# Enel Investment Holding B.V. condensed interim financial statements as at 30 June 2013

# 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 2013.

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.

### Group subsidiaries

| | |
|---|---|
| -Marcinelle Energie SA - *Belgium* | 100% |
| -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* | 56,4% |
| -Pragma Energy SA - *Switzerland* | 100% |

(*) Shares listed on the Russian Stock Exchange

# Significant events in the first half of 2013

On 5 July 2013, the Romanian state-controlled company Electrica SA notified Enel SpA, Enel Investment Holding BV, Enel Distributie Muntenia SA and Enel Energie Muntenia SA of a request for arbitration, setting out a series of demands for damages for alleged breach of contractual obligations contained in the agreements between the parties on the occasion of the disposal of a controlling interest in Electrica Muntenia Sud (which was subsequently split into Enel Distributie Muntenia and Enel Energie Muntenia).

# 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:

### 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.

### 2013

- There were no changes in the scope of consolidation to be set forth.

## Group performance on income statement

| Millions of euro | 1st Half | | |
|---|---|---|---|
| | **2013** | 2012 | Change |
| Total revenues | 1.684 | 1.761 | (77) |
| Total costs | 1.446 | 1.459 | (13) |
| **Gross operating income** | **238** | **302** | **(64)** |
| Depreciation, amortization and impairment losses | 190 | 49 | 141 |
| **Operating Income** | **48** | **253** | **(205)** |
| Financial Income | 102 | 115 | (13) |
| Financial expense | (109) | (144) | 35 |
| **Total Financial Income/(Expense)** | **(7)** | **(29)** | **22** |
| **Share of gains/(losses) on investments accounted for using the equity method** | **43** | **62** | **(19)** |
| **Profit/(Loss) before taxes** | **84** | **286** | **(202)** |
| Income Taxes | 39 | 30 | 9 |
| **Net Profit (Group and minority interests)** | **45** | **256** | **(211)** |
| Minority interests | 52 | 79 | (27) |
| **Group Net profit** | **(7)** | **177** | **(184)** |

**Revenues** dropped to EUR 1.684 million from EUR 1.761 million reported in the first half of 2013. The decrease (EUR 77 million) was essentially related to the following factors:

- a decrease of EUR 59 million in revenues from the sale of electricity, of which EUR 153 million pertaining to Enel France due to the exit from the Flamanville 3 project (resulting in lower anticipated capacities sourcing) and the lower electricity demand, partially offset by higher revenues of Enel OGK5 (EUR 14 million) due to higher prices of electricity and Enel Energie SA (EUR 40 million) and Enel Energie Muntenia (EUR 36 million) thanks to tariff increase and green certificates revenues.
- A fall of EUR 18 million in other revenues and income, mainly attributable to Romanian supply companies (EUR 25 million) and Enel OGK5 (EUR 13 million), partially offset by higher revenues of Romanian distribution companies (EUR 24 million).

**Costs** in the 1st half of 2013 amounted to EUR 1.446 million, down EUR 13 million over the corresponding period of 2012. The change is primarily attributable to lower costs for raw materials and consumables (EUR 144 million) due to lower energy purchased by Enel France (EUR 120 million) and to lower volumes of energy distributed by Romanian companies Enel Distributie Muntenia, Enel Distributie Dobrogea and Enel Distributie Banat (EUR 10 million). This decrease has been almost entirely offset by the increase of the other operating expenses of Enel Investment Holding BV due to set up in the provisions for litigation (EUR 125 million) which reflects a number of new disputes with partners concerning acquisitions made in previous years.

The **Gross Operating Income** dropped to EUR 238 million from EUR 302 million. This change (EUR 64 million) is mainly attributable to the following factors:

- lower margins (EUR 24 million) performed by Enel France caused by the exit from the Flamanville 3 project and the lower electricity demand during the first half of 2013;
- the increase in the provision for litigation of Enel Investment Holding BV (EUR 125 million) ;

This decrease has been partially offset by the greater margin performed by Romanian supply and distribution companies (EUR 74 million) and Enel OGK-5 (EUR 11 million).

**Depreciation, amortization and impairment losses** rose by EUR 141 million to EUR 190 million. The increase is attributable to the effect of the following events:

- the reversal of prior trade receivables write-off in Romania (EUR 90 million) during 2012 and the write-off of the trade receivables performed by Enel OGK-5 (EUR 27 million) in the first half of 2013;
- higher depreciation and amortization respectively on tangible and intangible assets (EUR 18 million),
- the impairment recorded on Marcinelle net assets classified "held for sale" (EUR 16 million) at the end of June 2013.

**Net financial expenses** dropped to EUR 7 million from EUR 29 million. This change (EUR 22 million) is mainly due to a positive effect of the derivative instruments (EUR 36 million) partially offset by the negative effect of the net foreign exchange gains (EUR 25 million).

**The share of gains/(losses) on investments accounted for using the equity method** showed a positive EUR 43 million, down EUR 19 million over 2012. The fall mainly reflects lower performances of Rusenergosbyt LLC (EUR 18 million) and Compostilla (EUR 7 million) in the first half of 2013, partially offset by the higher performance of Severenergia (EUR 5 million).

**Income taxes** rose to EUR 39 million from EUR 30 million reported in the first half of 2012. This change is primarily attributable to a better performance of Romanian distribution companies (EUR 16 million) partially offset by lower taxable profit for Enel France resulting in a lower tax charge (EUR 8 million).

## Analysis of the Group financial position

Millions of euro

| | 30 June 2013 | 31 Dec. 2012 | Change |
|---|---|---|---|
| **Net non-current assets:** | | | |
| Property, plant and equipment and intangible assets | 4.505 | 4.724 | (219) |
| Goodwill | 1.732 | 1.807 | (75) |
| Equity investments accounted for using the equity method | 522 | 548 | (26) |
| Other net non-current assets/(liabilities) | 55 | 69 | (14) |
| **Total** | **6.814** | **7.148** | **(334)** |
| **Net current assets:** | | | |
| Trade receivables | 406 | 444 | (38) |
| Inventories | 103 | 93 | 10 |
| Other net current assets/(liabilities) | (943) | (988) | 45 |
| Trade payables | (277) | (459) | 182 |
| **Total** | **(711)** | **(910)** | **199** |
| **Gross capital employed** | **6.103** | **6.238** | **(135)** |
| **Provisions:** | | | |
| Post-employment and other employee benefits | (81) | (86) | 5 |
| Provisions for risks and charges | (174) | (61) | (113) |
| Net deferred taxes | (405) | (418) | 13 |
| **Total** | **(660)** | **(565)** | **(95)** |
| **Net assets held for sale** | **3** | **8** | **(5)** |
| **Net Capital Employed** | **5.446** | **5.681** | **(236)** |
| **Total Shareholders' Equity** | **5.381** | **5.600** | **(219)** |
| **Net Financial Debt** | **65** | **81** | **(16)** |

**Property, plant and equipment and intangible assets** totaled EUR 4.505 million, down EUR 219 million on 31 December 2012. This variation is primarily the result of the depreciation and amortization during the reporting period (EUR 126 million), the negative exchange rate effects (EUR 194 million) partially offset by the capital expenditure carried out over the period (EUR 114 million).

**Goodwill** amounted to EUR 1.732 million, down EUR 75 million over 2012 year ended with the decrease due to the result of negative exchange rate differences regarding Enel OGK5 goodwill (EUR 74 million) and Enel Distributie Muntenia and Enel Energie Muntenia (EUR 1 million).

**Equity investments accounted for using the equity method** amounted to EUR 522 million, down EUR 26 million over 2012 year ended. The decrease is primarily connected to the exchange rate differences (EUR 17 million) along with the dividends paid by the associated company Res Holding B.V. to the Company (EUR 52 million) net of the share of income from associated companies (EUR 43 million) .

**Net current assets** came to a negative EUR 711 million, an increase of EUR 199 million compared to 31 December 2012 mainly due to the lower trade payables (EUR 182 million).

**Provisions** amounted to EUR 174 million, up EUR 113 million compared to 2012 year ended with the change mainly due to the increase in the provision for litigation in Enel Investment Holding BV (EUR 125 million).

**Net capital employed** came to EUR 5.446 million at 30 June 2013, down EUR 236 million over 31 December 2012; it is funded by shareholders' equity attributable to the Group and non-controlling interests in the amount of EUR 5.381 million and by net financial debt totalling EUR 65 million. The debt-to-equity ratio at 30 June 2013 was in line compared to 2012 year ended (as of 31 December 2012 1%).

# Analysis of the financial structure

Millions of euro

| | **30 June 2013** | 31 Dec. 2012 | Change |
|---|---|---|---|
| ***Long Term Debt:*** | | | |
| Bank loans | 499 | 498 | 1 |
| Bonds | 298 | 421 | (123) |
| Other loans from third parties | 1 | 1 | (0) |
| Other loans from Enel Group Companies | 22 | 26 | (4) |
| *Long-term debt* | *819* | *946* | *(127)* |
| Long-term financial receivables and securities | (2) | (6) | 4 |
| Other m/l term financial receivables from Enel Group companies | (323) | (325) | 2 |
| **Net long-term debt** | **494** | **615** | **(121)** |
| ***Short Term Debt:*** | | | |
| Short-term portion of long term bank debt | 31 | 31 | (0) |
| *Short-term bank debt* | *31* | *31* | *(0)* |
| Bonds (short-term portion) | 117 | 99 | 18 |
| Intercompany current account - Enel SpA | - | 66 | (66) |
| Other short-term loans from Enel Group companies | 387 | 300 | 87 |
| *Other short-term debt* | *504* | *465* | *39* |
| Long term financial receivables (short-term portion) | (3) | (2) | (1) |
| Short-term financial receivables | (8) | (21) | 13 |
| Short-term financial receivables from Enel SpA | (39) | (5) | (34) |
| Short-term financial receivables from Enel Group companies | (113) | (174) | 61 |
| Cash and cash equivalents | (801) | (828) | 27 |
| *Cash and cash equivalents and short-term financial receivables* | *(963)* | *(1.030)* | *67* |
| **Net short-term debt** | **(429)** | **(534)** | **105** |
| **Net financial debt** | **65** | **81** | **(16)** |
| **Net financial debt of "Assets held for sale"** | **209** | **213** | **(4)** |

Net financial debt was equal to EUR 65 million at 30 June 2013, a EUR 16 million decrease over 31 December 2012. This drop mainly reflects the decrease of the capital expenditures related to tangible assets and a better performance of the operative cash flow.

## Cash flows

| Millions of euro | 1st Half | |
|---|---|---|
| | **2013** | 2012 |
| **Cash and cash equivalents at the beginning of the period (1)** | **765** | **293** |
| Cash flows from operating activities (a) | 190 | 275 |
| Cash flows from investing/disinvesting activities (b) | (116) | (206) |
| Cash flows from financing activities (c) | (1) | 56 |
| Impact of exchange rate fluctuations on cash and cash equivalents (d) | (7) | (18) |
| **Increase/(Decrease) in cash and cash equivalents (a+b+c+d)** | 66 | 108 |
| **Cash and cash equivalents at the end of the period (1)** | **831** | **401** |

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

**Cash flows from operating activities** in the 1st half of 2013 were positive at EUR 190 million, with a decrease of EUR 85 million mainly due to the drop of the gross operating margin.

**Cash flows from investing/disinvesting activities** absorbed liquidity in the amount of EUR 190 million mainly due to the drop of capital expenditures related to tangible assets (EUR 114 million) because of the main part of the investments in Enel OGK-5 and Marcinelle were performed in 2011 and 2012.

In the 1st half of 2013 cash flows from operating activities totalling EUR 190 million entirely covered the financing needs for capital expenditures performed during the first half of 2013. The generated surplus has also increased cash and cash equivalents balances at 30 June 2013 which reached EUR 831 million (cash and cash equivalents also include the balance of intercompany current account between the Company and Enel S.p.A. totalling a positive EUR 39 million as of 30 June 2013).

# 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. Furthermore, in November 2012 the Company entered into a short term revolving facility (hereafter: RFA) with Enel Finance International NV. In January 2013, RFA was amended with an increase of the total commitment from the aggregate amount up to EUR 300 million to the aggregate amount up to EUR 430 million starting from 31 January 2013.

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, Slovenske Elektrarne 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 2013, the Group employed 6.954 people (7.124 at 31 December 2012).

Changes in the total number of employees with respect to 31 December 2012 are below summarized:

| | |
|---|---|
| **Employees at 31 December 2012** | **7.124** |
| Changes in the scope of consolidation | - |
| Hirings | 185 |
| Terminations | (355) |
| **Employees at 31 June 2013** | **6.954** |

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 condensed interim financial statements at 30 June 2013 in combination with the annual report as at 31 December 2012 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 condensed interim financial statements 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".

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 months of the financial year (30 august 2013);
- 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 2013).

Amsterdam, 30 July 2013

The Board of Directors:

L. Ferraris

A. Brentan

M. Salemme

C. Tamburi

C. Palasciano

H. Marseille

F. Mauritz

A.J.M. Nieuwenhuizen

E. Di Giacomo

# 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 2013

# Enel Investment Holding B.V. consolidated income statement for the period ended 30 June 2013

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

| Millions of euro | | 1st Half | |
|---|---|---|---|
| | | **2013** | 2012 |
| **Revenues** | | | |
| Revenues from sales and services | *6* | 1.660 | 1.719 |
| Other revenues | *6* | 24 | 42 |
| | *[Subtotal]* | **1.684** | **1.761** |
| **Costs** | | | |
| Raw materials and consumables | *7* | 1.029 | 1.173 |
| Services | *7* | 148 | 146 |
| Personnel | *7* | 93 | 90 |
| Depreciation, amortization and impairment losses | *7* | 190 | 49 |
| Other operating expenses | *7* | 193 | 68 |
| Capitalized costs | *7* | (17) | (18) |
| | *[Subtotal]* | **1.636** | **1.508** |
| **Operating Income** | | **48** | **253** |
| Financial Income | *8* | 102 | 115 |
| Financial expense | *8* | (109) | (144) |
| Share of gains/(losses) on investments accounted for using the equity method | *9* | 43 | 62 |
| | [Subtotal] | 36 | 33 |
| **Income/(Loss) before taxes** | | **84** | **286** |
| Income Taxes | *10* | 39 | 30 |
| **Net income for the half-year (shareholders of the parent company and minority interests)** | | **45** | **256** |
| Attributable to non-controlling interests | | 52 | 79 |
| Attributable to shareholders of the Parent Company | | (7) | 177 |

The Notes on pages 27 to 53 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 2013

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

| Millions of euro | *Notes* | 1st Half | |
|---|---|---|---|
| | | **2013** | 2012 |
| **Net income/(loss) for the period** | | **45** | **256** |
| **Other comprehensive income recyclable to profit or loss:** | | | |
| Income recognized in equity by companies accounted for using equity method | | (17) | 13 |
| Change in the fair value of financial investments available for sale | | (28) | (185) |
| Exchange rate differences | | (219) | (27) |
| **Income/ (loss) recognized directly in equity** | *14* | **(264)** | **(199)** |
| **Comprehensive income for the period** | | **(219)** | **57** |
| **Attributable to:** | | | |
| - shareholders of the Parent Company | | (210) | (18) |
| - minority interests | | (9) | 75 |

The Notes on pages 27 to 53 are an integral part of these Consolidated Financial Statements

# Enel Investment Holding B.V. consolidated statement of financial position as at 30 June 2013

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

| Millions of euro | *Notes* | | |
|---|---|---|---|
| **ASSETS** | | **30 June 2013** | 31 Dec. 2012 restated |
| **Non-current assets** | | | |
| Property, plant and equipment | *11* | 4.237 | 4.446 |
| Intangible assets | *11* | 2.000 | 2.085 |
| Deferred tax assets | | 52 | 41 |
| Equity investments accounted for using the equity method | *11* | 522 | 548 |
| Equity investments in other companies | | 210 | 235 |
| Non-current financial assets | | 325 | 331 |
| Other non-current assets | | 3 | 3 |
| | *(Total)* | **7.349** | **7.689** |
| **Current assets** | | | |
| Inventories | *12* | 103 | 93 |
| Trade receivables | *12* | 406 | 444 |
| Tax receivables | | 24 | 22 |
| Current financial assets | *12* | 189 | 219 |
| Other current assets | | 54 | 47 |
| Cash and cash equivalents | *12* | 797 | 825 |
| | *(Total)* | **1.573** | **1.650** |
| **Assets held for sale** | *13* | **239** | **292** |
| **TOTAL ASSETS** | | **9.161** | **9.631** |

The Notes on pages 27 to 53 are an integral part of these Consolidated Financial Statements

# Enel Investment Holding B.V. consolidated statement of financial position as at 30 June 2013

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

| Millions of euro | Notes | | |
|---|---|---|---|
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | **30 June 2013** | 31 Dec. 2012 restated |
| **Equity attributable to the shareholders of the Parent Company** | *14* | | |
| Share capital | | 1.593 | 1.593 |
| Other reserves | | 2.031 | 2.234 |
| Retained earnings (losses carried forward) | | 308 | 215 |
| Net income for the period | | (7) | 93 |
| | *(Total)* | **3.925** | **4.135** |
| Equity attributable to minority interests | | 1.456 | 1.465 |
| **TOTAL SHAREHOLDERS' EQUITY** | | **5.381** | **5.600** |
| **Non-current liabilities** | | | |
| Long-term loans | *15* | 819 | 946 |
| Post-employment and other employee benefits | *15* | 81 | 86 |
| Provisions for risks and charges | *15* | 150 | 33 |
| Deferred tax liabilities | *15* | 457 | 460 |
| Non-current financial liabilities | *15* | 5 | 12 |
| Other non-current liabilities | *15* | 154 | 157 |
| | *(Total)* | **1.666** | **1.694** |
| **Current liabilities** | | | |
| Short-term loans | *16* | 387 | 366 |
| Current portion of long-term loans | *15* | 147 | 130 |
| Current portion of provisions | *15* | 24 | 28 |
| Trade payables | *16* | 277 | 458 |
| Current financial liabilities | *16* | 24 | 17 |
| Other current liabilities | *16* | 1.019 | 1.054 |
| | *(Total)* | **1.878** | **2.053** |
| **Liabilities held for sale** | *17* | **236** | **284** |
| **TOTAL LIABILITIES** | | **3.780** | **4.031** |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | | **9.161** | **9.631** |

The Notes on pages 27 to 53 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 2013

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

| Millions of euro | 1st Half | |
|---|---|---|
| | **2013** | 2012 |
| **Cash and cash equivalents at the beginning of the period (1)** | **765** | **293** |
| Cash flows from operating activities (a) | 190 | 275 |
| Cash flows from investing/disinvesting activities (b) | (116) | (206) |
| Cash flows from financing activities (c) | (1) | 56 |
| Impact of exchange rate fluctuations on cash and cash equivalents (d) | (7) | (18) |
| **Increase/(Decrease) in cash and cash equivalents (a+b+c+d)** | 66 | 108 |
| **Cash and cash equivalents at the end of the period (1)** | **831** | **401** |

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

The Notes on pages 27 to 53 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 2013

## 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 | Reserve for employee benefits | Retained earnings | Net income for the period | **Group Net Equity** | **Minority Interests** | **Total shareholders' equity** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **at 1 January 2012** | **1.593** | **2.410** | **488** | **(340)** | **(55)** | **-** | **23** | **192** | **4.311** | **1.319** | **5.630** |
| Profit appropriation | - | - | - | - | - | - | 192 | (192) | **-** | | **-** |
| 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** |
| *2012 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** |
| **Balance at 1 January 2013** | **1.593** | **2.410** | **186** | **(295)** | **(50)** | **-** | **215** | **93** | **4.152** | **1.477** | **5.629** |
| Effect of application of IAS 19 Revised | **-** | **-** | **-** | **-** | **-** | **(17)** | **-** | **-** | **(17)** | **(12)** | **(29)** |
| **at 1 January 2013 restated** | **1.593** | **2.410** | **186** | **(295)** | **(50)** | **(17)** | **215** | **93** | **4.135** | **1.465** | **5.600** |
| Profit appropriation | - | - | - | - | - | - | 93 | (93) | **-** | **-** | **-** |
| Net income/(loss) for the period recognized in equity | - | - | (28) | (158) | (17) | - | - | - | **(203)** | **(61)** | **(264)** |
| Net income/(loss) for the period | - | - | - | - | - | - | - | (7) | **(7)** | **52** | **45** |
| *2013 movements* | **-** | **-** | **(28)** | **(158)** | **(17)** | **-** | **93** | **(100)** | **(210)** | **(9)** | **(219)** |
| **at 30 June 2013** | **1.593** | **2.410** | **158** | **(453)** | **(67)** | **(17)** | **308** | **(7)** | **3.925** | **1.456** | **5.381** |

The Notes on pages 27 to 53 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 2013

## 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 2013 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 4 March 2013 Enel S.p.A., the Parent company, issued a letter of support as of 31 December 2012 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 2013 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 2013 are consistent with those used for preparing the consolidated financial statements at 31 December 2012, 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 2012.

In addition to the accounting standards adopted in the preparation of the financial statements at 31 December 2012, the following standards, amendments and interpretations are applicable retrospectively (with the exception of IFRS 13 and IFRIC 20 that are applicable prospectively):

- "Amendments to IAS 1 - Presentation of Items of Other Comprehensive Income". The amendment calls for the separate presentation of items of other comprehensive income (OCI) that may be reclassified to profit or loss in the future ("recycling") and those that will not be recycled. The retrospective application of the measure did not have a significant impact on these condensed interim consolidated financial statements;

- "IAS 19 - Employee benefits". The standard supersedes IAS 19 applied until 31 December 2012. The most significant change regards, with reference to defined benefit plans, the requirement to recognize all actuarial gains/losses in OCI, with the elimination of the corridor approach. Furthermore, the amended standard introduces more stringent rules for presentation of data in the financial statements, with the disaggregation of the cost related to defined benefit plans and to other long-term employee benefits into three components (i.e. service cost, net interest on the net liability/asset, remeasurements of the net liability/asset); introduces the determination of interest income in place of the expected return on plan assets; no longer permits the deferral of the recognition of past service cost; provides for enhanced disclosures; introduces more detailed rules for the recognition of termination benefits. The effects of the retrospective application of the standard are discussed in the section "Restatement of the financial position and the income statement".

- "IFRS 13 - Fair value measurement". The standard represents a single IFRS framework to be used whenever another accounting standard requires or permits the use of fair value measurement. The standard sets out guidelines for measuring fair value and, in addition, introduces specific disclosure requirements. The prospective application of the measure did not have a significant impact on these condensed interim consolidated financial statements;

- "Amendments to IFRS 7 - Offsetting financial assets and financial liabilities". The amendments establish more extensive disclosures for the offsetting of financial assets and liabilities, with a view to enabling users of financial statements to assess the actual and potential effects of netting arrangements (including the set-off rights associated with assets or liabilities recognized in financial statements) on the entity's financial position. The retrospective application of the measure did not have a significant impact on these condensed interim consolidated financial statements;

- "Amendments to IAS 12 - Deferred Tax: Recovery of Underlying Assets". The amendment establishes a practical approach for measuring deferred tax liabilities and deferred tax assets based on the recovery of underlying assets, whereas a jurisdiction provides different tax rates depending on the entity's decision to sell or to use those assets. The retrospective application of the measure did not have a significant impact on these condensed interim consolidated financial statements;

- "Annual improvements to IFRS - 2009-2011 cycle". The document regards formal amendments and clarifications of existing standards whose retrospective application did not have an impact on these condensed interim consolidated financial statements. More specifically, the following standards were amended:

  - "IAS 1 – Presentation of financial statements". The amendment clarifies how comparative information must be presented in the financial statements and specifies that an entity may voluntarily elect to provide additional comparative information. More specifically, it specifies that an entity shall present a third balance sheet as at the start of the previous period in addition to the minimum required comparative schedules if:
    - it retrospectively applies an accounting standard, retrospectively restates or reclassifies items of its financial statements; and
    - the retrospective application or retrospective restatement or reclassification has a material impact on the balance sheet as at the start of the previous period.

    When an entity reclassifies comparative amounts, it must indicate (including at the start of the previous period) the nature of the reclassification, the amount of each reclassified item and the reasons for the reclassification.
  - "IAS 16 – Property, plant and equipment". The amendment clarifies that if spare parts and servicing equipment meet the requirements for classification as "property, plant

and equipment" they shall be recognized and measured in accordance with IAS 16; otherwise they shall be classified as inventory.

- "IAS 32 – Financial Instruments: Presentation". The amendment establishes that income taxes relating to distributions to equity holders and to transaction costs of equity transactions shall be accounted for in accordance with IAS 12.
- "IAS 34 – Interim Financial Reporting". The amendment clarifies that interim financial reports shall specify the total assets and liabilities for a particular reportable segment only if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements presented.
- "IFRIC 20 – Stripping costs in the production phase of a surface mine". The interpretation sets out the accounting treatment to be applied to costs incurred for the removal of mine waste materials during the production phase, clarifying when they can be recognized as an asset.

The prospective application of the interpretation did not have an impact on these these condensed interim consolidated financial statements.

## 3. Restatement of the financial position and the income statement

Following the application of the new version of "IAS 19 – Employee benefits", from 1 January 2013 with retrospective effect, the main results on the income statement and financial position reported solely for comparative purposes in these condensed interim financial statements are discussed below:

➢as the corridor approach may no longer be used, all actuarial gains and losses are recognized directly in equity. The amortization of the excess gains and losses outside the corridor as quantified at 30 June, 2012 was immaterial. In addition, the actuarial gains and losses not recognized in application of the previous method were recognized in equity, with a consequent adjustment of the respective defined-benefit obligation (EUR 29 million at 31 December 2012), net of the theoretical tax effects and amounts pertaining to non-controlling interests;

➢as the recognition of past service cost in the income statement may no longer be deferred, the portion not recognized in the periods under review (EUR 7 million at 31 December 2012) was recognized as an increase in the defined-benefit obligation. Once again, the theoretical tax effects and amounts pertaining to non-controlling interests were also calculated;

➢in application of the new standard, net interest on plan assets is recognized in substitution of the expected return on those assets. This change didn't impact this condensed interim consolidated financial statements.

## 4. 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. Furthermore, in November 2012 the Company entered into a short term revolving facility (hereafter: RFA) with Enel Finance International. In January 2013, RFA was amended with an increase of the total commitment from the aggregate amount up to EUR 300 million to the aggregate amount up to EUR 430 million starting from 31 January 2013.

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 assets and liabilities and to exchange rates risk, due to foreign currency denominated assets and 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, collars and cross currency interest swaps.

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 2013, 16% of medium-long term debt toward third parties was floating rate and it's completely covered by cross currency interest swap.

There isn't any outstanding interest rate derivative as of 30 June 2013.

## Exchange rate risk

Exchange rate risk is mainly generated by 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 concerning investments in foreign currency, dividends from unconsolidated foreign associates or the purchase or sale of equity investments.

Exchange rate risk is a type of risk that arises from the change in price of one currency against another. Enel Investment Holding BV exposure to such risk is mainly due to foreign currency denominated flows, originated by financial liabilities.

In order to reduce the exchange rate risk on these exposures, the 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 30 June 2013, 43% of medium-long term debt was denominated in currencies other than the functional currency of the respective countries entered into by individual subsidiaries. Taking into account the hedging performed via foreign exchange derivatives, 7,3% of such debt was still exposed to exchange rate risk.

As 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 16 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 19 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.

## 5. Segment information

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

- **Central Europe**, where the Group is active in electricity sales in France (Enel France) and the development of thermal power plants and support activities in Belgium (Marcinelle Energie). Enel Group in December 2012 has decided to sell its assets in Belgium through the disposal of its subsidiary Marcinelle and consequently its net assets have been reclassified to assets and liabilities held for sale;
- **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), and the development of thermoelectric and photovoltaic power plants in Greece (Enelco);
- **Russia**, with power generation and sales (Enel OGK-5);
- **Others**, with Enel Investment Holding B.V. as Group holding company, support services in the Russian Federation (Enel Gas Rus).

### Performance in the 1st Half of 2013

| Millions of euro | 1st Half | | |
|---|---|---|---|
| | **2013** | 2012 | Change |
| Revenues | 1.684 | 1.761 | (77) |
| Gross operating margin | 238 | 302 | (64) |
| Operating income | 48 | 253 | (205) |
| Employees at period-end (no.) | 6.954 | 7.656 | (702) |
| Capital expenditure | 114 | 195 | (81) |

The table below shows the Group performance by geographical area:

**Result for 1st Half 2013**

| Millions of euro | Central Europe | South-eastern Europe | Russia | Others | **Total** |
|---|---|---|---|---|---|
| Revenues from third parties and Enel Group affiliates | 302 | 570 | 811 | 1 | 1.684 |
| Revenues from other segments | - | - | - | - | - |
| **Total revenues** | **302** | **570** | **811** | **1** | **1.684** |
| Net income/(charges) from commodity risk management | - | - | - | - | - |
| **Gross operating margin** | **(2)** | **161** | **204** | **(125)** | **238** |
| Depreciation, amortization and impariment losses | 1 | 58 | 115 | 16 | 190 |
| **Operating income** | **(3)** | **103** | **89** | **(141)** | **48** |
| **Capital expenditure** | **-** | **48** | **66** | **-** | **114** |

**Result for 1st Half 2012**

| Millions of euro | Central Europe | South-eastern Europe | Russia | Others | **Total** |
|---|---|---|---|---|---|
| Revenues from third parties and Enel Group affiliates | 454 | 497 | 810 | - | 1.761 |
| Revenues from other segments | - | - | - | - | - |
| **Total revenues** | **454** | **497** | **810** | **-** | **1.761** |
| Net income/(charges) from commodity risk management | - | - | - | - | - |
| **Gross operating margin** | **23** | **87** | **193** | **(1)** | **302** |
| Depreciation, amortization and impariment losses | 1 | (26) | 74 | - | (49) |
| **Operating income** | **22** | **113** | **119** | **(1)** | **253** |
| **Capital expenditure** | **30** | **62** | **103** | **-** | **195** |

**Revenues** in the first half of 2013 totaled EUR 1.684 million, down EUR 77 million compared with EUR 1.761 million in the first half 2012. This performance was related to the following factors:

- a decrease of EUR 152 million in revenues in Central Europe, essentially due to Enel France (EUR 147 million) following the exit from the Flamanville 3 project and the lower electricity demand;
- an increase of EUR 1 million in revenues in Russia, attributable to Enel OGK-5;
- a rise of EUR 73 million in revenues in south-eastern Europe mainly attributable to Romanian companies following the increase of distribution tariff, green certificates revenues and tariff increase;
- an increase of EUR 1 million in revenues essentially due to Enel Investment Holding.

The **gross operating margin** amounted to EUR 238 million, a decrease of EUR 64 million, essentially as a result of the following factors:

- a decrease of EUR 25 million in the gross operating margin in Central Europe, essentially related to Enel France due to lower energy margin;
- a drop of EUR 124 million in Enel Investment Holding BV mainly due to the set up of the provision for litigation (EUR 125 million) which reflects a number of new disputes with partners concerning acquisitions made in previous years;
- an increase in the margin in south-eastern Europe (EUR 74 million) mainly due to the greater margin performed by Romanian supply and distribution companies;
- an increase of EUR 11 million in the gross operating margin in Russia, as a result of higher prices of electricity.

**Operating income** in the first half of 2013 amounted to EUR 48 million, a decrease of EUR 205 million over the same period of 2012, mainly due to the release of provision (EUR 90 million) for doubtful receivables collected from a Romanian customer during 2012, the write-off of the trade receivables performed by Enel OGK-5 (EUR 27 million) in 2013 and the impairment recorded on Marcinelle net assets classified "held for sale" (EUR 16 million).

**Capital expenditure** fell to EUR 114 million, down EUR 81 million from the previous year mainly related to the reduced investments in Enel OGK-5 because of the main part of the investments were performed in 2011 and 2012 (EUR 37 million) and to Marcinelle (EUR 30 million) due to completion of activities for the CCGT Power Plant in 2012.

## Performance in the $2^{nd}$ Quarter

| Millions of euro | 2nd Quarter | | |
|---|---|---|---|
| | **2013** | 2012 | Change |
| Revenues | 765 | 814 | (49) |
| Gross operating margin | 32 | 161 | (129) |
| Operating income | (81) | 144 | (225) |
| Capital expenditure | 65 | 91 | (26) |

The table below shows performance by geographical area:

**Result for 2nd Quarter 2013**

| Millions of euro | Central Europe | South-eastern Europe | Russia | Others | **Total** |
|---|---|---|---|---|---|
| Revenues from third parties and Enel Group affiliates | 139 | 259 | 367 | - | 765 |
| Revenues from other segments | - | - | - | - | - |
| **Total revenues** | **139** | **259** | **367** | **-** | **765** |
| Net income/(charges) from commodity risk management | - | - | - | - | - |
| **Gross operating margin** | **(10)** | **84** | **83** | **(125)** | **32** |
| Depreciation, amortization and impariment losses | 1 | 31 | 65 | 16 | 113 |
| **Operating income** | **(11)** | **53** | **18** | **(141)** | **(81)** |
| **Capital expenditure** | **-** | **27** | **38** | **-** | **65** |

**Result for 2nd Quarter 2012**

| Millions of euro | Central Europe | South-eastern Europe | Russia | Others | **Total** |
|---|---|---|---|---|---|
| Revenues from third parties and Enel Group affiliates | 213 | 240 | 361 | - | 814 |
| Revenues from other segments | - | - | - | - | - |
| **Total revenues** | **213** | **240** | **361** | - | **814** |
| Net income/(charges) from commodity risk management | - | - | - | - | - |
| **Gross operating margin** | **4** | **69** | **89** | **(1)** | **161** |
| Depreciation, amortization and impariment losses | 1 | (19) | 35 | - | 17 |
| **Operating income** | **3** | **88** | **54** | **(1)** | **144** |
| **Capital expenditure** | **-** | **34** | **57** | **-** | **91** |

**Revenues** in the second quarter of 2013 totaled EUR 765 million, down EUR 49 million with respect to the same period of the previous year. The performance was related to the following factors:

- a decrease of EUR 74 million in revenues in Central Europe, essentially due to an decrease in volumes sold in France due to the exit from the Flamanville 3 project and the lower electricity demand in France;
- revenues in Russia are essentially in line with the previous period;
- an increase of EUR 25 million in revenues in south-eastern Europe as a result of the increase of distribution tariff and green certificates revenues of the Romanian supply companies (EUR 25 million).

The **gross operating margin** amounted to EUR 32 million, a decrease of EUR 129 million, essentially as a result of the following factors:

- a decrease of EUR 14 million in the gross operating margin in Central Europe, essentially related to Enel France due to lower energy margin;

- a decrease of EUR 124 million in Enel Investment Holding BV mainly due to the set up of the provision for litigation (EUR 125 million) which reflects a number of new disputes with partners concerning acquisitions made in previous years;
- an increase in the margin in south-eastern Europe (EUR 15 million) mainly due to the greater margin performed by Romanian supply and distribution companies.

**Operating income** in the second quarter of 2013 amounted to EUR -81 million, a decrease of EUR 225 million over the same period 2012, mainly due to the write-off of the trade receivables performed by Enel OGK-5 (EUR 27 million), the impairment recorded on Marcinelle net assets classified "held for sale" (EUR 16 million) and the release of provision for doubtful receivables collected from a Romanian customer during 2012, partially offset by the increase of the depreciation of the tangible assets (EUR 50 million).

**Capital expenditure** came to EUR 65 million, down EUR 26 million from the same period of 2012 because of the main part of the investments in Enel OGK-5 were performed in 2011 and 2012 (EUR 19 million).

# Information on the consolidated income statement

## Revenues

### 6. Revenues - *EUR 1.684 million*

| Millions of euro | 1st Half | | |
|---|---|---|---|
| | **2013** | 2012 | Change |
| Revenues from the sale of electricity | 1.573 | 1.589 | (16) |
| Revenues from the transport of electricity | 52 | 53 | (1) |
| Other sales and services | 59 | 119 | (60) |
| **Total** | **1.684** | **1.761** | **(77)** |

"Revenues from the sale of electricity" amounted to EUR 1.573 million, down EUR 16 million on the same period of 2012. The variation was mainly due to Enel France (EUR 147 million) following the exit from the Flamanville 3 project and lower electricity demand. This effect was partially offset by higher revenues of Enel OGK-5 (EUR 56 million) due to higher prices of electricity and Enel Energie (EUR 39 million) and Enel Energie Muntenia (EUR 36 million) thanks to tariff increase.

"Other sales and services" totaled EUR 59 million, down EUR 60 million, mainly as a result of the decrease of the services provided by the company Enel OGK-5 (EUR 41 million).

## Costs

### 7. Costs – *EUR 1.636 million*

| Millions of euro | 1st Half | | |
|---|---|---|---|
| | **2013** | 2012 | Change |
| Raw materials and consumables | 1.029 | 1.173 | (144) |
| Services | 148 | 145 | 3 |
| Personnel | 93 | 90 | 3 |
| Depreciation, amoritzation and impairment losses | 190 | 49 | 141 |
| Other operating expenses | 193 | 69 | 124 |
| Capitalized costs | (17) | (18) | 1 |
| **Total** | **1.636** | **1.508** | **128** |

Costs for "raw materials and consumables" essentially refer to electricity purchases for EUR 594 million (EUR 726 million in the 1st Half of 2012), to fuel purchases for electricity production for EUR 428 million (427 million at 30 June 2012) and to other materials purchases for EUR 20 million (EUR 32 million in the 1st Half of 2012). The change (EUR 144 million) is primarily attributable to lower energy purchased by Enel France (EUR 120 million) and lower volumes of energy distributed by Romanian companies Enel Distributie Muntenia, Enel Distributie Dobrogea and Enel Distributie Banat (EUR 10 million).

"Depreciation, amortization and impairment losses" amounted to EUR 190 million in the 1st half of 2013, up EUR 141 million on the corresponding period of 2012. The increase is attributable to the effect of the following events:

(i)the reversal of prior trade receivables write-off in Romania (EUR 79 million) during the 2012 and the write-off of the trade receivables performed by Enel OGK-5 in 2013 (EUR 27 million);
(ii)greater depreciation and amortization respectively on tangible and intangible assets (EUR 18 million);
(ii)the impairment recorded on Marcinelle net assets classified "held for sale at the end of June 2013 (EUR 16 million).

"Other operating expenses" amounted to EUR 193 million, an increase of EUR 124 million over the first half of 2012, mainly as a result of the increase in the provisions for litigation (EUR 125 million) accounted by Enel Investment Holding B.V.

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

| Millions of euro | 1st Half | | |
|---|---|---|---|
| | **2013** | 2012 | Change |
| **Interest and other income on financial assets (current and non-current):** | | | |
| - interest income at effective rate on non-current securities and receivables | 26 | 18 | 8 |
| - interest income at effective rate on short-term financial investments | 13 | 10 | 3 |
| **Total interest and other income from financial assets** | **39** | **28** | **11** |
| **Foreign exchange gains** | 24 | 56 | (32) |
| **Income from derivative instruments** | 30 | 16 | 14 |
| **Other interest and income** | 9 | 15 | (7) |
| **Total** | **102** | **115** | **(13)** |

| Millions of euro | 1st Half | | |
|---|---|---|---|
| | **2013** | 2012 | Change |
| **Interest expense and other charges on financial debt (current and non-current):** | | | |
| - interest expense on bank loans | 19 | 19 | - |
| - interest expense on bonds | 16 | 16 | - |
| - interest expense on other loans | 12 | 23 | (11) |
| **Total interest expense and other charges on financial debt** | **47** | **58** | **(11)** |
| **Foreign exchange losses** | 51 | 58 | (7) |
| **Expense from derivative instruments** | 8 | 30 | (22) |
| **Other interest expense and financial charges** | 3 | (2) | 5 |
| **Total** | **109** | **144** | **(35)** |

Net Financial charge totaled EUR 7 million, a decrease of EUR 22 million over the first half of 2012, mainly as a result of positive effect of the derivative instruments (EUR 36 million) partially offset by the negative effect of lower net foreign exchange gains (EUR 25 million).

## 9. Share of income/(expense) from equity investments accounted for using *the equity method* - *EUR 43 million*

The balance at 30 June 2013 reflects the contribution of the joint ventures primarily referred to Rusenergosbyt (EUR 40 million) and Severenergia (in which the joint venture Artic Russia BV owns a 49% stake) for EUR 4 million partially offset by losses arising from the associate Enel Insurance NV for EUR 1 million.

## 10. Income taxes – *EUR 39 million*

| Millions of euro | 1st Half | | |
|---|---|---|---|
| | **2013** | 2012 | Change |
| Current taxes | 29 | 12 | 17 |
| Deferred tax liabilities | 21 | 31 | (10) |
| Deferred tax assets | (11) | (13) | 2 |
| **Total** | **39** | **30** | **9** |

**Income taxes** rose to EUR 39 million from EUR 30 million reported in the first half of 2012. This change is primarily attributable to a better performance of Romanian distribution companies (EUR 16 million) partially offset by lower taxable profit of Enel France resulting in a lower tax charge (EUR 8 million).

# Information on the consolidated financial position

## Assets

### Non-current assets

#### 11. Non-current assets – *EUR 7.349 million*

**Property, plant and equipment** amounted to EUR 4.237 million at 30 June 2013, a decrease of EUR 209 million over 31 December 2012. This decrease is the result of depreciation and impairment losses accounted for EUR 126 million, the negative exchange rate effects (EUR 191 million) partially offset by the capital expenditure carried out over the period (EUR 112 million).

**Intangible assets** decreased by EUR 10 million to EUR 268 million as a consequence of amortization (EUR 11 million) and negative exchange rate differences (EUR 2 million) recorded in the current reporting period partially offset by the capital expenditures performed (EUR 4 million).

**Goodwill** fell to EUR 1.732 million, down EUR 75 million over 31 December 2012. This decrease is the result of negative exchange rate differences regarding Enel OGK5 goodwill (EUR 74 million) and Enel Distributie Muntenia and Enel Energie Muntenia (EUR 1 million).

Millions of euro

| | 30 June 2013 | 31 Dec. 2012 | Change |
|---|---|---|---|
| Enel OGK-5 | 1.072 | 1.146 | (74) |
| Enel Distributie Muntenia | 547 | 547 | - |
| Enel Energie Muntenia | 113 | 114 | (1) |
| **Total** | **1.732** | **1.807** | **(75)** |

**Equity investments accounted for using the equity method** amounted to EUR 522 million, down EUR 26 million over the previous year. The variation is the result of the decrease of EUR 12 million of the equity investment in Res Holdings BV as a net effect of dividends paid to the Company during the current year (EUR 52 million) and its share of net income for the period (EUR 40 million) and the losses 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 B.V.

Millions of euro

| | 31 Dec. 2012 | % | Dividends | Income effect | Other changes | **30 Jun 2013** | % |
|---|---|---|---|---|---|---|---|
| Artic Russia [1] | 354 | 40,0 | - | 4 | (15) | **343** | 40,0 |
| Res Holdings [2] | 109 | 49,5 | (52) | 40 | (2) | **95** | 49,5 |
| Enel.re NV | 85 | 50,0 | - | (1) | - | **84** | 50,0 |
| **Total** | **548** | | **(52)** | **43** | **(17)** | **522** | |

[1] includes Severenergia held for 49%

[2] includes Rusenergosbyt held for 100%

## Current assets

### 12. Current assets – *EUR 1.573 million*

**Inventories** increased by EUR 10 million to EUR 103 million and they mainly include raw materials, consumables and other minor supplies.

**Trade receivables** decreased by EUR 38 million to EUR 406 million with the variation mainly due to the write-off of trade receivables (EUR 37 million).

Trade receivables from customers are recognized net of allowance for doubtful accounts, which totaled EUR 109 million as of 30 June 2013, as detailed in the table below:

Millions of euro

| | |
|---|---|
| **Total at 31 Dec. 2012** | **72** |
| Accruals and reversals to income statement | 36 |
| Other changes | 1 |
| **Total at 30 June 2013** | **109** |

**Current financial assets** dropped to EUR 189 million, down EUR 30 million on 31 December 2012 with the variation mainly due to lower financial receivables of Enel France (Short-term deposit with Enel Finance International NV).

**Cash and cash equivalents** decreased by EUR 28 million to EUR 797 million as a result of the payment of commercial papers net of the new financing raised by Enel OGK-5 (EUR 80 million) partially offset by greater cash balances of Romanian distribution companies (EUR 50 million) mainly thanks to their better operating performances.

## 13. Assets held for sale – *EUR 239 million*

Millions of euro

| | 30 June 2013 | 31 Dec. 2012 | Change |
|---|---|---|---|
| Property, plan and equipment | 198 | 214 | (16) |
| Deferred tax assets | 5 | 11 | (6) |
| Financial receivables | 28 | 24 | 4 |
| Inventories | 5 | 4 | 1 |
| Trade receivables | 2 | 39 | (37) |
| Cash and cash equivalents | 1 | - | 1 |
| **Total** | **239** | **292** | **(53)** |

Assets held for sale totalling EUR 239 million as of 30 June 2013 entirely referred to Marcinelle following the decision to dispose of its net assets which have been evaluated at the lower of its carrying amount and its fair value (net of selling costs) leading to an impairment of EUR 16 million.

# Liabilities and shareholders' equity

## 14. Equity attributable to the shareholders of the Company – *EUR 3.925 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.

### Other reserves - *EUR 2.031 million*

### a. Share premium reserve – *EUR 2.410 million*

### b. Fair value reserve and sundry reserves – *EUR 157 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 1 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 156 million).

### c. Reserve for equity investments accounted for using equity method – *EUR (67) 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 a drop of EUR 17 million which is primarily due to the net appreciation of the Group functional currency against the Russian ruble used by the Russian associated companies Severenergia and Rusenergosbyt.

### d. Reserve from translation of financial statements in currencies other than euro – *EUR (452) million*

The decrease in this aggregate for the year totaling EUR 157 million is attributable to the appreciation of the functional currency against the foreign currencies used by subsidiaries between two reporting periods (in particular the Russian ruble and the Romanian leu).

### e. Reserve for employee benefits – *EUR (17) million*

The decrease for EUR 17 million is attributable to the restatement of IAS 19 Employee Benefits (IAS 19R). The new standard, endorsed by European Commission in June 2012, is applicable retrospectively for annual periods beginning on 1 January 2013.

# Non-current liabilities

## 15. Non-current liabilities – *EUR 1.666 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 2013 compared to 31 December 2012, grouped by loan and interest rate type:

| Millions of euro | Maturing | Balance | Nominal value | Balance | Nominal value | Current portion | Portion falling due at more than 12 months | Maturing in | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **30 June 2013** | | 31 Dec. 2012 | | | | 2014 2nd half | 2015 | 2016 | 2017 | Beyond |
| **Bonds:** | | | | | | | | | | | | |
| - listed, fixed rate | 2.023 | 414 | 417 | 521 | 523 | - | 414 | 116 | - | - | - | 298 |
| **Bank loans:** | | | | | | | | | | | | |
| - fixed rate | 2026 | 290 | 301 | 300 | 311 | 18 | 272 | 21 | 30 | 33 | 31 | 157 |
| - floating rate | 2021 | 100 | 101 | 106 | 107 | 14 | 86 | 11 | 14 | 13 | 12 | 36 |
| - use of revolving credit lines | | 140 | 140 | 124 | 124 | - | 140 | 23 | 117 | - | - | - |
| **Non-bank loans:** | | | | | | | | | | | | |
| - with related parties | | 22 | 22 | 25 | 25 | - | 22 | 22 | - | - | - | - |
| **Total** | | **966** | **981** | **1.076** | **1.090** | **32** | **934** | **193** | **161** | **46** | **43** | **491** |

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 2013** | | 31 Dec. 2012 | 30 June 2013 | |
| Euro | 710 | 724 | 729 | 4,2% | 4,0% |
| Russian Ruble | 256 | 257 | 347 | 8,1% | 8,1% |
| **Total** | **966** | **981** | **1.076** | | |

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 Dec. 2012 | | | | **30 June 2013** |
| Bonds | 523 | (93) | - | (13) | 417 |
| Bank loans | 542 | (16) | 23 | (7) | 542 |
| Non-banks loans with related parties | 25 | (3) | - | - | 22 |
| **Total financial debt** | **1.090** | **(112)** | **23** | **(20)** | **981** |

"Provisions for risk and charges" including their current portion amounted to EUR 174 million with an increase over 31 December 2012 (up EUR 113 million) primarily due to the set up pf the provision for litigation (EUR 125 million) in Enel Investment Holding. The following table provides a breakdown of this aggregate:

| Millions of euro | **30 June 2013** | 31 Dec. 2012 | Change |
|---|---|---|---|
| **Provision for risk and charges:** | | | |
| - production order charges | 9 | 12 | (3) |
| - termination incentive | 17 | 22 | (5) |
| - other | 148 | 27 | 121 |
| **Total** | **174** | **61** | **113** |

**Other non-current liabilities** comprise post-employment and other employees benefits for EUR 81 million, other non-current liabilities totalling EUR 159 million and deferred tax liabilities for EUR 457 million.

## Current liabilities

### 16. Current liabilities – *EUR 1.878 million*

**Short-term loans** rose to EUR 387 million from EUR 366 million recorded at 31 December 2012 due to the rise of the short-term revolving facility agreed upon with Enel Finance International NV (EUR 89 million), part of which has been used for reimbursing the intercompany current account held by the Company with Enel S.p.A. (EUR 66 million as at 31 December 2012).

**Other Current liabilities** include trade payables for EUR 277 million (EUR 458 million at 2012 year end), current financial liabilities for EUR 24 million and other current liabilities totalling EUR 1.019 million (EUR 1.054 million at 31 December 2012).

### 17. Liabilities held for sale– *EUR 236 million*

Millions of euro

| | **30 June 2013** | 31 Dec. 2012 | Change |
|---|---|---|---|
| Medium/Long term loans | 225 | 235 | (10) |
| Deferred tax liabilities | 6 | 6 | - |
| Other non-current liabilities | 1 | 3 | (2) |
| Trade payables | - | 40 | (40) |
| Other current financial liabilities | 4 | - | 4 |
| **Total** | **236** | **284** | **(48)** |

"Liabilities held for sale", detailed in the table above, totaled EUR 236 million as of 30 June 2013 and it exclusively relates to Marcinelle.

## 18. 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 | Payables | Cost | Income |
| | 30 june 2013 | 30 june 2013 | 1st Half | |
| **Shareholder** | 43 | 35 | 8 | 1 |
| Enel Spa | | | | |
| **Associated Company** | | | | |
| Rusenergosbyt LLC | - | - | - | 7 |
| **Other affiliated companies** | | | | |
| Enel Produzione | 1 | 5 | 1 | - |
| Enel Trade | 44 | 6 | 11 | 102 |
| Enel Finance International | 422 | 642 | 8 | 9 |
| Enel Green Power France | 29 | 1 | - | 1 |
| Total Electric | - | 1 | 2 | - |
| Elcomex | - | - | 2 | - |
| Enel Green Power Romania | 2 | 8 | 29 | - |
| Enel Servizi | 1 | 7 | 1 | - |
| Enel Ingegneria e Innovazione | - | 20 | 2 | - |
| Blu Line Valea Nucarilor | 1 | 2 | 8 | - |
| Enel Trade Romania | - | 2 | 16 | - |
| | **543** | **729** | **88** | **120** |

| | Balance sheet | | Income statement | |
|---|---|---|---|---|
| | Receivables | Payables | Cost | Income |
| | 31 dec 2012 | 31 dec 2012 | 2012 | |
| **Shareholder** | | | | |
| Enel Spa | 9 | 111 | 11 | - |
| **Other affiliated companies** | | | | |
| Enel Produzione | 1 | 5 | 2 | - |
| Enel Trade | 61 | 48 | 74 | 191 |
| Enel Finance International | 475 | 326 | 24 | 16 |
| Enel Green Power France | 31 | - | - | 2 |
| Enel Distribuzione | - | 18 | 2 | - |
| Enel Energia | - | 4 | - | - |
| Enel Green Power Romania | 1 | 7 | 38 | - |
| Enel Green Power International | - | - | - | - |
| Enel Servizi | 1 | 10 | 4 | - |
| Enel Ingegneria e Innovazione | - | 50 | 2 | - |
| Blu Line Valea Nucarilor | - | 2 | 9 | - |
| | **580** | **585** | **205** | **221** |

## 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 2013, amounted to EUR 38 thousand (EUR 34 thousand in 2012) and they are summarized in the following table:

| (all amounts in thousands of Euro) | **30 June 2013** | 30 June 2012 |
|---|---|---|
| Mr. A.J.M. Nieuwenhuizen | **9** | 10 |
| Mr. F. Mauritz | **9** | 8 |
| Mr. H. Marseille | **9** | 8 |
| Mr. K.J. Schell | **8** | 8 |
| Mr. E Di Giacomo | **3** | - |
| Mr. M. Salemme | **-** | - |
| Mr. C. Palasciano Villamagna | **-** | - |
| Mr. C. Tamburi | **-** | - |
| Mr. L. Ferraris | | |
| Mr. A. Brentan | **-** | - |
| | **38** | 34 |

## 19. Contractual commitments and guarantees

The contractual commitments and guarantees as of 30 June 2013 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%). During 2012, certain fiscal risks related to the capitalization were identified in the Credit Facility Agreement; the remediation to such risks was identified in the assignment of the Credit Facility Agreement from Severnergia to Articgas. On February 26$^{th}$, 2013, a second comfort letter was issued in favour of Articgas, reproducing the same commitments contained in the first comfort letter released in favour of Severnergia. On April 1 2013, the banks suspended the lending to Articgas and threatened to call the loan after 180 days from the receipt of the above mentioned letter by Articgas, if Articgas did not take concrete steps in order to reduce the credit risks of the project. After a thorough discussion between Articgas, its shareholders and the Banks, the possible solution to the issue was identified in the signing of a third comfort letter by Articgas indirect shareholders. On April 24, 2013 the third comfort letter was signed on behalf of the Company by reverting to the joint signature of two managing directors as form of full legal representation;

- 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. Due to the revised capital expenditure planning of the Enel Group, Enel OGK-5 requested Nooter Eriksen to postpone the ex works delivery date and maintain the property of the heat recovery steam generator (HRSG) until December 31$^{st}$ , 2015. Nooter Eriksen has replied to the proposal by indicating to Enel OGK-5 a specific methodology for the preservation of the equipment, meant to mitigate the risks associated to the prolonged storage period. Finally the parties, on June 4$^{th}$, 2013 executed the Addendum n. 4 to the Supply Agreement whereby they agreed that the Company and Enel OGK-5 shall issue a second parent company guarantee which shall materially replace the First Comfort Letter and reproduce each and any guarantee obligation indicated in the First Comfort Letter for a cumulative amount of EUR 25 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. On 25 January and on 24 August 2012 the EnergoNuclear S.A. Bod of resolution has approved two Share Capital Increases pertaining to EIH for EUR 457.500 each one, bringing the final equity investment in the Company to EUR 5,8 million.

• 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 (excercised on December 4$^{th}$, 2012) granted to minority shareholders was estimated at around EUR 778 million.

•In October 2011 the Company resolved to issue a guarantee for an unlimited amount 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 Production Sharing Contract (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.

## 20.Contingent liabilities

### Legal case Enel OGK5 - Iberdrola Group

An overseas contractor of Enel OGK5 belonging to Spanish energy Group Iberdrola has commenced an action against Enel OGK5 claiming to an arbitrary court losses and damages associated with the equipment idle time. On its turn Enel OGK5 also filed a counter claim for losses due to failure by the contractor to meet scheduled construction timeline.

The audition of this case is expected at the beginning of 2014 and first court decision within six months after the date of audition.

The Group has been advised by its legal counsel that it is only possible, but not probable, that either action will succeed. Accordingly, no provision for any liability has been made in these financial statements.

### Legal case Enel Investment Holding B.V. – Electrica SA

On 5 July 2013, the Romanian state-controlled company Electrica SA notified Enel SpA, Enel Investment Holding BV (EIH), Enel Distributie Muntenia SA and Enel Energie Muntenia SA of a request for arbitration, setting out a series of demands for damages for alleged breach of contractual obligations contained in the agreements between the parties on the occasion of the disposal of a controlling interest in Electrica Muntenia Sud (which was subsequently split into Enel Distributie Muntenia and Enel Energie Muntenia).

The interest was acquired by Enel in 2008 in the privatization of Electrica Muntenia Sud and other companies operating in the Romanian electrical industry. Following the operation, Electrica nevertheless retained a non-controlling interest.

The demands for damages advanced by Electrica are based on its application of penalties in the amount of about EUR 715 million plus interest and additional unspecified claimed damages.

As provided for in the contractual documentation, the arbitration proceeding will be held in Paris and will be governed by the rules of the International Chamber of Commerce. The proceeding is currently in the initial stages and the arbitration board has not yet been appointed. In the meantime, Enel is preparing its defense.

## 21. 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 2013

# Enel Investment Holding B.V. non-consolidated income statement for the period ended 30 June 2013

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

| Millions of euro | *Notes* | 1st Half | |
|---|---|---|---|
| | | **2013** | 2012 |
| **Revenues** | | | |
| Revenues from sales and services | | - | - |
| Other revenues | *25* | 1 | - |
| | *[Subtotal]* | **1** | - |
| **Costs** | | | |
| Services | | 1 | 1 |
| Depreciation, amortization and impairment losses | *26* | 5 | - |
| Other operating expenses | *26* | 125 | - |
| | *[Subtotal]* | **131** | **1** |
| **Operating Income** | | **(130)** | **(1)** |
| Income/Loss from equity investments | *27* | 52 | 63 |
| Financial Income | *28* | 8 | 9 |
| Financial expense | *28* | (12) | (14) |
| | *[Subtotal]* | 48 | 58 |
| **Income/(Loss) before taxes** | | **(82)** | **57** |
| Income Taxes | | - | - |
| **NET INCOME/(LOSS) FOR THE PERIOD (attributable to the shareholders)** | | **(82)** | **57** |

The Notes on pages 61 to 82 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 2013

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

| Millions of euro | Notes | 1st Half | |
|---|---|---|---|
| | | **2013** | 2012 |
| **Net income/(loss) for the period** | | **(82)** | 57 |
| **Other comprehensive income recyclable to profit or loss:** | | | |
| Change in the fair value of financial investments available for sale | | (30) | (186) |
| **Income/(Loss) recognized directly in equity** | *33* | **(30)** | **(186)** |
| **Comprehensive income for the period** | | **(112)** | **(129)** |
| Attributable to: | | | |
| - Equity shareholders of the Company | | **(112)** | **(129)** |

The Notes on pages 61 to 82 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 2013

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

| Millions of euro | *Notes* | | |
|---|---|---|---|
| **ASSETS** | | **30 June 2013** | 31 Dec. 2012 |
| Equity investments in subsidiaries and associates companies | *29* | 5.107 | 5.107 |
| Equity investments available for sale | *30* | 197 | 227 |
| Equity investments in other companies | *29* | 6 | 6 |
| Other non- current financial assets | *31* | 296 | 296 |
| | *(Total)* | **5.606** | **5.636** |
| **Current assets** | | | |
| Current financial assets | *32* | 55 | 17 |
| Other current assets | | 1 | 2 |
| | *(Total)* | **56** | **19** |
| **Assets classsified as held for sale** | | **3** | **8** |
| **TOTAL ASSETS** | | **5.665** | **5.663** |

The Notes on pages 62 to 82 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 2013

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

| Millions of euro | *Notes* | | |
|---|---|---|---|
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | **30 June 2013** | 31 Dec. 2012 |
| **Equity attributable to the shareholders of the Parent Company** | *33* | | |
| Share capital | | 1.593 | 1.593 |
| Share premium | | 2.410 | 2.410 |
| Fair value reserve - Available for sale | | 157 | 187 |
| Retained earmings (losses carried forward) | | (28) | 12 |
| Net income for the period | | (82) | (40) |
| **TOTAL SHAREHOLDERS' EQUITY** | | **4.050** | **4.162** |
| **Non-current liabilities** | | | |
| Long-term loans | *34* | 298 | 297 |
| Provisions for risks and charges | *35* | 125 | - |
| Other non-current liabilities | | 8 | 7 |
| | *(Subtotal)* | **431** | **304** |
| **Current liabilities** | | | |
| Current financial liabilities | *36* | 404 | 379 |
| Other current liabilities | *37* | 780 | 818 |
| | *(Subtotal)* | **1.184** | **1.197** |
| **TOTAL LIABILITIES** | | **1.615** | **1.501** |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | | **5.665** | **5.663** |

The Notes on pages 61 to 82 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 2013

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

| Millions of euro | Share capital | Share premium reserve | Available-for-sale reserve [1] | Retained earnings/(losses carried forward) | Net income for the period | **Total shareholders’ equity** |
|---|---|---|---|---|---|---|
| **at 1 January 2012** | **1.593** | **2.410** | **482** | **(156)** | **168** | **4.497** |
| Profit appropriation | - | - | - | 168 | (168) | - |
| Comprehensive income for the period of which: | | | | | | |
| 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** |
| **at 1 January 2013** | **1.593** | **2.410** | **187** | **12** | **(40)** | **4.162** |
| Profit appropriation | - | - | - | (40) | 40 | - |
| Comprehensive income for the period of which | | | | | | |
| Net income/(loss) for the period recognized in equity | - | - | (30) | - | - | (30) |
| Net income/(loss) for the period | - | - | - | - | (82) | (82) |
| **at 30 June 2013** | **1.593** | **2.410** | **157** | **(28)** | **(82)** | **4.050** |

[1] This reserve is not freely distributable

The Notes on pages 61 to 82 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 2013

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

| Millions of euro | 1st Half | |
|---|---|---|
| | **2013** | 2012 |
| **Cash flows from operating activities (a)** | **(42)** | **(18)** |
| Dividend received | 52 | 63 |
| Investments in equity investments | - | (1) |
| Divestments in equity investments | - | 28 |
| **Cash flows from investing/disinvesting activities (b)** | **52** | **90** |
| Loan and borrowings (borrowed) | 90 | - |
| **Cash flows from financing activities (c)** | **90** | **-** |
| **Increase/(Decrease) in cash and cash equivalents (a+b+c)** | **100** | **71** |
| Cash and cash equivalents at beginning of the period [1] | (66) | (470) |
| Cash and cash equivalents at the end of the period [1] | 34 | (399) |

[1] It also includes the balance of intercompany current account held with Enel S.p.A.

The Notes on pages 61 to 82 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 2013

## 22. 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 30 July 2013.

### 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;

The accounting policies as well as the recognition and measurement criteria adopted in preparing the interim non-consolidated financial statement at 30 June 2013 are consistent with those used to prepare the non-consolidated financial statement at 31 December 2012, 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 2012.

### 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.

## 23. Summary of significant accounting policies

Please see page 28 to 30 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 2013 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. 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 28 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 5 of the notes to the consolidated financial statements.

## 24. 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.

### 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. Furthermore, in November 2012 the Company entered into a short term revolving facility (hereafter: RFA) with Enel Finance International NV. In January 2013, RFA was amended with an increase of the total commitment from the aggregate amount up to EUR 300 million to the aggregate amount up to EUR 430 million starting from 31 January 2013.

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. As of 30 June 2013 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. As of 30 June 2013 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 2013 | 31 Dec. 2012 |
|---|---|---|
| Total Equity | 4.050 | 4.162 |
| Fair value reserve - Available for sale | 157 | 187 |
| Adjusted Equity | 3.893 | 3.975 |
| Net Income | (82) | (40) |
| **Return of capital (*)** | **- 2%** | **- 1%** |

* 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

### 25. Revenues from sales and services – *EUR 1 million*

Other revenues mainly relate to the service fees recharged to other Enel Group Dutch companies according to contracts duly signed and agreed upon.

## Costs

### 26.a Depreciation, amortization and impairment losses – *EUR 5 million*

| Millions of euro | 1st Half | | |
|---|---|---|---|
| | **2013** | 2012 | Change |
| Depreciation | - | - | - |
| Amortization | - | - | - |
| Impairment losses | 5 | - | 5 |
| **Total** | **5** | **-** | **5** |

Impairment losses exclusively refer to the impairment loss in the equity investment in Marcinelle following the decision to dispose of this subsidiary and the subsequent alignment of its carrying amount with its fair value net of selling costs as of 30 June 2013 (EUR 5 million).

### 26.b Other operating expenses – *EUR 125 million*

The item exclusively relates to the increase in the provision for litigation (EUR 125 million) which reflects a number of new disputes with partners concerning acquisitions made in previous years.

### 27. Income/(loss) from equity investments – *EUR 52 million*

This item refers to dividends resolved by Res Holdings BV equal to EUR 52 million and collected by the Company (EUR 62 million in the first half 2012), as detailed below:

| Millions of euro | 1st Half | | |
|---|---|---|---|
| | **2013** | 2012 | Change |
| Res Holdings B.V. | 52 | 62 | (10) |
| Pragma | - | 1 | (1) |
| **Total** | **52** | **63** | **(11)** |

## 28. Financial income/(expense) – *EUR (4) million*

| Millions of euro | 1st Half | | |
|---|---|---|---|
| | **2013** | 2012 | Change |
| **Interest and other income from non-current financial assets:** | | | |
| - Assumption of GMTN bond - Enel Finance International N.V. | 8 | 9 | (1) |
| **Total income** | **8** | **9** | **(1)** |
| | | | |
| **Interest and other charges on non-current financial debt:** | | | |
| - Interest on GMTN bonds | 8 | 8 | - |
| **Interest and other charges on current financial debt:** | | | |
| - Intercompany current account - Enel S.p.A | - | 6 | (6) |
| - Revolving Facility Agreement - Enel Finance International NV | 4 | - | 4 |
| **Total charges** | **12** | **14** | **(2)** |
| **Total** | **(4)** | **(5)** | **1** |

# Information on the non-consolidated financial position

## Assets

### Non-current assets

#### 29. Equity investments – *EUR 5.107 million*

The following table shows the changes occurred during the first half year 2013 for each equity investment held by the Company in subsidiaries, associates, joint ventures and other companies:

| Millions of euro | Original cost | (Write downs)/ revaluations | Reclassified to held for sale | Carrying amount | %Holding | Impairment | Other changes | Acquisitions/disposals | Capital contributions/reimbursement | Adjustment of value of *put option* | Net change | Original cost | (Write downs)/ revaluations | Reclassified to held for sale | Carrying amount | %Holding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 31 Dec. 2012 | | | | | Changes in 2013 | | | | | | 30 June 2013 | | |
| **A) Subsidiaries** | | | | | | | | | | | | | | | | |
| Pragma Energy S.A. | 6,5 | - | - | **6,5** | 100,0% | - | - | - | - | - | - | 6,5 | - | - | **6,5** | 100,0% |
| Enelco S.A. | 27,4 | (17,8) | - | **9,6** | 75,0% | - | - | - | - | - | - | 27,4 | (17,8) | - | **9,6** | 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 Gas Rus LLC | 9,1 | (5,0) | - | **4,1** | 100,0% | | - | - | - | - | - | 9,1 | (5,0) | - | **4,1** | 100,0% |
| Enel Productie SRL (GPI) | 6,0 | - | - | **6,0** | 100,0% | - | - | - | - | - | - | 6,0 | - | - | **6,0** | 100,0% |
| 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. | 1399,7 | - | - | **1.399,7** | 64,4% | - | - | - | - | - | - | 1399,7 | - | - | **1.399,7** | 64,4% |
| Enel Energie Muntenia S.A. | 247,0 | - | - | **247,0** | 64,4% | - | - | - | - | - | - | 247,0 | - | - | **247,0** | 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 | 0,1 | - | - | **0,1** | 28,5% | - | - | - | - | - | - | 0,1 | - | - | **0,1** | 28,5% |
| **Total subsidiaries** | **4.690,1** | **(24,1)** | **-** | **4.666,0** | | **-** | **-** | **-** | **-** | **-** | **-** | **4.690,1** | **(24,1)** | **-** | **4.666,0** | |
| **B) Associated companies** | | | | | | | | | | | | | | | | |
| Res Holdings B.V. (49,5%) | 84,1 | - | - | **84,1** | 49,5% | – | – | – | – | – | - | 84,1 | - | - | **84,1** | 49,5% |
| Enel Insurance NV (50%) | 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) Equity investment Held for sale** | | | | | | | | | | | | | | | | |
| Marcinelle Energie SA | 131,6 | (123,3) | - | **8,3** | 100,0% | (5,4) | - | - | - | - | (5,4) | 131,6 | (128,7) | - | **2,9** | 100,0% |
| **Total Equity investment Held for sale** | **131,6** | **(123,3)** | **-** | **8,3** | **100,0%** | **(5,4)** | **-** | **-** | **-** | **-** | **(5,4)** | **131,6** | **(128,7)** | **-** | **2,9** | **100,0%** |
| **Total** | **5.262,3** | **(147,4)** | **-** | **5.114,9** | | **(5,4)** | **-** | **-** | **-** | **-** | **(5,4)** | **5.262,3** | **(152,8)** | **-** | **5.109,5** | |

## 29.a Investments in subsidiaries

### Pragma Energy

Pragma Energy S.A., existing under the laws of Switzerland, was originally engaged in the coal trading business in the international markets but at present this activity is being performed by other Enel Group companies. In December 2012 the Board of Directors of the Company has decided to dissolve it and the liquidation procedure is still ongoing.

### Enelco

This Greek company, established by Enel SpA in November 2006, was engaged in the construction of a combined cycle gas plant of 430 Mw at Livadia in Central Greece.

In December 2010 the Board of Directors approved the cancellation of the project further to several constraints encountered. 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.

Accordingly the new text of the articles of association of Enelco, states that the objects are the design, procurement, construction, expansion, maintenance and operation of thermoelectric and photovoltaic power plants in Greece and any commercial and industrial activity linked to them.

On 16 April 2012 a share capital decrease from EUR 7,16 million to EUR 60.109 has been approved becoming effective in September 2012 and resulting in a repayment of EUR 5,3 million from Enelco to the Company.

### Enel France

The company, having its registered office in France, operates primarily as electricity trader in France buying electricity from Electricitè de France (EdF) and from the market.

In December 2012 Enel Group has notified the exercise of its exit right on its participation in the project in EPR (European Pressurized Reactor) nuclear power plant project in Flamanville, as well as in other five power plants in France, thus terminating the Strategic Partnership Agreement the two companies agreed upon in November 2007.

Neverthless Enel France will continue to operate on the French market keeping access to MW anticipated capacity still granted by EDF.

### 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.

### Enel Gas Rus

Enel 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.

On 26 March 2012 the Enel Rus Llc's Ordinary General Meeting approved the change of the name into Enel Gas Rus Llc.

### Enel Albania

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. After giving up the project Management has decided to start its liquidation which is still underway as of 30 June 2013.

### Linea Albania-Italia

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. After giving up the project Management has decided to start its liquidation procedure that has been completed in early July 2013 with the transfer of its remaining funds (EUR 0,1 million) to the Company.

### Enel Romania

Enel Romania Srl, wholly owned by the Company, provides management services for all other companies within Enel Group located in Romania.

### Enel Productie

Enel Productie, established in March 2008, is responsible for the construction of a coal power plant in the free Trade Zone of the city of Galati, under the terms of the Cooperation Agreement signed with Global International 2000 and Romelectro.

In June 2012 the Company resolved in an equity contribution divided into a share capital increase for LEI 0,2 million (EUR 44.843) and a share premium increase for LEI 4,9 million (EUR 1,1 million), bringing the equity investment in the company to EUR 6 million as of 31 December 2012.

### Enel Distributie Dobrogea

Enel Distributie Dobrogea S.A., held by the Company at 51%, distributes electricity in the eastern Romanian counties of Constanta, Tulcea, Calarasi and Ialomita.

### Enel Distributie Banat

Enel Distributie Banat S.A., held by the company at 51%, distributes electricity in the eastern Romanian counties of Timisoara, Arad, Hunedoara and Caras-Serverin.

### Enel Energie

Enel Energie S.A., held by the Company at 51%, 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 customers.

### Enel Distributie Muntenia

This subsidiary, based in Romania, is owned by the Company for 64,4% and performs the distribution of electricity in Bucharest, Ilfov and Giurgiu counties.

In December 2009 Enel S.p.A. contributed 64,43% to the Company of its shares 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. (and its shareholders employees) has the right to ask the Company to purchase till to

23,57% of the shares in Enel Distributie Muntenia S.A. Total debt associated with the exercise of the put option amounts to EUR 661 million as at 30 June 2013.

### Enel Energie Muntenia

This subsidiary, based in Romania, is owned by the Company for 64,4% and supplies electricity to both regulated and free market consumers whose place of consumption is in the location determined by Enel Distributie Muntenia S.A.'s distribution license.

In December 2009 Enel S.p.A. contributed 64,43% to the Company of its shares in the Romanian company Enel Distributie 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. (and its shareholders employees) has the right to ask the Company to purchase till to 23,57% of the shares in Enel Energie Muntenia S.A. Total debt associated with the exercise of the put option amounts to EUR 117 million as at 30 June 2013.

## 29.b Associated companies

### Res Holding

In June 2006 the Company bought 49,5% of the shares in Res Holding B.V., a company existing under the laws of the Netherlands which owns 100% of the shares in the Russian electricity trading company, Rusenergosbyt Llc.

### Artic Russia

In March 2007 the Company bought 40% of the shares in Artic Russia B.V., based in the Netherlands, which hold 49% of the shares in the Russian processing and transport of gas and oil company, SeverEnergia.

### Enel Insurance

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.) in August 2011 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.

On 28 June 2012 Enel.Re N.V. was renamed Enel Insurance N.V.

## 29.c Equity investments held for sale

### Marcinelle

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. for EUR 86 million by converting an existing financial receivable into a new equity investment increase.

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". In December 2012 this put option has been executed by Duferco for EUR 36 million while the payment was carried out in January 2013.

Moreover the management of Enel Group has decided to sell its entire 100% stake in Marcinelle and accordingly the equity investment has been reclassified to "assets held for sale" on a separate line of financial position of Enel Investment Holding B.V. as from 31 December 2012. The selling procedure is foreseen to be completed in 2013.

## 30. Equity investments available-for-sale – *EUR 197 million*

The following table lists equity investment classified as available for sale at 30 June 2013 and 31 December 2012.

Millions of euro

| | 30 June 2013 | | | | | 31 Dec. 2012 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Name | Cost Price | recognized in equity | Accumulated Impairment | Fair Value | % Held | Cost Price | recognized in equity | Accumulated Impairment | Fair Value | % Held |
| Echelon | 20 | (15) | - | 5 | 7,9 | 20 | (14) | - | 6 | 7,9 |
| PT Bayan Resources | 138 | 172 | (118) | 192 | 10,0 | 138 | 201 | (118) | 221 | 10,0 |
| **Total** | **158** | **157** | **(118)** | **197** | | **158** | **187** | **-** | **227** | |

### 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 recorded directly in other comprehensive income.

## Bayan Resources

The 10% stake in corporate capital of 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.

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.

Shares in Bayan Resources T.b.k. are recognized at fair value with any gains or losses recorded directly in other comprehensive income.

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

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

## 32. Current financial assets – *EUR 55 million*

Millions of euro

| | 30 June 2013 | 31 Dec. 2012 | Change |
|---|---|---|---|
| **Financial receivables due from Group companies:** | | | |
| - accrued income on GMTN debt assumption | 12 | 4 | 8 |
| - intercompany current amount with Enel SpA | 34 | - | 34 |
| **Financial receivables due from others:** | | | |
| - other financial receivables | 9 | 13 | (4) |
| **Total** | **55** | **17** | **38** |

The rise in the intercompany current account held with Enel S.p.A. (EUR 34 million) was essentially due to cash rebalancing with a new short-term revolving facility agreed upon with Enel Finance International NV and to dividends collected form subsidiaries in 2013.

Other financial receivables due from others relate toa financial receivable from ContourGlobal LLP after the sale of Bulgarian companies (EUR 8 million). In June 2013, ContourGlobal LLP paid the first tranche of EUR 4 million to the Company.

# Liabilities and shareholders' equity

## 33. Shareholders' equity – *EUR 4.050 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 157 million*

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

## Non-current liabilities

## 34. Long-term loans – *EUR 298 million*

| Millions of euro | Maturing | Carrying amount | Nominal value | Carrying amount | Nominal value |
|---|---|---|---|---|---|
| | | 30 June 2013 | | 31 Dec. 2012 | |
| **Bonds:** | | | | | |
| - listed, fixed rate 5,25% | 2023 | 298 | 300 | 297 | 300 |

At 30 June 2013 the Company had one outstanding issued bond, listed on the Luxembourg stock exchange, for a nominal value of EUR 300 million maturing 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.

## 35. Provision for risks and charges – *EUR 125 million*

The increase in the provision for litigation reflects a number of new disputes with partners concerning acquisitions made in previous years (EUR 125 million).

## Current liabilities

### 36. Current financial liabilities – *EUR 404 million*

Millions of euro

| | 30 June 2013 | 31 Dec. 2012 | Change |
|---|---|---|---|
| Intercompany current account with Enel Spa | - | 66 | (66) |
| Revolving Facility Agreement with Enel Finance International NV | 389 | 300 | 89 |
| Accrued expenses on GMTN bond | 12 | 4 | 8 |
| Accrued expenses from Enel Finance International NV | 1 | - | 1 |
| Accrued expenses from Shareholder | 2 | 9 | (7) |
| **Total** | **404** | **379** | **25** |

The significant decrease in the negative balance of the intercompany current account held by the Company with Enel S.p.A. (EUR 66 million) was essentially due to the new short-term revolving facility agreed upon with Enel Finance International NV draw-down for EUR 389 million as at 30 June 2013.

### 37. Other current liabilities – *EUR 780 million*

Millions of euro

| | 30 June 2013 | 31 Dec. 2012 | Change |
|---|---|---|---|
| Payables owed to related parties: | | | |
| - shareholder | 2 | 4 | (2) |
| Payables due to third parties: | | | |
| - Put option liability - Marcinelle Energie S.A. | - | 36 | (36) |
| - Put option liability - Enel Distributie Muntenia S.A. | 661 | 661 | - |
| - Put option liability - Enel Energie Muntenia S.A. | 117 | 117 | - |
| **Total** | **780** | **818** | **(38)** |

"Other current liabilities" mainly relate to the put options granted to minority shareholders of already owned entities Enel Distributie Muntenia S.A. (23,6%) and Enel Energie Muntenia S.A. (23,6%) as specified in the table above.

Being exercised the put option right over Muntenia companies by Electrica the fair value of the put option as at 30 June 2013 is equal to zero (zero as of 31 December 2012) and therefore the amount of current payables accounted for by the Company in its separate financial position is now totally aligned with its related consolidated current liability as of 30 June 2013 (oEUR 778 million).

In December 2012, the "put option" of Marcinelle has been executed by Duferco for EUR 36 million with the payment carried out in early January 2013.

## 38. 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 2013 and 31 December 2012 respectively.

| Millions of euro | Receivables | Payables | Cost | Income | Dividends |
|---|---|---|---|---|---|
| | **30 June 2013** | | **1st Half 2013** | | |
| **Shareholder:** | | | | | |
| Enel S.p.A | 34 | 2 | 1 | - | - |
| **Associated Companies:** | | | | | |
| Res Holding B.V. | - | - | - | - | 52 |
| **Other affiliated companies:** | | | | | |
| Enel Finance International NV | 309 | 390 | 4 | 8 | - |
| **Total** | **343** | **392** | **5** | **8** | **52** |

| Millions of euro | Receivables | Payables | Cost | Income | Dividends |
|---|---|---|---|---|---|
| | **31 Dec. 2012** | | **2012** | **2012** | **2012** |
| **Shareholder:** | | | | | |
| Enel S.p.A | - | 77 | 10 | - | - |
| **Subsidiaries:** | | | | | |
| Pragma | - | - | - | - | 1 |
| **Associated Companies:** | | | | | |
| Res Holding B.V. | - | - | - | - | 85 |
| **Other affiliated companies:** | | | | | |
| Enel Finance International N.V. | 302 | 300 | - | 18 | - |
| **Total** | **302** | **377** | **10** | **18** | **86** |

## 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 38 thousand (EUR 34 thousand in 2012) and are summarized in the following table:

| (all amounts in thousands of Euro) | **30 June 2013** | 30 June 2012 |
|---|---|---|
| Mr. A.J.M. Nieuwenhuizen | **9** | 10 |
| Mr. F. Mauritz | **9** | 8 |
| Mr. H. Marseille | **9** | 8 |
| Mr. K.J. Schell | **8** | 8 |
| Mr. E. Di Giacomo | **3** | - |
| Mr. M. Salemme | **-** | - |
| Mr. C. Palasciano Villamagna | **-** | - |
| Mr. C. Tamburi | **-** | - |
| Mr. L. Ferraris | | |
| Mr. A. Brentan | **-** | - |
| | **38** | 34 |

## 39. Subsequent events

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

Amsterdam, 30 July 2013

The Board of Directors:

L. Ferraris

A. Brentan

M. Salemme

C. Tamburi

C. Palasciano

H. Marseille

F. Mauritz

A.J.M. Nieuwenhuizen

E. Di Giacomo

## 40. 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 2013

Below is a list of the subsidiaries and associates of Enel Investment Holding B.V. at 30 June 2013. 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 2013

| Company name | Registered office | Country | Activity | Share capital | Currency | Held by | % holding | Group % holding |
|---|---|---|---|---|---|---|---|---|
| | | | | **30 June 2013** | | | | |
| **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 | 20.110.200 | 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<br>Enel Distributie Dobrogea SA | 50,00%<br>50,00% | 51,00% |
| Enelco SA | Athens | Greece | Plant construction, operation and maintenance | 60.108 | 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 | 100,00% | 100,00% |
| OGK-5 Finance LLC | Moscow | Russian Federation | Finance | 10.000.000 | RUB | Enel OGK-5 OJSC | 100,00% | 56,43% |
| 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<br>Enel OGK-5 OJSCC | 0,01 %<br>99,99% | 56,43% |
| Sociètè 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 2013

| Company name | Registered office | Country | Activity | Share capital | Currency | Held by | % holding | Group % holding |
|---|---|---|---|---|---|---|---|---|
| | | | | **30 June 2013** | | | | |
| 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 | Rusenergosbyt LLC | 51,00% | 25,25% |
| Rusenergosbyt Siberia LLC | Krasnoyarskiy kray | Russian Federation | Electricity sales | 4.600.000 | RUB | Rusenergosbyt LLC | 50,00% | 24,75% |
| Rusenergosbyt Yaroslavl | Yaroslavl | Russian Federation | Electricity sales | 100.000 | RUB | Rusenergosbyt LLC | 50,00% | 24,75% |

## Other equity investments at 30 June 2013

| Company name | Registered office | Country | Activity | Share capital | Currency | Held by | % holding | Group % holding |
|---|---|---|---|---|---|---|---|---|
| | | | | **30 June 2013** | | | | |
| 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 | 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 2013

| Company name | Registered office | Country | Activity | Share capital | Currency | Held by | % holding | Group % holding |
|---|---|---|---|---|---|---|---|---|
| | | | **30 June 2013** | | | | | |
| 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 % |
| Pragma Energy SA | Lugano | Switzerland | Coal trading | 4.000.000 | CHF | Enel Investment Holding BV | 100,00% | 100,00 % |