Enel Investment Holding B.V. condensed interim financial statements

Content

Interim Director's Report

General Information

Management of the Enel Investment Holding B.V. (hereafter: the "Company") hereby presents its half-year financial statements at and for the six months ended at 30 June 2012.

The Company is a private limited liability company wholly owned by Enel S.p.A, the ultimate Parent Company, which has its registered office in Rome (Italy). Enel Investment Holding B.V. has its registered office at Herengracht 471 in Amsterdam (The Netherlands) and 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 operating:

- in the electricity industry, including all generation, distribution, sale and transmission activities;
- in the energy industry in general, including fuels, and in the field of environmental protection, as well as the water sector;
- in the communications, information-technology and the multimedia and interactive services industries;
- in network-based sectors (electricity, water, gas, district heating, telecommunications) and in sectors 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:

Group Holding Company

Enel Investment Holding B.V.

International Division

-Marcinelle Energie SA - *Belgium*	80%
-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 Gas Rus Llc - *Russia*	100%
-Enel OGK-5 OJSC (*) - *Russia*	56%
-Pragma Energy SA - *Switzerland*	100%

(*) Shares listed on the Russian Stock Exchange

Significant events in the first half of 2012

On 27 June 2012 the general meeting of shareholders of Enel.RE N.V. resolved to a legal merger between Enel.Re N.V. (the acquiring company) and Enel.Re Limited (the disappearing company). The merger follows the decision of Enel Group to aggregate in a single company the reinsurance activities and the relating insurance programs existing within Enel Group.

Finally the Acquiring Company has been renamed Enel Insurance N.V.

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" plus "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.

Net assets held for sale: calculated as the algebraic sum of "Assets held for sale" and "Liabilities held for sale".

Main changes in the scope of consolidation

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

2011

- disposal, on 28 June 2011, of the entire share capital of the Netherlands–registered companies Maritza East III Power Holding B.V. and Enel Maritza O&M Holding Netherland B.V. which own respectively 73% of the share capital of the Bulgarian company Maritza East 3 AD, owner of a lignite-fuelled power plant with an installed capacity of 908 MW ("Maritza"), and 73% of the share capital of the Bulgarian company Enel Operations Bulgaria AD, which is responsible for the operation and maintenance of the Maritza plant.

2012

- On 27 June 2012 the general meeting of shareholders of Enel.Re N.V. resolved to a legal merger between Enel.Re N.V. (the Acquiring Company) and Enel.Re Limited (the Disappearing Company). The Cross-Border Merger is intended to be a merger by absorption such that the entire business, including all of the assets and liabilities, of Enel.Re Limited (a company organized under the laws of Ireland) has been transferred by operation of law through universal succession to Enel.Re N.V., a limited liability company incorporated under the laws of the Netherlands. The accounting effect is considered as starting from 1 January 2012.

Group performance on income statement

Millions of euro	1st Half		
	2012	2011	Change
Revenues	**1.761**	**1.710**	**51**
Costs	**1.459**	**1.320**	**139**
Gross operating income	**302**	**390**	**(88)**
Depreciation, amortization and impairment losses	49	175	(126)
Operating Income	**253**	**215**	**38**
Financial Income	115	94	21
Financial expense	(144)	(141)	(3)
Total Financial Income/(Expense)	**(29)**	**(47)**	**18**
Share of gains/(losses) on investments accounted for using the equity method	**62**	**41**	**21**
Profit/(Loss) before taxes	**286**	**209**	**77**
Income Taxes	30	41	(11)
Net Profit (Group and minority interests)	**256**	**168**	**88**
Minority interests	79	53	26
Group Net profit	**177**	**115**	**62**

Revenues in the 1st half of 2012 increased by EUR 51 million, rising from EUR 1.710 million to EUR 1.761 million. The performance was essentially related to the following factors:

- an increase of EUR 50 million in revenues from the sale of electricity, of which EUR 119 million pertaining to Enel France thanks to greater volumes of energy sold and EUR 47 million to Enel OGK5 due to increased electricity demand in Russia, partially offset by lower revenues from Bulgarian companies after their deconsolidation as at 28 June 2011 (EUR -124 million);

Costs in the 1st half of 2012 amounted to EUR 1.459 million, up EUR 139 million over the corresponding period of 2011. The change is primarily attributable to higher costs for raw materials and consumables (EUR 123 million) due to higher energy purchased by Enel France following the entry into effect of the ARENH mechanism in France (EUR 142 million).

The **Gross Operating Income** dropped to EUR 302 million from EUR 390. This change (EUR 88 million) is mainly attributable to the following factors:

- lower margins (EUR 42 million) performed by Enel France and Romanian companies caused respectively by the contraction in energy sales prices and the increased supplying costs during the first half of 2012;
- the deconsolidation of Bulgarian companies (EUR 65 million) as at 28 June 2011;

This decrease has been partially offset by the greater margin performed by OGK5 (EUR 16 million).

Depreciation, amortization and impairment losses amounted to EUR 49 million in the 1st half of 2012, down EUR 126 million on the corresponding period of 2011. The decrease is attributable to the effect of the following events:
(i) the release of provision (EUR 90 million) for doubtful receivables collected from a Romanian customer as per the agreement signed on 15 June 2012;
(ii) the impairment performed during the previous year on goodwill pertaining the Bulgarian companies (EUR 16 million) as well as other impairment losses on tangible assets (EUR 23 million).

Net financial expenses dropped to EUR 29 million from EUR 47 million. This change (EUR 18 million) is mainly due to the decrease of average financial debt exposure of the Group during the first six months of 2012.

The share of gains/(losses) on investments accounted for using the equity method showed a positive EUR 62 million, up EUR 21 million over 2011. The rise mainly reflects the higher performances (EUR 15 million) of Rusenergosbyt LLC in the first half of 2012 and the change in the scope of consolidation regarding Enel Insurance N.V. (EUR 6 million).

Income taxes dropped to EUR 30 million from EUR 41 million reported in the first half of 2011. This change is primarily attributable to OGK5 (EUR 2 million) and Enel France (EUR 5 million) mainly by decreasing of taxable profit.

Analysis of the Group financial position

Millions of euro

	30 Jun. 2012	31 Dec. 2011	Change
Net non-current assets:			
Property, plant and equipment and intangible assets	4.543	4.810	(267)
Goodwill	1886	1881	5
Equity investments accounted for using the equity method	541	527	14
Other net non-current assets/(liabilities)	190	355	(165)
Total	**7.160**	**7.573**	**(413)**
Net current assets:			
Trade receivables	371	415	(44)
Inventories	93	89	4
Other net current assets/(liabilities)	(961)	(952)	(9)
Trade payables	(379)	(486)	107
Total	**(876)**	**(934)**	**58**
Gross capital employed	**6.284**	**6.639**	**(355)**
Provisions:			
Post-employment and other employee benefits	(52)	(52)	-
Provisions for risks and charges	(54)	(61)	7
Net deferred taxes	(422)	(405)	(17)
Total	**(528)**	**(518)**	**(10)**
Net Capital Employed	**5.756**	**6.121**	**(365)**
Total Shareholders' Equity	**5.687**	**5.630**	**57**
Net Financial Debt	**69**	**491**	**(422)**

Property, plant and equipment and intangible assets totalled EUR 4.543 million, down EUR 267 million on 31 December 2011. This variation is primarily the result of the depreciation and impairment losses accounted for (EUR 112 million) and the reclassification of the Thermoelectric Power Plant of Marcinelle to financial receivables as a consequence of the Tolling Agreement (EUR 328 million), partially offset by the capital expenditure carried out over the period (EUR 195 million).

Goodwill amounted to EUR 1.886 million, up EUR 5 million over 2011 year ended with the increase primarily due to the result of positive exchange rate differences regarding Enel OGK5 goodwill (EUR 12 million) partially offset by negative exchange differences regarding Enel Distributie Muntenia and Enel Energie Muntenia (EUR 8 million).

Equity investments accounted for using the equity method totaled EUR 541 million substantially in line with the value as of 31 December 2011.

Net current assets came to a negative EUR 876 million, an increase of EUR 58 million compared to 31 December 2011 mainly due to the combined effect of lower trade receivables (EUR 44 million) and lower trade payables (EUR 108 million).

Provisions amounted to EUR 529 million, up EUR 10 million compared to 2011 year ended with the change mainly due to the combined effect of higher deferred tax assets (EUR 18 million) and higher deferred tax liabilities as result of OGK5 accelerated depreciation on launched CCGT at SGRES (EUR 35 million).

Net capital employed came to EUR 5.756 million at 30 June 2012, down 365 million over 31 December 2011; it is funded by shareholders' equity attributable to the Group and minority interests in the amount of EUR 5.687 million and by net financial debt totalling EUR 69 million. The debt-to-equity ratio at 30 June 2012 fell to 0,01 (compared with 0,09 as of 31 December 2011).

Analysis of the financial structure

Millions of euro

	30 Jun. 2012	31 Dec. 2011	Change
Long Term Debt:			
Bank loans	389	525	(136)
Bonds	418	513	(95)
Other loans from third parties	122	2	120
Other loans from Enel Group's Companies	652	611	41
Long-term debt	1,581	1,651	(70)
Long-term financial receivables and securities	(563)	(549)	(14)
Other m/l term financial receivables from Enel Group's Companies	(655)	(327)	(328)
Net long-term debt	**363**	**775**	**(412)**
Short Term Debt:			
Short-term portion of long term bank debt	31	30	1
Other short-term bank debt	-	-	-
Short-term bank debt	31	30	1
Bonds (short-term portion)	97	-	97
Other loans form Third parties (short-term portion)	-	-	-
Intercompany current account - Enel SpA	401	472	(71)
Other short-term loans from Enel Group's Companies	-	-	-
Commercial Paper	-	-	-
Other short-term debt	498	472	26
Long term financial receivables (short-term portion)	(19)	(19)	-
Long-term financial receivables (short-term portion) Enel SpA and Enel Group	(8)	(8)	-
Cash and cash equivalents	(796)	(759)	(37)
Cash and cash equivalents and short-term financial receivables	(823)	(786)	(37)
Net short-term debt	**(294)**	**(284)**	**(10)**
NET FINANCIAL DEBT	**69**	**491**	**(422)**

Net financial debt was equal to EUR 69 million at 30 June 2012, a EUR 422 million decrease over 31 December 2011. This significant drop mainly reflects the positive effects of the financial receivables reclassification due to the Tolling Agreement of Marcinelle (EUR 328 million) already explained in the financial position comment, and the decrease of the negative intercompany current account balance of the Company held with Enel SpA thanks to the dividends received from Res Holding BV (EUR 62 million).

Cash flows

Millions of euro	*Notes*	1st Half	
		2012	2011
Cash and cash equivalents at the beginning of the period (1)		**293**	**12**
Cash flows from operating activities		281	256
Cash flows from investing/disinvesting activities		(195)	(126)
Cash flows from financing activities		40	193
Impact of exchange rate fluctuations on cash and cash equivalents		(18)	1
Cash and cash equivalents at the end of the period (1)		**401**	**336**

(1) including intercompany current account held with Enel S.p.A.

Cash flows from operating activities in the 1st half of 2012 were positive at EUR 281 million, substantially in line with the corresponding period of the previous year.

Cash flows from investing/disinvesting activities absorbed liquidity in the amount of EUR 195 million mainly due to capital expenditures carried out in the period related to tangible assets (EUR 191 million).

Cash flows from financing activities generated cash in the amount of EUR 40 million further to increased drawdown of revolving credit facilities between Enel France and Marcinelle with Enel Finance International NV (EUR 34 million).

In the 1st half of 2012 cash flows from operating activities totalling EUR 281 million as well as cash flows from financing activities entirely covered the financing needs for capital expenditures performed during the first half of 2012. The generated surplus has increased cash and cash equivalents balances at 30 June 2012 which reached EUR 401 million (cash and cash equivalents also include the balance of intercompany current account between the Company and Enel S.p.A. totalling a negative EUR 401 million as of 30 June 2012).

Regulatory and rate issues

Romania

Transposition of the Third Energy Package

In June 2012, the Romanian Government passed the law transposing the "Third Energy Package". The main measures concern the regulation of unbundling and the choice of ITO model for the national transmission operator; the decision to phase out the regulated tariffs for gas and electricity consumers with the aim of increasing competitiveness in both energy sectors and the introduction of new measures aimed at protecting consumers and security of supply.

A the same time. In June and in order to implement the provisions of EU Third Package, the Government passed the law that reforms the rules of independence and the powers of energy regulator (ANRE). The complex of measures envisaged increases the authority and supervisory powers of the regulator in the energy markets. Prior to the enactment into law, will expect the process of parliament approval.

Russia

Liberalization of the retail market

In June the Decree 442 as of June 4, 2012 was released to amend the rules of the market pricing of the sale and simplify the procedures for changing the provider by the consumer (called switching). In particular:

- The rules for calculating prices and volumes for the supply of capacity has been aligned between the wholesale and retail market;
- The consumers will pay the actual network costs incurred by sellers;
- Even the remuneration of regulated sellers (Guarantee Supplier) can be distinguished according to the power engaged of customers;
- New principles for the competitive allocation of the seller license in the regulated market (Guarantee Supplier) have been introduced;
- Greater control by regulators on the economic and financial state of the regulated market providers;
- Finally, as regards the opening up to competition, some obstacles to switching have been removed.

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 integration 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 makes it possible to set exposure limits for each counterparty, the appropriate guarantees required 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 S.p.A., 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 S.p.A. therefore there has 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 related to 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 relates to 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, with no difficulties encountered 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.

With regard to both exchange rate risk and interest rate risk, all financial derivatives entered into by the Group are intended for hedging and not for trading purposes.

Other risks

Breakdowns or accidents that temporarily interrupt operations at the 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 during the production and distribution of electricity.

Outlook

The Company will continue to hold the majority of the foreign subsidiaries of the Enel Group (excluding Endesa and the Renewable energy companies) operating in the traditional power sources field. It will also continue to support Enel Group in its presence in the international market.

The Group will focus on the further consolidation and integration of its various parts, with the aim to create 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 considerably affected by the international expansion policy pursued in recent years, will continue.

Research and Development

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

Personnel

As of 30 June 2012, the Group employed 7.656 people (8.029 at 31 December 2011).

Changes in the total number of employees with respect to 31 December 2011 are below summarized:

Employees at 31 December 2011	**8.029**
Changes in the scope of consolidation	-
Hirings	85
Terminations	(458)
Employees at 30 June 2012	**7.656**

The Company employed nine directors and three staff members.

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 interim financial report at 30 June 2012 in combination with the financial statements as at 31 December 2011 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 half-year report gives a true and fair view of the anticipated state of affairs, in particular providing information about the investments and the circumstances on which the development of turnover and profitability depend to the extent that providing this information is not contrary to the Company's best interest;
3. the Directors' report describes the principal risks the issuer is facing.

These condensed interim financial statements are in compliance with the Transparency Directive and they are drawn up according to the requirements of IAS 34 with no external audit activity performed on the Group half-year financial statements.

The above mentioned Transparency Directive Implementation Act (Transparency Directive) was enacted in the Netherlands in 2008 coming into force as from 1 January 2009. This law intends to achieve a certain level of transparency and disclosure of information that is conducive to investors' protection and to an efficient functioning of the market. The scope of this Act is limited to those issuers of securities that have been admitted to trading on a regulated market in a member state of either the European Union or European Economic Area and have the Netherlands as their "home member state".

As regards the Group main obligations can be summarized as follows:

- filing electronically with the AFM (Autoriteit Financiele Markten) in the Netherlands its adopted financial statements within 5 days after their adoption;
- making generally available to the public its half-year financial report via posting it on the official Enel website within 2 months after the end of the first six month of the financial year (30 august 2012);
- making generally available to the public its half-year financial report by issuing an information notice on a financial newspaper or on a financial system at European level within 2 months after the end of the first six month of the financial year (30 august 2012).

Amsterdam, 31 July 2012

The Board of Directors:

L. Ferraris

A. Brentan

M. Salemme

C. Tamburi

C. Palasciano

H. Marseille

F. Mauritz

A.J.M. Nieuwenhuizen

K. Schell

Enel Investment Holding B.V.

Consolidated condensed interim financial statements

Prepared in accordance with the International Financial Reporting Standards as adopted by the European Union for the period ended 30 June 2012

Enel Investment Holding B.V. consolidated income statement for the period ended 30 June 2012

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

Millions of euro	*Notes*	1st Half	
		2012	**2011**
Revenues			
Revenues from sales and services	*5*	1719	1674
Other revenues	*5*	42	36
	[Subtotal]	**1.761**	**1.710**
Costs			
Raw materials and consumables	*6*	1.173	1050
Services	*6*	146	167
Personnel	*6*	90	96
Depreciation, amortization and impairment losses	*6*	49	175
Other operating expenses	*6*	68	47
Capitalized costs	*6*	(18)	(40)
	[Subtotal]	**1.508**	**1.495**
Operating Income		**253**	**215**
Financial Income	*7*	115	94
Financial expense	*7*	(144)	(141)
Share of gains/(losses) on investments accounted for using the equity method	*8*	62	41
	[Subtotal]	33	(6)
Income/(Loss) before taxes		**286**	**209**
Income Taxes	*9*	30	41
Net income for the half-year (shareholders of the parent company and minority interests)		**256**	**168**
Attributable to non-controlling interests		79	53
Attributable to shareholders of the Parent Company		177	115

The Notes on pages 28 to 48 are an integral part of these Consolidated Financial Statements

Enel Investment Holding B.V. consolidated statement of other comprehensive income for the period ended 30 June 2012

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

Millions of euro	*Notes*	1st half	
		2012	2011
Net income for the period		**256**	**168**
Other components of comprehensive income:			
- OCI of associated companies accounted for using equity method		13	(60)
- Change in the fair value of financial investments available for sale		(185)	128
- Exchange rate differences		(27)	40
Income (loss) recognized directly in equity	*12*	**(199)**	**108**
Comprehensive income for the period		**57**	**276**
Attributable to:			
- shareholders of the Parent Company		(18)	211
- minority interests		75	65

The Notes on pages 28 to 48 are an integral part of these Consolidated Financial Statements

Enel Investment Holding B.V. consolidated statement of financial position as at 30 June 2012

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

Millions of euro	*Notes*		
ASSETS		**30 June 2012**	31 Dec. 2011
Non-current assets			
Property, plant and equipment	*10*	4.222	4.474
Intangible assets	*10*	2.207	2.217
Deferred tax assets	*13*	55	37
Equity investments accounted for using the equity method	*10*	541	527
Equity investments in other companies		343	528
Non-current financial assets		1220	879
Other non-current financial assets		12	7
	(Total)	**8.600**	**8.669**
Current assets			
Inventories	*11*	93	89
Trade receivables	*11*	371	415
Tax receivables		13	14
Current financial assets	*11*	56	33
Other current assets		41	82
Cash and cash equivalents	*11*	796	759
	(Total)	**1.370**	**1.392**
TOTAL ASSETS		**9.970**	**10.061**

The Notes on pages 28 to 48 are an integral part of these Consolidated Financial Statements

Enel Investment Holding B.V. consolidated statement of financial position as at 30 June 2012

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

Millions of euro	Notes		
LIABILITIES AND SHAREHOLDERS' EQUITY		**30 June 2012**	31 Dec. 2011
Equity attributable to the shareholders of the Parent Company	*12*		
Share capital		1593	1593
Other reserves		2.308	2.503
Retained earnings		215	23
Net income for the period		177	192
	(Total)	**4.293**	**4.311**
Equity attributable to minority interests		1394	1319
TOTAL SHAREHOLDERS' EQUITY		**5.687**	**5.630**
Non-current liabilities			
Long-term loans	*13*	1582	1649
Post-employment and other employee benefits	*13*	52	52
Provisions for risks and charges	*13*	16	19
Deferred tax liabilities	*13*	477	442
Non-current financial liabilities	*13*	6	4
Other non-current liabilities	*13*	161	180
	(Total)	**2.294**	**2.346**
Current liabilities			
Short-term loans	*14*	401	472
Current portion of long-term loans	*13*	128	30
Current portion of provisions for risks and charges	*13*	38	43
Trade payables	*14*	379	486
Current financial liabilities	*14*	21	23
Other current liabilities	*14*	1022	1031
	(Total)	**1.989**	**2.085**
TOTAL LIABILITIES		**4.283**	**4.431**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**9.970**	**10.061**

The Notes on pages 28 to 48 are an integral part of these Consolidated Financial Statements

Enel Investment Holding B.V. consolidated statement of cash flow for the period ended 30 June 2012

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

Millions of euro	1st Half	
	2012	2011
Cash and cash equivalents at the beginning of the period (1) (2)	293	12
Cash flows from operating activities	275	256
Cash flows from investing/disinvesting activities	(206)	(126)
Cash flows from financing activities	56	193
Impact of exchange rate fluctuations on cash and cash equivalents	(18)	1
Cash and cash equivalents at the end of the period (1) (2)	**401**	**336**

(1) including intercompany current account held with Enel S.p.A.

(2) excluding cash and cash equivalents of Bulgarian companies classified held for sale

The Notes on pages 28 to 48 are an integral part of these Consolidated Financial Statements

Enel Investment Holding B.V. consolidated statement of changes in shareholders' equity as at 30 June 2012

Prepared in accordance with the IFRS as adopted by the European Union (before profit appropriation)

Millions of euro	Share capital	Share premium reserve	FV and sundry reserves	Currency translation reserve	OCI equity method reserve	Retained earnings	Net income for the period	**Group Net Equity**	**Minority Interests**	**Total shareholders' equity**
at 1 January 2011	**1.593**	**2.410**	**465**	**(263)**	**(58)**	**(228)**	**251**	**4.170**	**1.355**	**5.525**
Profit appropriation						251	(251)	-		-
Capital contribution								-		-
Change in scope of consolidation			16			(12)		4	(48)	(44)
Dividends								-	(35)	(35)
Under common control transactions								-		-
Net income/(loss) for the period recognized in equity			128	30	(60)			98	10	108
Net income/(loss) for the period							115	115	53	168
2011 movements	-	-	144	30	(60)	239	(136)	217	(20)	197
at 30 June 2011	**1.593**	**2.410**	**609**	**(233)**	**(118)**	**11**	**115**	**4.387**	**1.335**	**5.722**
Balance at 1 January 20112	**1.593**	**2.410**	**488**	**(340)**	**(55)**	**23**	**192**	**4.311**	**1.319**	**5.630**
Profit appropriation						192	(192)	-		-
Capital contribution								-		-
Change in scope of consolidation								-		-
Dividends								-		-
Under common control transactions								-		-
Net income/(loss) for the period recognized in equity			(185)	(23)	13			(195)	(4)	(199)
Net income/(loss) for the period							177	177	79	256
2011 movements	-	-	(185)	(23)	13	192	(15)	(18)	75	57
at 30 June 2012	**1.593**	**2.410**	**303**	**(363)**	**(42)**	**215**	**177**	**4.293**	**1.394**	**5.687**

The Notes on pages 28 to 48 are an integral part of these Consolidated Financial Statements

Notes to the Enel Investment Holding B.V. consolidated financial statements for the period ended 30 June 2012

1. Form and content of the condensed interim consolidated financial statements

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

Therefore, since financial year 2007, Enel Investment Holding B.V. 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 for the period ended at 30 June 2012 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.

Relationship with Parent Company and principal activities

Enel Investment Holding B.V. (hereinafter: 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. Pursuant to article 5:25 of the Netherlands Act on Financial Supervision the Group's condensed interim financial statements will be generally available on the Enel website (www.enel.com), on the AFM website (www.afm.nl) as well as at the Company statutory seat in Amsterdam.

Enel Investment Holding B.V., which has its registered office at Herengracht 471 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:

- 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, information-technology industries and those of multimedia and interactive services industries;
- 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 24 February 2012 Enel S.p.A., the Parent company, issued a letter of support as of 31 December 2011 regarding the Company, guaranteeing its continuous financial support to meet the Company's liabilities.

2. Accounting policies and measurement criteria

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 interim consolidated financial statements at 30 June 2012 have been prepared in a condensed form in conformity with the international accounting standard governing the preparation of interim financial reports (IAS 34) as adopted by the European Union and with the provisions of the Netherlands Civil Code, Book 2, Title 9.

The condensed interim consolidated financial statements consist of the consolidated financial position, the consolidated income statement, the consolidated statement of other comprehensive income for the period, the consolidated statement of changes in shareholder's equity, the consolidated statement of cash flows and the related notes.

The accounting policies as well as the recognition and measurement criteria adopted in preparing the interim consolidated financial statements at 30 June 2012 are consistent with those used for preparing the consolidated financial statements at 31 December 2011, to which the reader should refer to for more information.

These consolidated half-year financial statements may not include all the information required to be reported in the annual financial statements and must be read together with the financial statements for the period ended 31 December 2011.

In addition to the accounting standards adopted in the preparation of the financial statements at 31 December 2011, the following amendment is applicable as from 1 January 2012:

- "Amendments to IFRS 7 – Financial Instruments: Disclosure"; the amendments introduces new disclosure requirements to allow users of financial statements to assess the exposure of the Company to risks related to the transfer of financial assets and the effect of those risks on the entity's financial position. Specifically, the amended standard requires specific disclosure, to be included in a specific note to the financial statements, with reference to financial assets transferred that have not been derecognized and to financial assets transferred where continuing involvement is maintained, at the balance sheet date.
  The application of the amendments did not impact the Group.

3. Financial risk management

The Group is exposed to a variety of risks arising from its operating and financial activities which can be summarized as follows:

- credit risk
- liquidity risk
- market risk

This section presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing these risks as well as the Group's management of capital. Further quantitative disclosures are also included throughout these financial statements. The Board of Directors has overall responsibility for the establishment of the Company's risk management framework and it is also responsible for developing and monitoring the Company's risk management policies.

The Group risk management policies are put in place in order to identify and analyze the risk faced by each company to set appropriate risk limits and control, and to monitor risks and adherence to limits. Both risk management policies and systems are regularly reviewed to reflect changes in market conditions and the Company's activities. Through its training and management standards and procedures, the Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of potential losses which might arise from counterparties of financial instruments or counterparties of non financial contracts in case of they fail in meeting their obligations toward the Group.

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.

As part of activities related to the sale and distribution of electricity to eligible customers, the Group grants trade credit to external counterparties which are carefully monitored through the assessment of the related credit risk, the pledge of suitable guarantees and/or security deposits to ensure adequate 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.

Liquidity Risk

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

Despite turbulences on financial international markets, 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 available to strengthen the financial structure of the Group even further.

Market risk

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects interest rate risk, currency risk and other price risks.

The Group is exposed to interest rate risk, mainly due to long term floating rate debt, and to exchange rates risk, due to foreign currency denominated assets/liabilities, commitments or forecasted transactions.

The Group, in order to hedge these exposures thus reducing the volatility of economic results, in compliance with financial risk policy defined at Group level, employs financial derivative instruments, generally over the counter transactions. The transactions compliant with IAS 39 requirements can be designated as cash flow hedge, otherwise are classified as trading.

The fair value of a financial derivative is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the reporting entity transacts. The fair value of quoted instruments is the market price as of the end of the accounting period. The fair value of over the counter (OTC) instruments is calculated with standard pricing models for each instrument typology. The expected future cash flows are discounted with market interest rate curves, while foreign currency amounts are converted to Euro using the European Central Bank exchange rates as of the end of the accounting period. No changes occurs in evaluation criteria over the year.

The notional amount of financial derivatives is the nominal on which payments are calculated. Foreign currency amounts are converted to Euro at European Central Bank exchange rates as of the end of the accounting period.

Interest rate risk

Interest rate risk is the risk borne by an interest-bearing asset, such as a loan or a bond, due to variability of interest rates. The optimal debt structure results from the trade off between reducing the interest rate exposure and minimizing the average cost of debt.

In order to mitigate the exposure to interest rates fluctuation the Group employs interest rate derivatives such as interest rate swaps and collars.

Through an interest rate swap, the Group agrees with a counterparty to exchange, with a specified periodicity, floating rate interest flows versus fixed rate interest flows, both calculated on a reference notional amount. In order to ensure effectiveness, all the contracts have notional amount, periodicity and expiry date matching the underlying financial liability and its expected future cash flows.

At 30 June 2012, 15% of medium-long term debt was floating rate and it's completely covered by cross currency swap.

There isn't any interest rate derivative as of 30 June 2012.

Exchange rate risk

Exchange rate risk is a form of risk that arises from the change in price of one currency against another. The Company exposure to such risk is mainly due to foreign currency denominated flows, originated by assets and liabilities like:

- 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.

At 30 June 2012, 56% of long term debt was denominated in risky currency. Taking into account exchange rate derivatives designated as cash flow hedge considered effective pursuant to the IFRS – EU, 16,6% of such debt was exposed to exchange rate risk.

Regards the potential impact on equity of a change in foreign exchange rates assuming a 10% appreciation of Euro against Russian ruble, all other variables being equal, equity would have been about EUR 14 million higher as a result of the increase of the fair value of Cash Flow Hedge derivatives. Conversely, assuming a 10% depreciation of Euro against Russian ruble, all other variables being equal, equity would have been about EUR 17,2 million lower as a result of the decrease of the fair value of Cash Flow Hedge derivatives.

Capital management

The board policy of the Group is to maintain a strong capital base so as to maintain creditor and market confidence and for sustaining the 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 advantages and security afforded by a sound capital position.

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

4. Segment information

The chief geographical areas of operation for Enel Investment Holding B.V. are:

- Central Europe, where the Division is active in electricity sales in France (Enel France) and the development of thermal power plants (Marcinelle Energie);
- South-Eastern Europe, with the development of generation capacity (Enel Productie) and electricity distribution, sale and support activities in Romania (Enel Distributie Banat, Enel Distributie Dobrogea, Enel Energie, Enel Distributie Muntenia, Enel Energie Muntenia, Enel Romania and Enel Servicii Comune);
- Russia, with power generation and sales (Enel OGK-5);
- Others, with support services (Enel Gas Rus) in the Russian Federation, coal trading in Switzerland (Pragma) and Enel Investment Holding BV as Group holding company.

Performance in the 1st Half of 2012

The table below shows performance by geographical area:

Millions of euro	Revenues			Gross operating margin			Operating income		
	2012	2011	Change	**2012**	2011	Change	**2012**	2011	Change
Central Europe	454	310	144	23	29	(6)	22	29	(7)
South-eastern Europe	497	614	(117)	87	175	(88)	113	53	60
Russia	810	749	61	193	176	17	119	122	(3)
Others	0	37	(37)	(1)	10	(11)	(1)	11	(12)
Total	**1.761**	**1.710**	**51**	**302**	**390**	**(88)**	**253**	**215**	**38**

Revenues in the first half of 2012 came to EUR 1.761 million, up EUR 51 million compared with EUR 1.710 million in the first half 2011. This performance was related to the following factors:

- an increase of EUR 144 million in revenues in Central Europe, essentially due to an increase in volumes sold in France. This is accompanied by the entry into effect of the ARENH mechanism in France, which provides access to a greater capacity at regulated prices;
- an increase of EUR 61 million in revenues in Russia, attributable to Enel OGK-5, and correlated with higher volumes of energy generated following the completion of new power plants CCGT in Sredneuralskaya and Nevinnomysskaya GRES; these effects were partially offset by the decline in average selling prices of energy.
- a decrease of EUR 117 million in revenues in south-eastern Europe mainly a result of the change in the scope of consolidation after the sale of Enel Maritza East 3, Enel Operations Bulgaria and their holding companies in June 2011 (EUR 132 million);
- a decrease of EUR 37 million in revenues essentially due to Enel Investment Holding as a result of the capital gain realized following the sale of equity investment in Maritza East III Power Holding BV and Maritza O&M BV in June 2011 (EUR 13 million) and to the different consolidation method used for Enel.re Ltd who in 2011 was valued line-by-line while in 2012 is valued by the equity method (EUR 24 million).

The **gross operating margin** amounted to EUR 302 million, a decrease of EUR 88 million, essentially as a result of the following factors:

• a decrease in the margin in south-eastern Europe (EUR 88 million) mainly following the sale of the Bulgarian companies (EUR 66 million) but also for the lower operating of Romanian companies substantially due to the increase in supply costs more than proportional compared to the increase in revenues;
• an increase of EUR 17 million in the gross operating margin in Russia, as a result of higher volumes of energy sold by Enel OGK-5.

Operating income in the first half of 2012 amounted to EUR 253 million, an increase of EUR 38 million over the same period of 2011, mainly due to the release of provision (EUR 90 million) for doubtful receivables collected from a Romanian customer as per the agreement signed on 15 June 2012, partially offset by lower depreciation and impairment losses for the deconsolidation of Bulgarian companies.

Capital expenditure came to EUR 195 million, down EUR 75 million from the previous year mainly related to the reduced investment on electricity distribution systems in Romania.

Performance in the 2nd Quarter

The table below shows performance by geographical area:

Millions of euro	Revenues			Gross operating margin			Operating income		
	2012	2011	Change	**2012**	2011	Change	**2012**	2011	Change
Central Europe	213	125	88	3	(12)	15	2	(12)	14
South-eastern Europe	240	302	(62)	69	105	(36)	88	23	65
Russia	361	358	3	89	82	7	54	53	1
Others	0	25	(25)	0	9	(9)	0	10	(10)
Total	**814**	**810**	**4**	**161**	**184**	**(23)**	**144**	**74**	**70**

Revenues in the second quarter of 2012 remain substantially unchanged with respect to the same period of the previous year. In fact, the following factors offset by each other:
• an increase of EUR 88 million in revenues in Central Europe, essentially due to an increase in volumes sold in France. This is accompanied by the entry into effect of the ARENH mechanism in France, which provides access to a greater capacity at regulated prices;
• revenues in Russia are essentially in line with the previous period;
• a decrease of EUR 62 million in revenues in south-eastern Europe as a result of the change in the scope of consolidation after the sale of Enel Maritza East 3, Enel Operations Bulgaria and their holding companies in June 2011 (EUR 68 million);
• a decrease of EUR 25 million in revenues essentially due to Enel Investment Holding as a result of the capital gain realized following the sale of equity investment in Maritza East III Power Holding BV and Maritza O&M BV in June 2011 (EUR 13 million).

The **gross operating margin** amounted to EUR 161 million, a decrease of EUR 23 million, essentially as a result of the following factors:
• a decrease in the margin in south-eastern Europe following the sale of the Bulgarian companies (EUR 34 million);
• an increase of EUR 7 million in the gross operating margin in Russia, as a result of higher volumes of energy sold by Enel OGK-5;

• a decrease of EUR 9 million in the gross operating margin of Other companies as a result of the above mentioned capital gain related to the sale of Bulgarian companies in June 2011.

Operating income in the second quarter of 2012 amounted to EUR 144 million, an increase of EUR 70 million over the same period 2011, mainly due to the release of provision (EUR 39 million) for doubtful receivables collected from a Romanian customer as per the agreement signed on 15 June 2012, partially offset for the deconsolidation of Bulgarian companies (EUR 11 million) and the impairment losses (EUR 19 million) on tangible assets in 2011.

Capital expenditure came to EUR 91 million, down EUR 92 million from the same period of 2011 related to cut investment on electricity distribution network in Romania.

Information on the consolidated income statement

Revenues

5. Revenues - *EUR 1.761 million*

Millions of euro	1st Half		
	2012	2011	Change
Revenues from the sale of electricity	1589	1538	51
Revenues from the transport of electricity	53	38	15
Other sales and services	119	134	(15)
Total	**1.761**	**1.710**	**51**

"Revenues from the sale of electricity" amounted to EUR 1.589 million, up EUR 51 million on the same period of 2011. This was thanks to Enel France (EUR 119 million) and Enel OGK-5 (EUR 47 million) following higher volumes of energy sold in 2012 due to the entry into effect of the ARENH mechanism in France, which provides access to a greater capacity at regulated price and to increased electricity demand in Russia. These effects were partially offset by lower revenues from Bulgarian companies after their deconsolidation as at 28 June 2011 (EUR -124 million).

Costs

6. Costs – *EUR 1.508 million*

Millions of euro	1st Half		
	2012	2011	Change
Raw materials and consumables	1173	1050	123
Services	146	167	(21)
Personnel	90	96	(6)
Depreciation, amoritzation and impairment losses	49	174	(125)
Other operating expenses	68	48	20
Capitalized costs	(18)	(40)	22
Total	**1.508**	**1.495**	**13**

Costs for "raw materials and consumables" essentially refer to electricity purchases for EUR 726 million (EUR 561 million in the 1st Half of 2011), to fuel purchases for electricity production for EUR 427 million (467 million at 30 June 2011) and to other materials purchases for EUR 32 million (EUR 53 million in the 1st Half of 2011). The variation, totalling EUR 123 million, was mainly due to the entry into effect of the ARENH mechanism in France, which provides access to a greater capacity at regulated price resulting in higher volumes of electricity bought (EUR 143 million).

Costs for "services" amounted to EUR 146 million in the 1st Half of 2012, down EUR 21 million compared with the same period of 2011, with the change attributable both to lower costs for electricity transport incurred by Romanian sales companies (-EUR 13 million) and to the deconsolidation of Bulgarian companies as at 28 June 2011 (-EUR 14 million).

“Depreciation, amortization and impairment losses” amounted to EUR 49 million in the 1st half of 2012, down EUR 126 million on the corresponding period of 2011. The decrease is attributable to the effect of the following events:
(i) the release of provision (EUR 90 million) for doubtful receivables collected from a Romanian customer as per the agreement signed on 15 June 2012;
(ii) the impairment performed during the previous year on goodwill pertaining the Bulgarian companies (EUR 16 million) as well as other impairment losses on tangible assets (EUR 23 million).

7. Financial income/(expense) - *EUR (29) million*

Millions of euro	1st Half		
	2012	2011	Change
Interest and other income on financial assets (current and non-current):			
-interest income at effective rate on non-current securities and receivables	18	11	7
-interest income at effective rate on short -term financial investments	10	9	1
Total interest and other income from financial assets	**28**	**20**	**8**
Foreign exchange gains	56	57	(1)
Income from derivative instruments	16	1	15
Other interest and income	15	16	(1)
Total	**115**	**94**	**21**

Millions of euro	1st Half		
	2012	2011	Change
Interest expense and other charges on financial debt (current and non-current):			
-interest expense on bank loans	19	23	(4)
-interest expense on bonds	16	19	(3)
-interest expense on other loans	23	23	-
Total interest expense and other charges on financial debt	**58**	**65**	**(7)**
Foreign exchange losses	58	60	(2)
Expense from derivative instruments	30	5	25
Other interest expense and financial charges	(2)	11	(13)
Total	**144**	**141**	**3**

“Financial income” totaled EUR 115 million, an increase of EUR 21 million over the first half of 2011, mainly as a result of interest income on financial leasing of Marcinelle Energie (EUR 9 million) not recorded in the first half of 2011.
“Financial expense” totaled EUR 144 million, substantially in line with the corresponding period of the previous year.
With reference to systematic hedging of interest-rate and exchange-rate risk on behalf of all the companies of the Group, financial income and expense on derivatives almost completely balance out, and are therefore indicative of the effective absence of risk exposure for the Group.

8. Share of income/(expense) from equity investments accounted for using *the equity method* - *EUR 62 million*

The balance at 30 June 2012 reflects the contribution of the joint venture primarily referred to Rusenergosbyt (EUR 58 million) and Compostilla SA (EUR 7 million) partially offset by losses arising from the associate Severenergia (in which the joint venture Artic Russia BV owns a 49% stake) for EUR 1 million and Enel Insurance BV for EUR 1 million.

9. Income taxes – *EUR 30 million*

Millions of euro	1st Half		
	2012	2011	Change
Current taxes	12	38	(26)
Deferred tax liabilities	31	5	26
Deferred tax assets	(13)	(2)	(11)
Total	**30**	**41**	**(11)**

The "income taxes" stood to EUR 30 million, a decrease of EUR 11 million on the first half of 2011. This change is primarily attributable to OGK5 (EUR 2 million) and Enel France (EUR 5 million) mainly because of decreasing taxable profit.

Information on the consolidated financial position

Assets

Non-current assets

10. Non-current assets – *EUR 8.600 million*

Property, plant and equipment amounted to EUR 4.222 million at 30 June 2012, a decrease of EUR 252 million over 31 December 2011. This decrease is the result of depreciation and impairment losses accounted for EUR 112 million and the reclassification of the Thermoelectric Power Plant of Marcinelle to financial receivables as a consequence of the Tolling Agreement with Enel Trade (EUR 328 million), partially offset by the capital expenditure carried out over the period (EUR 191 million).

Intangible assets decreased by EUR 15 million to EUR 321 million as a consequence of amortization (EUR 9 million) and negative exchange rate differences (EUR 8 million) recorded in the current reporting period partially offset by the capital expenditures performed (EUR 4 million).

Goodwill rose to EUR 1.886 million, up EUR 5 million over 31 December 2011. This rise is mainly the result of positive exchange rate differences regarding Enel OGK5 goodwill (EUR 12 million) partially offset by negative exchange differences regarding Enel Distributie Muntenia and Enel Energie Muntenia (EUR 8 million).

Millions of euro

	30 June 2012	31 Dec 2011	Change
Enel OGK-5	1.226	1.214	12
Marcinelle Energie	-	-	-
Enel Distributie Muntenia	547	552	(5)
Enel Energie Muntenia	113	115	(2)
Total	**1.886**	**1.881**	**5**

Equity investments accounted for using the equity method amounted to EUR 541 million, up EUR 14 million over the previous year with the main variation due to gains recognized directly in equity and referring to exchange rate differences between Euro and US Dollar/ Russian Ruble when evaluating subconsolidated net equity changes pertaining to both Artic Russia B.V and Res Holding BV, partially offset by a slight decrease of EUR 4 million of the equity investment in Res Holdings BV as a net effect of dividends paid to the Company during the current year (EUR 62 million) and its share of net income for the period (EUR 58 million).

Millions of euro

	31 Dec. 2011	%	Change in scope of consolidation	Dividends	Income effect	Other changes	30 Jun 2012	%
Artic Russia [1]	358	40.0	-	-	(1)	12	**369**	40.0
Res Holdings [2]	91	49.5	-	(62)	58	1	**87**	49.5
Enel.re NV [3]	78	50.0	-	-	6	-	**84**	50.0
Total	**527**		**-**	**(62)**	**62**	**13**	**540**	

[1] includes Severenergia held for 49%

[2] includes Rusenergosbyt held for 100%

[3] includes Compostilla SA held for 100%

Current assets

11. Current assets – *EUR 1.370 million*

Inventories remained almost unchanged in the two reporting periods (EUR 93 million and EUR 89 million at 30 June 2012 and 31 December 2011 respectively) and they mainly include raw materials, consumables and other minor supplies.

Trade receivables decreased by EUR 44 million to EUR 371 million with the variation mainly due to the factoring operation carried out by Enel France (EUR 107 million) partially offset by the issuance of invoices to Enel Trade, relating to July 2011 (EUR 54 million).

Trade receivables from customers are recognized net of allowance for doubtful accounts, which totaled EUR 145 million as of 30 June 2012, as detailed in the table below:

Millions of euro

Total at 31 Dec. 2011	**(221)**
Accruals and reversals to income statement	71
Other changes	5
Total at 30 June 2012	**(145)**

Current financial assets rose to EUR 56 million, up EUR 23 million on 31 December 2011 with the variation mainly due to higher financial accrued income (EUR 17 million).

Cash and cash equivalents rose at EUR 796 million, an increase of EUR 37 million on 31 December 2011 as a result of greater cash balances of Romanian companies mainly thanks to the agreement reached with CFR (EUR 59 million) partially offset by negative exchange rate differences (EUR 18 million).

Liabilities and shareholders' equity

12. Equity attributable to the shareholders of the Company – *EUR 4.293 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*

Fair value reserve and sundry reserves – *EUR 303 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 (EUR 8 million) as well as the measurement at fair value of available-for-sale financial assets mainly referring to the investments in Bayan Resources T.b.K and Echelon Corporation (EUR 296 million).

Reserve for equity investments accounted for using equity method – *EUR (42) 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 current year saw an increase of EUR 13 million which is primarily due to the net depreciation of the Group functional currency against the Russian ruble used by the Russian associated companies Severenergia and Rusenergosbyt.

Reserve from translation of financial statements in currencies other than euro – *EUR (363) million*

The decrease in this aggregate for the year totaling EUR 23 million is attributable to the net appreciation of the functional currency against the foreign currencies used by subsidiaries, in particular the Russian ruble and the Romanian leu.

Non-current liabilities

13. Non-current liabilities – *EUR 2.294 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 30 June 2012 compared to 31 December 2011, grouped by loan and interest rate type:

Millions of euro	Maturing	Balance	Nominal value	Balance	Current portion	Portion falling due at more than 12 months	Maturing in				
		30 June 2012		31 December 2011			2013 2nd half	2014	2015	2016	Beyond
Bonds:											
- listed, fixed rate	2023	515	518	513	-	515	97	121	-	-	297
- listed, floating rate	2014	-	-	-	-	-	-	-	-	-	-
Bank loans:											
- fixed rate	2026	309	320	316	15	294	28	26	27	32	181
- floating rate	2021	112	114	119	9	103	17	15	14	13	44
- use of revolving credit lines		121	121	120	-	121	-	-	121	-	-
Non-bank loans:											
- with related parties		653	653	611	-	653	653	-	-	-	-
- floating rate		-	-	-	-	-	-	-	-	-	-
Total		**1.710**	**1.726**	**1.679**	**24**	**1.686**	**795**	**162**	**162**	**45**	**522**

The table below also reports long-term financial debt by currency and interest rate:

Millions of euro	Balance	Nominal Value	Balance	Current average interest rate	Current effective interest rate
	30 June 2012		31 December 2011	30 June 2012	
Euro	1.372	1.417	1.344	4,7%	4,5%
Russian Ruble	338	338	335	7,8%	7,8%
Total	**1.710**	**1.755**	**1.679**		

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

Millions of euro	Nominal value	Repayments	New financing	Exchange rate differences	Nominal value
	31 December 2011				**30 June 2012**
Bonds	515	-	-	3	**518**
Bank loans	569	(15)	1	-	**555**
Non-banks loans with related parties	611	-	42	-	**653**
Other loans	-	-	-	-	**-**
Total financial debt	**1.695**	**(15)**	**43**	**3**	**1.726**

"Provisions for risk and charges" including their current portion amounted to EUR 54 million with a slight decrease over 31 December 2011 (down EUR 8 million) primarily after the recalculation of provision for termination incentive by Enel OGK-5 (-EUR 6 million). The following table provides a breakdown of this aggregate:

Millions of euro			
	30 June 2012	31 Dec. 2011	Change
Provision for risk and charges:			
-insurance indemnification	-	-	-
-production order charges	8	8	-
-termination incentive	15	25	(10)
-other taxes and levies	11	11	-
-other	20	17	3
Total	**54**	**61**	**(7)**

Other non-current liabilities comprise post-employment and other employees benefits for EUR 52 million, other non-current liabilities totalling EUR 167 million and deferred tax liabilities for EUR 477 million.

Current liabilities

14. Current liabilities – *EUR 1.989 million*

Short-term loans dropped by EUR 71 million from EUR 472 million recorded at 31 December 2011. The significant decrease of the negative intercompany current account held by the Company with Enel S.p.A. was essentially due to the dividends received from its associate Rusenergosbyt (-EUR 62 million).

Other Current liabilities include trade payables for EUR 379 million (EUR 486 million at 2011 year end), current financial liabilities for EUR 331 million and other current liabilities totalling EUR 1.022 million (EUR 1.031 million at 31 December 2011).

15. 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 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.

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

	Balance sheet		Income statement	
	Receivables 30 june 2012	Payables 30 june 2012	Cost 1st Half	Income 1st Half
Shareholder				
Enel Spa	8	446	12	1
Associated Company				
Artic Russia	-	-	-	-
Res Holding BV	-	-	-	-
Enel Green Power Holding Sarl	-	-	-	-
Rusenergosbyt LLC	-	-	-	6
Other affiliated companies			-	-
Enel Produzione	2	5	1	-
Enel Trade	374	52	43	85
Enel Finance International	309	652	21	-
Enel Green Power France	31	1	1	-
Enel Distribuzione	-	17	1	-
Enel Energia	-	4	-	-
Enel Green Power Romania	1	12	14	-
Enel Green Power International	1	-	-	-
Enel Servizi	1	7	1	-
Enel Ingegneria e Innovazione	-	19	-	-
Blu Line Valea Nucarilor	-	3	4	-
Enel Trade Romania	-	4	20	-
	727	**1,222**	**118**	**92**

	Balance sheet		Income statement	
	Receivables 31 dec 2011	Payables 31 dec 2011	Cost 2011	Income 2011
Shareholder				
Enel Spa	7	509	32	13
Associated Company				
Artic Russia	-	-	-	-
Res Holding BV	-	-	-	-
Enel Green Power Holding Sarl	-	-	-	-
Rusenergosbyt LLC	-	-	-	-
Other affiliated companies				
Enel Produzione	1	5	-	-
Enel Trade	59	59	105	149
Enel Trade Romania	1	5	37	-
Enel Ingegneria e Innovazione	4	25	2	1
Enel Finance International	300	611	21	4
Enel Servizi	3	12	2	1
Enel Distribuzione	-	16	2	-
Enel Energia	-	5	-	-
Enel Servizio Elettrico	-	1	-	-
Enel Green Power Romania	-	2	-	-
Enel Green Power France	33	-	-	2
	408	**1.250**	**201**	**170**

Compensation of Directors

The emoluments of the Company Directors as intended in Section 2:383 (1) of the Dutch Civil Code, which were charged in the first half of 2012, amounted to EUR 34 thousand (EUR 34 thousand in 2011) and they are summarized in the following table:

(all amounts in thousands of Euro)	**30 June 2012**	30 June 2011
Mr. A.J.M. Nieuwenhuizen	**10**	10
Mr. F. Mauritz	**8**	8
Mr. H. Marseille	**8**	8
Mr. K.J. Schell	**8**	8
Mr. A. Brentan	**-**	-
Mr. M. Salemme	**-**	-
Mr. C. Palasciano Villamagna	**-**	-
Mr. C. Tamburi	**-**	-
Mr. L. Ferraris	**-**	-
	34	34

16. Contractual commitments and guarantees

The contractual commitments and guarantees as of 30 June 2012 can be specified as follows:

• with reference to the RUB 93.150 million financing granted by Sberbank, Gazprom Bank and VTB Bank to SeverEnergia Llc, in which the company holds an indirect 19,60% stake, the Company signed a comfort letter on 23 December 2011 which aims at giving comfort to the above mentioned banks in particular about (i) no creation of any encumbrances on direct or indirect interest in SeverEnergia; (ii) no change in SeverEnergia shareholder's structure; (iii) commitment to provide financing to SeverEnergia in case the project incurs cost overruns in an aggregate amount of up to RUB 30 billion, provided neither the lenders, collectively or individually, nor third lending parties have provided funds to finance the cost overruns; (iv) commitment to provide financing to SeverEnergia up to a maximum principal amount of RUB 10,4 billion, in the event JSC Artic Gas Inc, CJSC Urengoy Inc, JSC Neftegastechnologia are obliged to the payment of certain promissory notes following the issuance of a judicial decision by a Russian court. The aforementioned comfort letter was issued in proportion to its shareholding in SeverEnergia (19,60%);

• in relation to the development of a project by the subsidiary Enel OGK-5 for the construction of a CCGT power plant in Russia using a former Power Train pertaining to Enelco SA, the Company issued two Parent Company Guarantees for a cumulative amount of EUR 94,7 million in favour of the suppliers Ansaldo and Nooter Eriksen (EUR 69,7 million and EUR 25 million respectively) as security to the timely payment of the due invoices. Following the payment of invoices for a cumulative amount of EUR 56,9 million, the value of the residual guarantee was accordingly reduced to EUR 37,7 million;

• during 2007 Enel participated in a public tender launched by Nuclearelectrica (a company wholly owned by the Romanian State) for the selection of strategic investors for the development, financing, construction and operation of two nuclear units, of 720 MW each in the 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 9,15% stake 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 Company decide that the project is no longer worthwhile the Company will have the right to withdraw from the PCO at any time by paying, as a penalty equal to its share of the development costs (a maximum of approximately EUR 4 million). In March 2010, the Company executed a share capital increase of EUR 1,4 million equal to 9,15% of the EUR 15 million required of the shareholders. An additional EUR 457.500 payment equal to 9,15% of the EUR 5 million share capital increase has been executed, following the January 25th, 2012 GSM resolution;

• in December 2009 the Company entered into a share premium contribution agreement with its Parent Company Enel S.p.A. and also entered into a share sale and purchase agreement with Enel Distribuzione S.p.A. relating to the Romanian companies. More specifically Enel S.p.A. contributed 80% of Enel Romania S.r.l., 64,43% of Enel Distributie Muntenia S.A. and 64,43% of Enel Energie Muntenia S.A. to the Company, through a voluntary non-cash share premium contribution; while the Company acquired the 51% of Enel Distributie Dobrogea S.A. from Enel Distribuzione S.p.A. for EUR 160 million, 51% of

Enel Distributie Banat S.A. for EUR 220 million, the 51% of Enel Energie S.A. for EUR 80 million and 20% of Enel Romania S.r.l. for EUR 11 thousand. According to the Privatization Agreement (initially signed between Enel S.p.A. and the Romanian S.C. Electrica SA), S.C. Electrica S.A. has the right (Put Option) to require the Company to purchase - during the periods between 1 July and 31 December of 2008, 2009, 2010, 2011 and 2012 the remaining 23,6% stake 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). Purely for information purposes at the time of publication of this document, the value of consolidated debt associated to the put option granted to minority shareholders was estimated at around EUR 778 million as of 30 June 2012.

- In October 2011 the Company resolved to issue a guarantee in favour of Sonatrach, the Algerian state-owned oil company, and in the interest of Enel Trade SpA, fully owned by Enel SpA, for the proper execution of Enel Trade SpA obligations arising from its entering into a PSC for the acquisition of a 18,375% stake in the Isarene project, especially with regards to the operations to be performed during the exploration and exploitation phases. The PSC prescribes the Enel Trade 24,5% contribution to the exploration costs with subsequent recovery of the excess financing compared to its ownership stake: this obligation is guaranteed by the Company; for this purpose, in October 2011 such guarantee was issued for an amount up to USD 10 million until December 2012, up to USD 190 million from 2013 till 2018 and up to USD 10 million from 2019 till 2042.

17. Subsequent events

There are not significant post balance sheets events to be reported.

Enel Investment Holding B.V.

Non-consolidated condensed interim financial statements

Prepared in accordance with the International Financial Reporting Standards as adopted by the European Union for the period ended 30 June 2012

Enel Investment Holding B.V. non-consolidated income statement for the period ended 30 June 2012

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

Millions of euro	*Notes*	1st Half	
		2012	**2011**
Revenues			
Revenues from sales and services	*21*	-	-
Other revenues	*21*	-	19
	[Subtotal]	**-**	**19**
Costs			
Services	*22*	1	11
Depreciation, amortization and impairment losses		-	5
	[Subtotal]	**1**	**16**
Operating Income		**(1)**	**3**
Income/Loss from equity investments	*23*	63	79
Financial Income	*24*	9	8
Financial expense	*24*	(14)	(17)
	[Subtotal]	58	70
Income/(Loss) before taxes		**57**	**73**
Income Taxes		-	-
NET INCOME FOR THE PERIOD (attributable to the shareholders)		**57**	**73**

The Notes on pages 56 to 79 are an integral part of these non-consolidated financial statements

Enel Investment Holding B.V. non-consolidated statement of comprehensive income for the period ended 30 June 2012

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

Millions of euro	Notes		
		2012	2011
Net income for the period		**57**	73
Other components of comprehensive income:			
Effective portion of change in the fair value of cash flow hedges		-	-
Change in the fair value of financial investments available for sale		(186)	128
Income/(Loss) recorded in other comprehensive income	*29*	**(186)**	**128**
COMPREHENSIVE INCOME FOR THE PERIOD		**(129)**	**201**
Attributable to:			
- Equity shareholders of the Company		**(129)**	**201**

The Notes on pages 56 to 79 are an integral part of these non-consolidated financial statements

Enel Investment Holding B.V. non-consolidated statement of financial position as at 30 June 2012

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

Millions of euro	Notes		
ASSETS		**30 June 2012**	31 Dec. 2011
Equity investments in subsidiaries and associates companies	*25*	4.822	4.830
Equity investments available for sale	*26*	337	523
Equity investments in other companies	*25*	5	5
Other non-current financial assets	*27*	296	295
	(Total)	**5.460**	**5.653**
Current assets			
Current financial assets	*28*	24	17
Other current assets		2	28
Cash and cash equivalents		2	2
	(Total)	**28**	**47**
TOTAL ASSETS		**5.488**	**5.700**

The Notes on pages 56 to 79 are an integral part of these non-consolidated financial statements

Enel Investment Holding B.V. non-consolidated statement of financial position as at 30 June 2012

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

Millions of euro	Notes		
LIABILITIES AND SHAREHOLDERS' EQUITY		**30 June 2012**	31 Dec. 2011
Equity attributable to the shareholders of the Parent Company	*29*		
Share capital		1.593	1.593
Share premium		2.410	2.410
Fair value reserve - Available for sale		296	482
Retained earmings (losses carried forward)		12	(156)
Net income for the period		57	168
TOTAL SHAREHOLDERS' EQUITY		**4.368**	**4.497**
Non-current liabilities			
Long-term loans	*30*	297	297
Other non-current liabilities		8	8
	(Subtotal)	**305**	**305**
Current liabilities			
Current financial liabilities	*31*	812	894
Other current liabilities		3	4
	(Subtotal)	**815**	**898**
TOTAL LIABILITIES		**1.120**	**1.203**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**5.488**	**5.700**

The Notes on pages 56 to 79 are an integral part of these non-consolidated financial statements

Enel Investment Holding B.V. non-consolidated statement of changes in shareholders' equity as at 30 June 2012

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

Millions of euro	Share capital	Share premium reserve	FV reserves AFS	FV reserves CFH derivatives	Retained earnings/(losses carried forward)	Net income for the period	**Total shareholders' equity**
at 1 January 2011	**1.593**	**2.410**	**482**	**-**	**(198)**	**42**	**4.329**
Profit appropriation	-	-	-	-	42	(42)	-
Share Premium contribution	-	-	-	-	-	-	-
Comprehensive income for the period of which:	-	-	128	-	-	73	201
Net income/(loss) for the period recognized in equity	-	-	128	-	-	-	128
Net income/(loss) for the period	-	-	-	-	-	73	73
at 30 June 2011	**1.593**	**2.410**	**610**	**-**	**(156)**	**73**	**4.530**
at 1 January 2012	**1.593**	**2.410**	**482**	**-**	**(156)**	**168**	**4.497**
Profit appropriation	-	-	-	-	168	(168)	-
Share Premium contribution	-	-	-	-	-	-	-
Comprehensive income for the period of which	-	-	(186)	-	-	57	(129)
Net income/(loss) for the period recognized in equity	-	-	(186)	-	-	-	(186)
Net income/(loss) for the period	-	-	-	-	-	57	57
at 30 June 2012	**1.593**	**2.410**	**296**	**-**	**12**	**57**	**4.368**

The Notes on pages 56 to 79 are an integral part of these non-consolidated financial statements

Enel Investment Holding B.V. non-consolidated cash flows statement for the period ended 30 June 2012

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

Millions of euro	Notes	1st Half	
		2012	2011
Cash flows from operating activities (a)		**(18)**	**(19)**
Interest received		-	-
Dividend received		63	42
Investments in equity investments		(1)	-
Divestments in equity investments		28	1
Divestments in equity investments classified as held for sale		-	231
Movements financial and other assets		-	(9)
Cash flows from investing/disinvesting activities (b)		**90**	**265**
Loan and borrowings (borrowed)		-	-
Loan and borrowings (repayments)		-	-
Share premium contribution		-	-
Cash flows from financing activities (c)		**-**	**-**
Increase/(Decrease) in cash and cash equivalents (a+b+c)		**71**	**246**
Cash and cash equivalents at beginning of the period		(470)	(820)
Cash and cash equivalents at the end of the period		(399)	(574)

The Notes on pages 56 to 79 are an integral part of these non-consolidated financial statements

Notes to the Enel Investment Holding B.V. non-consolidated financial statements as of 30 June 2012

18. Form and content of the non-consolidated financial statements

Relationship with Parent Company and principal activities

Enel Investment Holding B.V. (hereinafter: 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 Herengracht 471 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.

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 31 July 2012.

Basis of preparation

These non-consolidated financial statements consist of the non-consolidated income statement, the non-consolidated statement of other comprehensive income, the non-consolidated financial position, 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.

Non-current assets (or disposal groups) whose carrying amount will be mainly recovered through sale, rather than through ongoing use, are classified as held for sale and shown separately from other balance sheet assets and liabilities.

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).

The accounting policies as well as the recognition and measurement criteria adopted in preparing the interim non-consolidated financial statement at 30 June 2012 are consistent with those used to prepare the non-consolidated financial statement at 31 December 2011, to which the reader should refer for more information.

These non-consolidated half year financial statement may not include all the information required to be reported in the annual financial statements and must be read together with the financial statements for the year ended 31 December 2011.

Functional and presentation currency

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

19. Summary of significant accounting policies

Please see page 28 to 48 of the notes to consolidated financial statements for a description of the significant accounting principles.

The following IFRS accounting principle (IAS 27) has been used only in drawing up Enel Investment Holding B.V. non-consolidated financial statements as of 30 June 2012 for evaluating the equity investments 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 apply. The reversal may not exceed the original cost."

Please see page 29 of the notes of consolidated 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 and use 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 an 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 4 of the notes to the consolidated financial statements.

20. Risk management

The Company could be exposed to the following risks arising from its activities:

- credit risk;
- liquidity risk;
- market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements including all subsidiaries belonging to Enel Investment Holding BV scope of consolidation.

Credit risk

In its commercial and financial activities, the Company 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 concerning the derivatives portfolio is considered negligible since transactions are conducted solely with leading Italian and international banks thereby diversifying exposure among different institutions.

Liquidity Risk

Liquidity risk is managed by the Group Treasury unit at Enel S.p.A., 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 in international financial markets caused by the European sovereign debt crisis of the second half of 2011, 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.

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

Market risk

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

In order to contain this exposure within the limits set at the start of the year as part of its risk management policies, Enel S.p.A. may enter into derivative contracts, on behalf of the Company, 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.

Interest rate risk

Interest rate risk management is designed to balance 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 pertaining to the Company.

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 regarding 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 Group 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. At balance sheet date there are no outstanding exchange rate derivatives pertaining to the Company.

Capital management

The Board policy of the Company is to maintain a strong capital base for maintaining creditor and market confidence and sustaining the 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 return of capital is calculated as a percentage of net income over the total equity, net of available-for-sale reserve excluded in this key performance indicator because Company's management has preferred to exclude those equity reserves which might be rather volatile over the periods:

Millions of euro

	30 June 2012	31 Dec.2011
Total Equity	4.368	4.497
Fair value reserve-Available for sale	296	482
Adjusted Equity	4.072	4.015
Net Income	57	168
Return of capital (*)	**1%**	**4%**

* Key Performance Indicator determined on year basis

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages 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 non-consolidated income statement

Revenues

21. Revenues from sales and services – *EUR 0 million*

Revenues from sales and services are equal to nil as of 30 June 2012 following the sale of the Bulgarian companies with effective date on 28 June 2011 resulting in a capital gain of EUR 18 million.

Costs

22. Services – *EUR 1 million*

Costs for services decreased by EUR 10 million in the first half 2012. This change is essentially due to ancillary expenses incurred during the process of Maritza companies disposal (EUR 3 million) and costs towards the related party Enel Ingegneria & Innovazione connected to the pull-out of the Livadia project in Greece previously carried out by the subsidiary Enelco accounted for in the first half 2011.

23. Income/(loss) from equity investments – *EUR 63 million*

This item exclusively refers to dividends resolved by subsidiaries and other companies equal to EUR 63 million (EUR 79 million in the first half 2011), as detailed below:

Millions of euro	1st Half		
	2012	2011	Change
Res Holdings B.V.	62	42	20
Enel France Sas	-	18	(18)
Enel Distributie Banat SA	-	10	(10)
Enel Distributie Dobrogea SA	-	7	(7)
PT Bayan Resources Tbk	-	2	(2)
Pragma	1	-	1
Total	**63**	**79**	**(16)**

24. Financial income/(expense) – *EUR (5) million*

Millions of euro	1st Half		
	2012	2011	Change
Interest and other income from non-current financial assets:			
- Assumption of GMTN bond - Enel S.p.A.	-	8	(8)
- Assumption of GMTN bond - Enel Finance International N.V.	9	-	9
Interest and other income from current financial assets:			
- Financial receivable - Marcinelle Energie	-	-	-
Total income	**9**	**8**	**1**
Interest and other charges on non-current financial debt:			
- Interest on GMTN bonds	8	8	-
- Assumption of GMTN bond - Enel S.p.A.	-	-	-
Interest and other charges on current financial debt:			
- interest on debts to banks	-	-	-
- Intercompany current account - Enel S.p.A	6	9	(3)
- Intercompany loan - Enel Finance International NV	-	-	-
Foreign exchange losses:			
- on other receivables	-	-	-
- on cash and cash equivalents	-	-	-
- on loans	-	-	-
- on other payables	-	-	-
Expense on financial derivative instruments:			
- from trading derivatives - Enel S.p.A.	-	-	-
Other interest and charges			
Total charges	**14**	**17**	**(3)**
Total	**(5)**	**(9)**	**4**

Information on the non-consolidated financial position

Assets

Non-current assets

25. Equity investments – *EUR 4.827 million*

The following table shows the changes occurred during the first half year 2012 for each equity investment held by the Company in subsidiaries, associates, joint ventures and other companies:

Millions of euro	Original cost	(Write downs)/ revaluations	Carrying amount	% Holding	Impairment	Other changes	Acquisitions/disposals	Capital contributions/reimbursement	Adjustment of value of *put option*	Net change	Original cost	(Write downs)/ revaluations	Carrying amount	% Holding
	31 Dec. 2011				**Changes in first-half 2012**						**at 30 June 2012**			
A) Subsidiaries														
Enel.Re Ltd.	-	-	**-**	0,0%	-	-	-	-	-	-	-	-	**-**	-
Pragma Energy S.A.	6,5	-	**6,5**	100,0%	-	-	-	-	-	-	6,5	-	**6,5**	100,0%
Enelco S.A.	32,7	(17,8)	**14,9**	75,0%	-	-	-	-	-	-	32,7	(17,8)	**14,9**	75,0%
Enel France SAS	34,9	-	**34,9**	100,0%	-	-	-	-	-	-	34,9	-	**34,9**	100,0%
Enel OGK 5	2.497,6	-	**2.497,6**	56,4%	-	-	-	-	-	-	2.497,6	-	**2.497,6**	56,4%
Enel Rus LLC	9,1	(5,0)	**4,1**	100,0%		-	-	-	-	-	9,1	(5,0)	**4,1**	100,0%
Enel Productie SRL (GPI)	4,8	-	**4,8**	100,0%	-	0,1	-	1,1	-	1,2	6,0	-	**6,0**	100,0%
Marcinelle Energie SA	165,4	(26,0)	**139,4**	80,0%	-		-	-	8,7	8,7	174,1	(26,0)	**148,1**	80,0%
Enel Albania SHPK	1,5	(1,2)	**0,3**	100,0%	-	-	-	-	-	-	1,5	(1,2)	**0,3**	100,0%
Linea Albania-Italia SHPK	0,2	(0,1)	**0,1**	100,0%	-	-	-	-	-	-	0,2	(0,1)	**0,1**	100,0%
Enel Romania SRL	0,1	-	**0,1**	99,9%	-	-	-	-	-	-	0,1	-	**0,1**	99,9%
Enel Distributie Muntenia S.A.	1.042,6	-	**1.042,6**	64,4%	-	-	-	-	(15,7)	(15,7)	1.026,9	-	**1.026,9**	64,4%
Enel Energie Muntenia S.A.	184,0	-	**184,0**	64,4%	-	-	-	-	(2,8)	(2,8)	181,2	-	**181,2**	64,4%
Enel Distributie Dobrogea S.A.	160,0	-	**160,0**	51,0%	-	-	-	-	-	-	160,0	-	**160,0**	51,0%
Enel Distributie Banat S.A.	220,0	-	**220,0**	51,0%	-	-	-	-	-	-	220,0	-	**220,0**	51,0%
Enel Energie S.A.	80,0	-	**80,0**	51,0%	-	-	-	-	-	-	80,0	-	**80,0**	51,0%
Braila Power	-	-	**-**		-	-	0,0	-	-	0,0	0,0	-	**0,0**	28,5%
Total subsidiaries	**4.439,4**	**(50,1)**	**4.389,3**		**-**	**0,1**	**0,0**	**1,1**	**(9,9)**	**(8,7)**	**4.430,7**	**(50,1)**	**4.380,6**	
B) associated companies														
Res Holdings B.V. (49,5%)	84,1	-	**84,1**	49,5%	-	-	-	-	-	-	84,1	-	**84,1**	49,5%
Enel.Re N.V.	77,8	-	**77,8**	50,0%	-	-	-	-	-	-	77,8	-	**77,8**	50,0%
Artic Russia B.V. (40%)	278,7	-	**278,7**	40,0%	-	-	-	-	-	-	278,7	-	**278,7**	40,0%
Total associated companies	**440,6**	**-**	**440,6**		**-**	**-**	**-**	**-**	**-**	**-**	**440,6**	**-**	**440,6**	
C) other equity investments														
Energo Nuclear S.A.	4,9	-	**4,4**	9,2%	-	-	-	0,5	-	0,5	5,4	-	**5,4**	9,2%
Total other equity investments	**4,9**	**-**	**4,4**		**-**	**-**	**-**	**0,5**	**-**	**0,5**	**5,4**	**-**	**5,4**	
Total	**4.884,9**	**(50,1)**	**4.834,3**		**-**	**0,1**	**0,0**	**1,6**	**(9,9)**	**(8,2)**	**4.876,7**	**(50,1)**	**4.826,6**	

25.a Investments in subsidiaries

Pragma Energy S.A.

In March 2005 the Company bought 100% of Pragma Energy S.A.'s shares from Enel Trade S.p.A. for 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, owning 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).

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

In July 2007 the Company paid Enelco S.A. EUR 3 million for share premiums.

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

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

In December 2010 the board of directors approved the cancellation of the project in Greece as described above. Following the termination of the activities, the Enel Group has decided in 2011 to move the Power Train under construction from Greece to Russia because the turbine can be effectively utilized in a CCGT plant by Enel OGK-5, another subsidiary of the Company; the Company Board of Directors decided in February 2011 to bear a share of the non-recoverable costs arising from moving the job order from Greece to Russia in the amount of EUR 7 million.

Considering that, the cash received by Enelco in relation to the Power Train payment was deemed to be excessive (EUR 46 million), Enelco's shareholder meeting resolved to decrease its share capital by EUR 37 million in October 2011, of which EUR 28 million pertaining to Enel Investment Holding BV and collected during first half 2012.

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 Enel Group initiatives in various business areas in France, including energy trading, are concentrated.

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

During 2009 Enel France SAS 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.

Enel OGK-5

Established in 2004 as part of the industry reform, Enel 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.

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

In accordance with the agreement of 31 December 2008 the Company acquired 54.869.719 shares for a total of RUB 243 million (equal to EUR 6 million).

In accordance with the aforementioned agreement of 31 December 2009, based on information received from Enel OGK-5's legal department, at 31 December 2009 the Company recorded the acquisition of 214.947.516 shares (equal to EUR 22 million). Based on the actual amount of shares acquired by the Company in 2010 being 201.255.428 shares (equal to EUR 21 million) the original cost price of the shares was adjusted in 2010 with a slight decrease amounting to EUR 1 million.

As a result of the aforementioned events, the Company's equity investment in Enel OGK-5 stood at EUR 2.498 million as of 31 December 2010, with a 56,43% stake in its share capital. No changes to these figures were reported in 2011.

Enel Gas Rus Llc

Enel Gas Rus Llc. was incorporated by the Company in February 2008 to support the integration of Enel's partly-owned companies and future subsidiaries in Russia. The amount paid for 99% of the shares issued by Enel Gas Rus Llc. was RUB 0,3 million (equal to EUR 10 thousand).

During 2009 the Company recapitalized Enel Gas Rus Llc. by RUB 400 million (approximately EUR 9 million).

In 2011 management has decided to account for an impairment loss of its equity investment in Enel Gas Rus Llc. totaling EUR 5 million because its prior losses were considered as no longer recoverable.

Enel Productie Srl

Regarding the joint development of the construction of a coal power plant in the Free Trade Zone of the city of Galati (the Project), under the terms of the Cooperation Agreement signed with Global International 2000 and Romelectro on 5 March 2008, the company acquired 85% of the shares of Enel Productie Srl (previously called Global Power Investment Srl), minus one share for RON 0,8 million (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 by RON 19 million (equal to EUR 4,5 million).

On 7 June 2012 the GSM resolution of Enel Productie Srl, following the Bod resolution dated 31 May 2012, approved the equity increase of Enel Productie Srl for EUR 1.1 million.

Marcinelle Energie S.A.

Marcinelle Energie S.A. was incorporated for the construction of a CCGT power plant in the Wallonia region Marcinelle (Belgium). In June 2008 the Company acquired 80% of the corporate capital of the Belgian special purpose company Marcinelle Energie S.A. for EUR 37 million. During 2010 the Company recapitalized Marcinelle Energie S.A. by EUR 86 million by converting an existing financial receivable into a new equity investment increase.

In December 2011, following the impairment test performed on its goodwill, the value of consolidated goodwill was considered as not longer recoverable. As a result of the aforementioned event, the Company similarly decided to account for an impairment loss of its equity investment in Marcinelle Energie S.A. totalling EUR 26 million.

The Company also granted Duferco, the former owner of Marcinelle, 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 12 months after the "provisional acceptance". The fair value of this put option as at 30 June 2012 is recognized as financial liability amounting to EUR 53 million (EUR 4fair 4 million at 31 December 2011).

Enel Albania SHPK

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

The subscribed share capital of Enel Albania SHPK is LEK 73 million (equivalent to about EUR 0,6 million).

During 2010 the Company recapitalized Enel Albania SHPK by LEK 122 million (EUR 1 million) and paid up the unpaid part of the issued capital totalling LEK 27 million (EUR 0,2 million).

Following the decision made by the Company in 2011 to liquidate Enel Albania SHPK management decided to account for an impairment loss of its equity investment of EUR 1,2 million taking into account its prior losses brought forward.

Enel Albania SHPK is in the process of being liquidated.

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 Italy together with Enel Albania SHPK.

During 2010 the Company paid up the unpaid share capital for an amount of LEK 27 million (EUR 0,2 million).

Following the decision made by the Company in 2011 to liquidate Linea Albania-Italia SHPK management decided to account for an impairment loss of its equity investment of EUR 0,1 million taking into account its prior losses brought forward.

Linea Albania-Italia SHPK is in the process of being liquidated.

Enel Romania Srl

In December 2009 Enel S.p.A. 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 remaining 20% of the shares in Enel Romania Srl. were purchased in December 2009 from Enel Distribuzione S.p.A. for EUR 11 thousand. One further 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 located in Romania.

Enel Distributie Muntenia S.A.

In December 2009 Enel S.p.A. 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 ask the Company to purchase a further 23,57% of the shares in Enel Distributie Muntenia S.A. The fair value of this put option as at 30 June 2012 is determined as a financial liability of EUR 289 million (EUR 305 million at 31 December 2011).

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

Enel Energie Muntenia S.A.

In December 2009 Enel S.p.A. 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 ask the Company to purchase a further 23,57% of the shares in Enel Energie Muntenia S.A. The fair value of this put option as at 30 June 2012 is determined as a financial liability of EUR 51 million (EUR 54 million at 31 December 2011).

Enel Energie Muntenia S.A. supplies captive consumers whose place of consumption is in the location determined by Enel Distributie Muntenia S.A.'s distribution license.

Enel Distributie Dobrogea S.A.

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

Enel Distributie Dobrogea S.A. distributes electricity in the eastern Romanian counties of Constanta, Tulcea, Calarasi and Ialomita.

Enel Distributie Banat S.A.

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

Enel Distributie Banat S.A. distributes electricity in the eastern Romanian counties of Timisoara, Arad, Hunedoara and Caras-Serverin.

Enel Energie S.A.

In December 2009 the Company purchased 51,003% of the shares held by Enel Distribuzione S.p.A. the Romanian company Enel Energie S.A. for EUR 80 million.

Enel Energie S.A. supplies electricity to captive consumers, whose place of consumption is in the locations determined by the distribution licenses of Enel Distributie Dobrogea S.A. and Enel Distributie Banat S.A.; it also supplies electricity to free market consumers.

25.b Associated companies

Enel Insurance N.V.

In August 2011, in order to reorganize the reinsurance business activities within the Enel Group as carried out by the Company's former subsidiary Enel. Re. Ltd and Compostilla Re SA (wholly owned by Endesa S.A.), the Company established a new wholly owned company named Enel.Re N.V. under the laws of the Netherlands with an initial share capital of EUR 50 thousand. Subsequently 50% of the shares issued were sold and transferred to Endesa S.A. for a value of EUR 25 thousand.

Furthermore, in November 2011, both the shareholders of Enel.re NV, Enel Investment Holding BV and Endesa SA, contributed their entire stakes in Enel.Re Ltd and in Compostilla Re SA to Enel.Re N.V.

The value of the contribution of Enel.Re Ltd was set at its fair value as of 30 November 2011 which is broadly comparable, at the same date, with its consolidated net equity value as stated in the IFRS consolidated financial statement of the Company Enel S.p.A totalling EUR 78 million. The difference between this value and the book value in the books of the Company of Enel.re Ltd totalling EUR 56 million was recorded in the 2011 income statement under other revenues.

The shares in Enel.Re Ltd, a reinsurance company existing under the laws of Ireland, were acquired by the Company in 2004 following the liquidation of the Company's subsidiary Enel Holding Luxembourg S.A., a Luxembourg company incorporated as a holding company carrying out financial activities for the Enel Group, which ceased operations.

In June 2012, the Boards of directors of Enel.Re NV have drawn up a cross-border merger by absorption whereby all of the assets and liabilities of Enel.Re Ltd will be transferred by operation of law through universal succession to Enel.Re NV, and it will be dissolved without going into liquidation.

Finally the Company has been renamed into Enel Insurance NV.

Res Holdings B.V.

In June 2006 the Company bought 49,5% of the shares in Res Holdings B.V. for 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, owns 100% of the shares in the Russian electricity trading company, Rusenergosbyt Llc.

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 EUR 15,2 million (USD 20,6 million). Part of the total purchase price (USD 10 million) has not been paid yet and it is classified as per 31 December 2011 under the non-current liabilities.

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

After the collection of the second instalment from Gazprom on 1 April 2010, Artic Russia B.V. made a further share premium repayment to the Company amounting to USD 473 million which has been consequently deducted from equity investments. Moreover in order to hedge the exchange rate risk related to the above mentioned second instalment, in 2009 the Company entered into financial derivative instrument with Enel S.p.A. that was designated as a Cash Flow Hedge derivative at 2009 year-end. The realized result of this financial instrument, resulting into a financial loss of EUR 32 million, was recorded in the income statement 2010 while the corresponding positive exchange rate realized has contributed to a higher amount collected as share premium repayment.

25.c Other investments

Energo Nuclear S.A.

During 2008 Enel participated in a public tender launched by Nuclearelectrica (a company wholly owned by the Romanian State) relating to the selection of strategic investors for the development, financing, construction and operation of two nuclear units, each of 720 MW, to be added to the Cernavoda power plant, a nuclear power plant in Romania owned by Nuclearelectrica. In this regard the Company has signed an investment agreement for a 9,15% stake in the Romanian Project Company and obliges it to fund 9,15% of the subscribed share capital of the PCO and of the development cost, totalling a maximum of EUR 4 million. The 9,15% stake in the newly incorporated Romanian company Societatea Comercială EnergoNuclear S.A., was acquired in March 2009 by subscribing to newly issued shares for an overall exposure of RON 1,8 million (EUR 0,4 million).

The total acquisition cost included in the cost price amounts to EUR 2,6 million. During 2010 the Company recapitalized EnergoNuclear S.A. for RON 5,6 million (EUR 1,4 million), while in 2011 the Company paid a further RON 1,9 million (EUR 0,5 million) with its stake being unchanged.

On January 25, 2012 the Bod resolution of EnergoNuclear has approved a Share capital increase for RON 5.000.000,pertaining to EIH for EUR 457.500, bringing the equity investment in EnergoNuclear S.A. to RON 5,4 million.

26. Equity investments available-for-sale – *EUR 337 million*

The following table lists equity investment classified as available for sale at 30 June 2012 and 31 December 2011.

Millions of euro

	30 June 2012					31 Dec. 2011				
Name	**Cost Price**	**Results recognized in equity**	**Impairment in P&L**	**Fair Value**	**% Held**	**Cost Price**	**Results recognized in equity**	**Impairment in P&L**	**Fair Value**	**% Held**
Echelon	20	(12)	-	8	7.9	20	(9)	-	11	7.9
PT Bayan Resources	138	309	(118)	329	10.0	138	492	(118)	512	10.0
Total	**158**	**297**	**(118)**	**337**		**158**	**483**	**(118)**	**523**	

Echelon Corporation

The 7,9% stake in corporate capital of Echelon was bought in December 2005 from Enel S.p.A. for USD 25 million (EUR 20 million). Echelon is listed on the NASDAQ stock market in the USA and 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.

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 regard the amount retained at 31 December 2009 by the Company in a blocked bank account amounts to USD 213 million, corresponding to a counter value at 31 December 2009 exchange rate of EUR 148 million. In 2010 the amount was paid to the sellers.

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 the share price decreased continuously by 80% since acquisition. The impairment recorded in 2008 amounting to EUR 118 million was recorded in the income statement.

27. Other non-current financial assets – *EUR 296 million*

Millions of Euro

	30 June 2012	31 Dec. 2011	Change
Financial receivables:			
- due from Shareholder	-	-	-
- due from Enel Finance International N.V.	296	295	1
Total	**296**	**295**	**1**

Financial receivables relate to an internal agreement between the Company and Enel Finance International NV based on which the latter undertook to the Company to assume all the Company's payment obligations under the notes issued (a 5,25% fixed-rate bond instalment maturing in 2023).

In 2011 further to a reorganization whereby all international financial activities of the Enel Group were centralized in Enel Finance International N.V., the Company terminated the initial agreement with Enel S.p.A. as of 29 September 2011 and entered into a new agreement for the assumption of debt with Enel Finance International N.V.

Current assets

28. Current financial assets – *EUR 24 million*

Millions of euro

	30 June 2012	31 Dec. 2011	Change
Financial receivables due from Group companies:			
- accrued income on GMTN debt assumption	12	4	8
- other financial receivables	-	-	-
Financial receivables due from others:			
- other financial receivables	12	12	-
Total	**24**	**16**	**8**

Other financial receivables due from others relate to the recognition of a financial receivable from ContourGlobal LP after the sale of Bulgarian companies (EUR 12 million).

Liabilities and shareholders' equity

29. Shareholders' equity – *EUR 4.368 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*

Fair value reserve AFS - *EUR 296 million*

This items includes the accumulated income recognize directly in equity referring to available-for-sale financial assets measured at fair value in Bayan Resources T.b.K and Echelon Corporation.

Non-current liabilities

30. Long-term loans – *EUR 297 million*

Millions of euro	Maturing	Carrying amount	Nominal value	Carrying amount	Nominal value
		30 June 2012		31 Dec. 2011	
Bonds:					
- listed, fixed rate 5,25%	2023	297	300	297	300

At 30 June 2012 year the Company had outstanding issued bonds, listed on the Luxembourg stock exchange, for a total nominal value of EUR 300 million whose maturity is set in 2023.

In June 2006 the Company signed an agreement for the assumption of debt with its shareholder Enel S.p.A.; based on this agreement Enel S.p.A. agreed to assume all of the Company's payment obligations regarding of the aforementioned bonds. In September 2011 this agreement was terminated and a new agreement was signed under the same conditions with Enel Finance International N.V.

Current liabilities

31. Current financial liabilities – *EUR 812 million*

Millions of euro

	30 June 2012	31 Dec. 2011	Change
Intercompany current account with Enel Spa	401	472	(71)
Accrued expenses on GMTN bond	12	4	8
Accrued expenses from Shareholder	6	14	(8)
Payables due to third parties:			
- Acquisition Marcinelle Energie S.A. (80% stake)	-	-	-
-Put option liability - Marcinelle Energie S.A.	53	44	9
-Put option liability - Enel Distributie Muntenia S.A.	289	305	(16)
-Put option liability - Enel Energie Muntenia S.A.	51	54	(3)
- Other sundry payables	-	1	(1)
Total	**812**	**894**	**(82)**

The significant decrease in the negative balance of the intercompany current account held by the Company with Enel S.p.A. was essentially due to the dividends received in 2012 both from its subsidiaries and associates (EUR 63 million).

Payables due to third parties mainly relate to the fair value of put options granted to minority shareholders of the owned entities Marcinelle Energie S.A. (20%), Enel Distributie Muntenia S.A. (23,6 %) and Enel Energie Muntenia S.A (23,6%).

32. 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 at 30 June 2012 and 31 December 2011 respectively.

Millions of euro	Receivables	Payables	Cost	Income	Dividends
	30 June 2012		1st Half 2012		
Shareholder:					
Enel S.p.A	-	409	6	-	-
Subsidiaries:					
Pragma	-	-	-	-	1
Associated Companies:					
Res Holding B.V.	-	-	-	-	62
Other affiliated companies:					
Enel Finance International S.A.	308	-	-	9	-
Total	**308**	**409**	**6**	**9**	**63**

Millions of euro	Receivables	Payables	Cost	Income	Dividends
	31 Dec. 2011		2011	2011	2011
Shareholder:					
Enel S.p.A	-	490	18	12	-
Subsidiaries:					
Marcinelle Energie S.A.	-	-	-	-	-
Enelco S.A.	28	-	-	-	-
Enel France SAS	-	-	-	-	17
Enel Distributie Banat SA	-	-	-	-	10
Enel Distributie Dobrogea SA	-	-	-	-	7
Associated Companies:					
Res Holding B.V.	-	-	-	-	120
Other affiliated companies:					
Enel Finance International S.A.	300	-	4	-	-
Enel Ingnegneria & Innovazione	-	-	7	-	-
Total	**328**	**490**	**29**	**12**	**154**

Compensation of Directors

The emoluments of the Company Directors charged in 2011, as per Section 2:383 (1) of the Dutch Civil Code, amounted to EUR 34 thousand (EUR 34 thousand in 2011) and are summarized in the following table:

(all amounts in thousands of Euro)	**30 June 2012**	30 June 2011
Mr. A.J.M. Nieuwenhuizen	**10**	10
Mr. F. Mauritz	**8**	8
Mr. H. Marseille	**8**	8
Mr. K.J. Schell	**8**	8
Mr. A. Brentan	**-**	-
Mr. M. Salemme	**-**	-
Mr. C. Palasciano Villamagna	**-**	-
Mr. C. Tamburi	**-**	-
Mr. L. Ferraris	**-**	-
	34	34

33. Subsequent events

There are not significant post balance sheets events to be reported.

Amsterdam, 31 July 2012

The Board of Directors:

L. Ferraris

A. Brentan

M. Salemme

C. Tamburi

C. Palasciano

H. Marseille

F. Mauritz

A.J.M. Nieuwenhuizen

K. Schell

34. 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 that 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.

Annex

Subsidiaries and associated companies of Enel Investment Holding B.V. at 30 June 2012

Below is a list of the subsidiaries and associates of Enel Investment Holding B.V. at 30 June 2012. The Company has full title to all investments.

The following information is included for each company: name, registered office, activity, share capital, currency, 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 30 June 2012

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				30 June 2012				
Parent company:								
Enel Investment Holding BV	Amsterdam	Netherlands	Holding company	1.593.050.000	EUR	Enel SpA	100,00%	100,00%
Subsidiaries:								
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	Bucharest	Romania	Electricity distribution	271.635.250	RON	Enel Investment Holding BV	64,43%	64,43%
Enel Energie Muntenia 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	Electricty trading	34.937.000	EUR	Enel Investment Holding BV	100,00%	100,00%
Enel Lease Eurl	Lyon	France	Electricity generation from renewable resources	500.000	EUR	Enel France Sas	100,00%	100,00%
Enel OGK-5 OJSC	Ekaterinburg	Russian Federation	Electricity generation	35.371.898.3 70	RUB	Enel Investment Holding BV	56,43%	56,43%
Enel Productie Srl	Bucharest	Romania	Electricity generation	19.910.200	RON	Enel Investment Holding BV	100,00%	100,00%
Enel Romania Srl	Judetul Ilfov	Romania	Business services	200.000	RON	Enel Investment Holding BV	100,00%	100,00%
EnelGas 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%
Enelco SA	Athens	Greece	Plant construction, operation and maintenance	7.160.108	EUR	Enel Investment Holding BV	75,00%	75,00%
Marcinelle Energie SA	Charleroi	Belgium	Electricity generation, transport, sale and trading	110.061.500	EUR	Enel Investment Holding BV	80,00%	80,00%
OGK-5 Finance LLC	Moscow	Russian Federation	Finance	10.000.000	RUB	Enel OGK-5 OJSC	100,00%	56,43%
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%	56,43%
Sanatorium-Preventorium Energetik OJSC	Nevinnomyssk	Russian Federation	Energy services	10.571.300	RUB	OGK-5 Finance LLC Enel OGK-5 OJSC	0,01 % 99,99%	56,43%
Société Du Parc Eolien Grandes Terres Ouest Eurl	Lyon	France	Electricity generation from renewable resources	21.000	EUR	Enel France Sas	100,00%	100,00 %
Teploprogress OJSC	Sredneuralsk	Russian Federation	Electricity sales	128.000.000	RUB	OGK-5 Finance LLC	60,00%	33,86%

Associated companies accounted for using the equity method at 30 June 2012

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				30 June 2012				
Compostilla Re SA	Luxembourg	Luxembourg	Reinsurance	12.000.000	EUR	Enel.Re NV	100,00%	50,00%
Enel Insurance NV	Amsterdam	Netherlands	Reinsurance	60,000	EUR	Enel Investment Holding BV Endesa SA	50,00%	50,00%

Parent company:								
Artic Russia BV	Amsterdam	Netherlands	Holding company	100.000	EUR	Enel Investment Holding BV	40,00%	40,00%
Subsidiary of Artic Russia BV:								
SeverEnergia	Moscow	Russian Federation	Gas and oil processing and transport	55.114.150.0000	RUB	Artic Russia BV	49,00%	19,60%

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	Rusenergosbyt C LLC	75,00%	18,93%
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	4.600.000	RUB	Res Holdings BV	50,00%	24,75%

Other equity investments at 30 June 2012

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
30 June 2012								
Braila Power S.A.	Sat Chiscani	Romania	Electricity generation	90.000	RON	Enel Investment Holding BV	28,50%	28,50%
Echelon Corporation	Wimintgon	USA (Delaware)	Energy control networking platform	424.128,16	USD	Enel Investment Holding BV	7,07%	7,07%
Energonuclear S.A.	Bucharest	Romania	Electricity generation	30.000.000	RON	Enel Investment Holding BV	9,15%	9,15%
PT Bayan Resources Tbk	Jakarta	Indonesia	Coal producer	333.333.350.000	IDR	Enel Investment Holding BV	10,00%	10,00%

Companies in liquidation at 30 June 2012

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
30 June 2012								
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 %
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 %