008	Portion maturing > 12 months 31 Dec. 2008
Bonds issued	**225**	**297**	-	522
Loans from affiliated companies	**111**	-	17	-
Other payables (interest payable)	**6**	-	6	-
	342	**297**	23	522

58.1 Bonds issued

As at 31 December 2009 the Company has issued bonds, on the Luxembourg stock exchange, in five different installments for a total amount of EUR 525 million. The maturity of the bonds - exclusively placed to private investors - ranges from 1 to 14 years as detailed in the following table:

Millions of Euro	**Year maturing**	**Balance 31 Dec. 2009**	**Nominal Value 31 Dec. 2009**	Balance 31 Dec. 2008
Bond, fixed rate 5,25%	**2023**	**297**	**300**	297
Bond, fixed rate 4,125%	**2010**	**100**	**100**	100
Bond, floating Euribor 6m +0,50%	**2010**	**50**	**50**	50
Bond, interest linked to UE C.P.I.	**2010**	**50**	**50**	50
Bond, interest linked to UE C.P.I.	**2010**	**25**	**25**	25
		522	**525**	522

Millions of Euro	**Current portion < 12 months 31 Dec. 2009**	**Portion maturing > 12 months 31 Dec. 2009**	Current portion < 12 months 31 Dec. 2008	Portion maturing > 12 months 31 Dec. 2008
Bond, fixed rate 5,25%	-	**297**	-	297
Bond, fixed rate 4,125%	**100**	-	-	100
Bond, floating Euribor 6m +0,50%	**50**	-	-	50
Bond, interest linked to UE C.P.I.	**50**	-	-	50
Bond, interest linked to UE C.P.I.	**25**	-	-	25
	225	**297**	-	522

The interest payables on the bonds issued amounted to EUR 6 million (EUR 6 million in 2008).

In June 2006 the Company signed an agreement with the parent company for the assumption of Debt with its shareholder Enel S.p.A. Based on this agreement Enel S.p.A. undertook to the Company to assume all the obligations of payment of the Company is respect of the above-mentioned bonds.

The fair value of bonds as of 31 December 2009 totals EUR 547 million.

58.2 Loans

The Company has signed with Enel Finance International S.A, a Revolving Credit Facility which can be specified as follows:

- A loan for an aggregate amount up to EUR 88 million. It bears interest at EURIBOR 3 months plus a spread of 0,45%. The initial term was extended to 31 December 2010. The amount drawn is equal to EUR 88 million as at 31 December 2009 (EUR 17 million at 31 December 2008).
- A loan for an aggregate amount up to EUR 56 million. It bears interest at EURIBOR 3 months plus a spread of 1,2%. The termination date is set on September 28, 2010. The amount drawn amounts to EUR 23 million as at 31 December 2009.

Millions of Euro	**Current portion < 12 months 31 Dec. 2009**	**Portion maturing > 12 months 31 Dec. 2009**	Current portion < 12 months 31 Dec. 2008	Portion maturing > 12 months 31 Dec. 2008
Payables to related parties				
Loan Enel Finance International S.A.	**111**	-	17	-
	111	-	17	-

58.3 Other payables on loans and borrowings

Millions of Euro	**Current portion < 12 months 31 Dec. 2009**	**Portion maturing > 12 months 31 Dec. 2009**	Current portion < 12 months 31 Dec. 2008	Portion maturing > 12 months 31 Dec. 2008
Interest on Bonds Issued	**6**	-	6	-
	6	-	6	-

59 Other payables

Millions of Euro	**Current portion < 12 months 31 Dec. 2009**	**Portion maturing > 12 months 31 Dec. 2009**	Current portion < 12 months 31 Dec. 2008	Portion maturing > 12 months 31 Dec. 2008
Payables to shareholder				
• Enel S.p.A. - IC loan account	**1.119**	-	2.168	-
• Enel S.p.A. - outstanding invoices	**1**	-	16	-
• Enel S.p.A. – Cash Flow Hedge derivatives	**10**	-	-	-
Payables to related parties				
• Central America Power Services Inc - outstanding invoices	-	-	1	-
Payables to subsidiaries group companies				
• Artic Russia B.V. - capital to be paid	-	-	13	-
• Enelco S.A. - capital to be paid	-	-	8	-
• Enel Albania - capital to be paid	-	-	1	-
• Linea Albania - capital to be paid	-	-	-	-
• Enel Green Power International B.V. – re. acquisition Elica	-	-	12	
Payables to third parties				
Long-term payable re. acquisition Marcinelle Energie S.A.	-	**13**	-	13
• Other payable for the acquisition of Artic Russia	-	**7**	7	-
• Invoices payable	-	-	2	-
• Put-option liability – value option Marcinelle Energie S.A.	**12**	-	19	-
• Liability to sellers of PT Bayan Resources Indonesia	**148**	-	153	-
• Put-option liability – value option Enel Distributie Muntenia S.A.	**153**	-	-	-
• Put-option liability – value option Enel Energie Muntenia S.A.	**27**	-	-	-
• Other payable for the acquisition of additional shares in OGK-5	**22**	-	-	-
	1.492	**20**	2.400	13

The following table shows a detail of financial liabilities valued at fair value as required from IFRS 7 in its latest amended version:

Millions of euro	**Fair value at 31 December 2009**	Level 1	Level 2	Level 3
Enel S.p.A. - Cash Flow Hedge derivatives	**10**	10	-	-
Put-option liability - value option Enel Distributie Muntenia S.A.	**153**		-	153
Put-option liability - value option Enel Energie Muntenia S.A.	**27**		-	27
Put-option liability - value option Marcinelle Energie S.A.	**12**		-	12

More specifically the table below sets forth 2009 movements with regard to the above mentioned financial liabilities valued at fair value and classified level 3 according to IFRS 7:

Millions of euro	
1 January 2009	**19**
Fair value variance - Put Option Marcinelle Energie S.A.	(7)
Non-cash share premium contribution - Put option Enel Distributie Muntenia S.A.	153
Non-cash share premium contribution - Put option Enel Energie Muntenia S.A.	27
31 December 2009	**192**

60 Other current liabilities

Millions of Euro	**31 Dec. 2009**	31 Dec. 2008
Accrued expenses from related parties		
• Enel S.p.A. – interest and credit fees	**11**	61
• Enel S.p.A. – guarantee fees	**1**	6
• Enel S.p.A. – other	**-**	1
Other current assets - third parties		
• Other accrued expenses	**-**	-
	12	68

61 Related parties

Related parties have been identified on the basis of the provisions of international accounting standards.

The following table summarizes the financial relationships between the Company and its related parties.

Millions of Euro	Receivables 31 Dec. 2009	Payables 31 Dec. 2009	Cost 2009	Income 2009	Dividends 2009
Shareholder					
• Enel S.p.A.	528	1.142	12	23	-
Subsidiaries					
• Enel ESN Management B.V.	-	-	-	-	-
• Marcinelle Energie S.A.	111	-	-	1	-
• Enel Albania SHPK	-	-	-	-	-
• Linea Albania-Italia SHPK	-	-	-	-	-
Associated companies					
• Res Holdings B.V.	-	-	-	-	8
Other affiliated companies					
• Enel Finance International S.A.	-	111	1	-	-
• Enel Servizi Srl.	-	-	-	-	-
	639	1.253	13	24	8

Millions of Euro	Receivables 31 Dec. 2008	Payables 31 Dec. 2008	Cost 2008	Income 2008	Dividends 2008
Shareholder					
• Enel S.p.A.	528	2.252	85	52	-
Subsidiaries					
• Pragma Energy S.A.	4	-	-	-	-
• Marcinelle Energie S.A.	17	-	-	-	-
• Enelco S.A.	-	8	-	-	-
• Enel Green Power International B.V.	-	12	-	-	-
• Enel Albania SHPK	-	1	-	-	-
• Enel Panama Ltd	-	-	-	-	7
• Enel Panama Holding Ltd.	-	-	-	-	5
• Pragma Energy S.A.	-	-	-	-	4
Associated companies					
• Artic Russia B.V.	-	13	-	-	-
• Res Holdings B.V.	-	-	-	-	16
Other affiliated companies					
• Enel Finance International S.A.	-	17	-	-	-
• Empresa de Generacion Eléctrica Fortuna, S.A.	1	-	-	5	-
• Central America Power Serv Inc.	-	1	3	-	-
	550	2.304	88	57	32

During 2009, the following transactions, classify under common control transactions, were realized:

- The sale at book value, amounting to EUR 1.690 million of 100% of the shares in Enel Green Power International B.V. to Enel Green Power S.p.A.;
- The acquisition at current value, amounting to EUR 204 million of 100% of the shares in Maritza East III Power Holding B.V. from Enel Produzione S.p.A.;
- The acquisition at current value, amounting to EUR 8 million of 100% of the shares in Maritza O&M Holding Netherlands B.V. from Enel Produzione S.p.A.;
- The contribution of 80% of the shares in Enel Romania Srl., 64,43% of the shares in Enel Distributie Muntenia S.A. and 64,43% of the shares in Enel Distributie Muntenia S.A. from Enel S.p.A. to the Company through a share premium contribution which was recorded in the books of EGPI for an amount of EUR 869 million, equal to the book value of these investments in the books of Enel S.p.A.;
- The acquisition at current value, amounting to EUR 11 thousand of 20% of the shares in Enel Romania Srl from Enel Distribuzione S.p.A.;
- The acquisition at current value, amounting to EUR 160 million of 51,003% of the shares in Enel Distributie Dobrogea S.A from Enel Distribuzione S.p.A.;
- The acquisition at current value, amounting to EUR 220 million of 51,003% of the shares in Enel Distributie Banat S.A. from Enel Distribuzione S.p.A.;
- The acquisition at current value, amounting to EUR 80 million of 51,003% of the shares in Enel Energie S.A. from Enel Distribuzione S.p.A.

Compensation of Directors

The emoluments as intended in Section 2:383 (1) of the Netherlands Civil Code, which were charged in the financial year to the company, amounted to EUR 65 thousand (EUR 115 thousand in 2008) for directors of the company.

The compensation paid to directors of the Company is summarized in the following table:

(all amounts in thousands of Euro)	**31 Dec 2009**	31 Dec 2008
Mr. A.J.M. Nieuwenhuizen	**20**	40
Mr. F. Mauritz	**15**	25
Mr. H. Marseille	**15**	25
Mr. K.J. Schell	**15**	25
Mr. A. Brentan	-	-
Mr. C. Machetti	-	-
Mr. C. Palasciano Villamagna	-	-
Mr. C. Tamburi	-	-
Mr. L. Ferraris	-	-
	65	115

The remuneration paid to Mr. A.J.M. Nieuwenhuizen comprises an amount of EUR 5 thousand related to his activity as director of Res Holding B.V.

Auditors remuneration

With reference to Section 2:382 a (1) and (2) of the Netherlands Civil Code, audit fees are included in the relevant disclosure in the Consolidated Financial Statement of the ultimate Parent Enel S.p.A.

Post balance sheet events

There are not significant post balance sheets events to be mentioned.

Amsterdam, 29 April 2010

The Board of Directors:

L. Ferraris

A. Brentan

C. Machetti

C. Tamburi

C. Palasciano

H. Marseille

F. Mauritz

A.J.M. Nieuwenhuizen

K. Schell

Other information

Provisions in the articles of association governing the appropriation of profit

Under article 14 of the Company's articles of association, the profit is at the disposal of the General Meeting of Shareholders, which can allocate said profit either wholly or partly to the formation of – or addition to – one or more general or special reserve funds.

The Company can only make payments to the shareholders and other parties entitled to the distributable profit insofar as the shareholders' equity is greater than the paid-up and called-up part of the capital plus the legally required reserves.

Proposal for profit appropriation

The Executive Board proposes to deduct the loss of the year from the Company general reserves.

Auditor's report

The auditor's report is included in page 143.

Auditor's Report

To: the Shareholder of Enel Investment Holding B.V.

Auditor's report

Report on the financial statements

We have audited the accompanying 2009 financial statements of Enel Investment Holding B.V., Amsterdam, which comprise the consolidated and company statements of financial position as at 31 December 2009, the consolidated and company statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Enel Investment Holding B.V. as at 31 December 2009 and of its result and its cash flow for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amstelveen, 29 April 2009

KPMG ACCOUNTANTS N.V.

L.M.A. van Opzeeland RA

ANNEX

Subsidiaries, associates and companies in liquidation of Enel Investment Holding BV at 31 December 2009

A list of subsidiaries and associates of Enel Investment Holding B.V. at 31 December 2009 as well as companies in liquidation is provided below. The Company has full title to all investments.

The following information is included for each company: name, registered office, activity, share capital, currency of account, Group companies that have a stake in the company and their respective ownership share, and the Group's ownership share.

Subsidiaries consolidated on a line-by-line basis at 31 December 2009

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				31 Dec. 2009				
Parent company:								
Enel Investment Holding BV	Amsterdam	Netherlands	Holding company	1.593.050.000	EUR	Enel SpA	100,00%	100,00%
Subsidiaries:								
Enel Albania Shpk	Tirana	Albania	Construction, operation and maintenance of plants. Electricity generation and trading	73.230.000	ALL	Enel Investment Holding BV	100,00%	100,00%
Enel Distributie Banat SA	Timisoara	Romania	Electricity distribution	382.158.580	RON	Enel Investment Holding BV	51,00%	51,00%
Enel Distributie Dobrogea SA	Costanza	Romania	Electricity distribution	280.285.560	RON	Enel Investment Holding BV	51,00%	51,00%
Enel Distributie Muntenia SA (formerly Electrica Muntenia Sud SA)	Bucharest	Romania	Electricity distribution	271.635.250	RON	Enel Investment Holding BV	64,43%	64,43%
Enel Energie Muntenia SA (formerly Electrica Furnizare Sud SA)	Bucharest	Romania	Electricity sales	37.004.350	RON	Enel Investment Holding BV	64,43%	64,43%
Enel Energie SA	Bucharest	Romania	Electricity sales	140.000.000	RON	Enel Investment Holding BV	51,00%	51,00%
Enel France Sas	Paris	France	Holding company	34.937.000	EUR	Enel Investment Holding BV	100,00%	100,00%
Enel Maritza East 3 AD	Sofia	Bulgaria	Electricity generation	265.943.600	BGN	Maritza East III Power Holding BV	73,00%	73,00%
Enel OGK-5 OJSC (formerly OGK-5 OJSC)	Ekaterinburg	Russian Federation	Electricity generation	35.371.898.370	RUB	Enel Investment Holding BV	56,72%	56,72%
Enel Operations Belgium SA	Marchienne au Pont	Belgium	Management and maintenance of power plants	200.000	EUR	Enel Investment Holding BV	100,00%	100,00%
Enel Operations Bulgaria AD	Galabovo	Bulgaria	Management and maintenance of power plants	50.000	BGN	Maritza O&M Holding Netherlands BV	73,00%	73,00%
Enel Productie Srl (formerly Global Power Investment Srl)	Bucharest	Romania	Electricity generation	910.200	RON	Enel Investment Holding BV	100,00%	100,00%
Enel Romania Srl (formerly Enel Servicii Srl)	Judetul Ilfov	Romania	Business services	200.000	RON	Enel Investment Holding BV	100,00%	100,00%
Enel Rus LLC	Moscow	Russian Federation	Electricity services	350.000	RUB	Enel Investment Holding BV	100,00%	100,00%
Enel Servicii Comune SA	Bucharest	Romania	Energy services	33.000.000	RON	Enel Distributie Banat SA Enel Distributie Dobrogea SA	50,00% 50,00%	51,00%
Enel.Re Ltd	Dublin	Ireland	Reinsurance	3.000.000	EUR	Enel Investment Holding BV	100,00%	100,00%
Enelco SA	Athens	Greece	Plant construction, operation and maintenance	36.961.629	EUR	Enel Investment Holding BV	75,00%	75,00%

Subsidiaries consolidated on a line-by-line basis at 31 December 2009

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% Holding	Group % holding
				31 Dec. 2009				
Linea Albania-Italia Shpk	Tirana	Albania	Construction, maintenance and operation of merchant lines	27.460.000	ALL	Enel Investment Holding BV	100,00%	100,00%
Marcinelle Energie SA	Charleroi	Belgium	Electricity generation, transport, sale and trading	3.061.500	EUR	Enel Investment Holding BV	80,00%	80,00%
Maritza East III Power Holding BV	Amsterdam	Netherlands	Holding company	100.000.000	EUR	Enel Investment Holding BV	100,00%	100,00%
Maritza O&M Holding Netherlands BV	Amsterdam	Netherlands	Holding company	40.000	EUR	Enel Investment Holding BV	100,00%	100,00%
OGK-5 Finance LLC	Moscow	Russian Federation	Finance	10.000.000	RUB	Enel OGK-5 OJSC	100,00%	55,98%
Pragma Energy SA	Lugano	Switzerland	Coal trading	4.000.000	CHF	Enel Investment Holding BV	100,00%	100,00%
Prof-Energo LLC	Sredneuralsk	Russian Federation	Energy services	10.000	RUB	Sanatorium-Preventorium Energetik OJSC	100,00%	55,98%
Sanatorium-Preventorium Energetik OJSC	Nevinnomyssk	Russian Federation	Energy services	10.571.300	RUB	Enel OGK-5 OJSC OGK-5 Finance LLC	99,99% 0,01%	55,86%
Teploprogress OJSC	Sredneuralsk	Russian Federation	Electricity sales	128.000.000	RUB	OGK-5 Finance LLC	60,00%	33,59%

Associated companies accounted for using the equity method at 31 December 2009

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				31 Dec. 2009				
Parent company:								
Artic Russia BV	Amsterdam	Netherlands	Holding company	100.000	EUR	Enel Investment Holding BV	40,00%	40,00%
Associates of Artic Russia BV:								
SeverEnergia	Moscow	Russian Federation	Holding company	1.000.000	RUB	Artic Russia BV	49,00%	19,60%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
Parent company:								
Res Holdings BV	Amsterdam	Netherlands	Holding company	18,000	EUR	Enel Investment Holding BV	49,50%	49,50%
Subsidiaries of Res Holding BV:								
Lipetskenergosbyt LLC	Lipetskaya oblast	Russian Federation	Electricity sales	7.500	RUB	Res Holdings BV	75,00%	37,13%
Rusenergosbyt LLC	Moscow	Russian Federation	Electricity trading	2.760.000	RUB	Res Holdings BV	100,00%	49,50%
Rusenergosbyt C LLC	Khanty-Mansiyskiy	Russian Federation	Electricity sales	5.100	RUB	Res Holdings BV	51,00%	25,25%
Rusenergosbyt Siberia LLC	Krasnoyarskiy kray	Russian Federation	Electricity sales	4.600	RUB	Res Holdings BV	50,00%	24,75%

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
Enel Green Power Holding SA (formerly Enel Green Power International SA)	Luxembourg	Luxembourg	Holding company in the renewables generation sector	211.650.000	EUR	Enel Produzione SpA Enel Investment Holding BV	67,11% 32,89%	32,89%

Companies in liquidation at 31 December 2009

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% Holding	Group % holding
				31 Dec. 2009				
Latin America Energy Holding BV	Amsterdam	Netherlands	Holding company	18.000	EUR	Enel Investment Holding BV	100,00%	100,00%