Enel Investment Holding B.V.

Half-Year Financial Report as of 30 June 2011

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Interim Directors' report

General Information

Management of the company hereby presents its half-year financial report at and for the six months ended at 30 June 2011.

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 acting:

- in the electricity industry, including all the activities of generation, distribution and sale, as well as transmission;
- in network-based sectors (electricity, gas, district heating) on those which, in any case, provide urban services;
- in other sectors in any way related or connected with the activities carried out in the sectors above mentioned.

Group structure

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

Holding of the Group

Enel Investment Holding B.V.

International Division

-Enel Albania SHPK - *Albania*	100%
-Linea Albania-Italia SHPK - *Albania*	100%
-Marcinelle Energie SA - *Belgium*	80%
-Enel France Sas - *France*	100%
-Enel Lease - *France*	100%
-Societè Terre Ouest Eurl - *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%
-Enel Energie Muntenia S.A.- *Romania*	64%
-Enel Energie S.A. - *Romania*	51%
-Enel Distributie Dobrogea S.A.- *Romania*	51%
-Enel Distributie Banat S.A.- *Romania*	51%
-Enel Rus Llc - *Russia*	100%
-Enel OGK-5 OJSC (*) - *Russia*	56%
-Pragma Energy SA - *Switzerland*	100%
-Enel.Re Ltd. – *Ireland*	100%

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

Significant events in the first half of 2011

Sale of Bulgarian companies to ContourGlobal LP

The Company has executed the agreement reached in March 2011 with ContourGlobal LP ("ContourGlobal") related to the transaction for the sale to the same ContourGlobal of the entire share capital of the Netherlands–registered companies Maritza East III Power Holding B.V. and Enel Maritza O&M Holding Netherland B.V.. These companies own respectively 73% of the share capital of the Bulgarian company Maritza East 3 AD, owner of a lignite-fuelled power plant with an installed capacity of 908 MW ("Maritza"), and 73% of the share capital of the Bulgarian company Enel Operations Bulgaria AD, which is responsible for the operation and maintenance of the Maritza plant.

Located in the south-east of Bulgaria, Maritza accounts for approximately 10% of the country's total installed capacity. In 2010 it posted revenues of approximately 231 million euros and EBIT of approximately 69 million euro.

The Group disposed of the companies to ContourGlobal for an equity consideration of 230 million euro. The enterprise value at closing for 100% of the share capital of the companies sold is 545 million euro, corresponding to a value of 0.60 million euro per MW.

The transaction has been closed upon completing all necessary authorizations from the relevant authorities. The sale of Maritza is part of the disposal plan announced by Enel to the markets and will decrease Enel Group's total financial debt by about 460 million euro.

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:

2010

- management was committed to disposing of both Bulgarian operative companies through the sale of their Dutch holding companies (Maritza East III Power Holding B.V and Maritza O&M Netherlands B.V.). They were expected to be sold definitively within one year, so, according to IFRS 5, their net assets were reclassified to assets and liabilities held for sale as of 30 June 2010.

2011

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

Group performance on income statement

Millions of euro	Notes	1st Half		
		2011	2010	Change
Revenues		**1.710**	**1.495**	**215**
Costs		**1.320**	**1.168**	**152**
Gross operating income		**390**	**327**	**63**
Depreciation, amortization and impairment losses		175	127	48
Operating Income		**215**	**200**	**15**
Financial income		94	196	(102)
Financial expense		(141)	(195)	54
Total Financial Income/(Expense)		**(47)**	**1**	**(48)**
Share of gains/(losses) on investments accounted for using the equity method		**41**	**54**	**(13)**
Profit/(Loss) before taxes		**209**	**255**	**(46)**
Income taxes		41	52	(11)
Profit from continuing operations		**168**	**203**	**(35)**
Profit from discontinued operations		**-**	**-**	**-**
Net Profit (Group and minority interests)		**168**	**203**	**(35)**
Minority Interests		53	66	(13)
Group Net Profit		**115**	**137**	**(22)**

Revenues in the 1st half of 2011 increased by EUR 215 million, rising from EUR 1.495 million to EUR 1.710 million. The performance was essentially related to the following factors:

- an increase of EUR 187 million in revenues from the sale and transport of electricity, of which EUR 94 million pertaining to Enel France thanks to greater volumes of energy sold and EUR 87 million to Enel OGK5 which has benefited from higher energy sale prices, partially offset by lower revenues from Enel Distributie Muntenia because of decreasing volumes and tariffs occurred in 2011;
- a rise of EUR 30 million in revenues from other sales and services mainly attributable to the capital gain on the disposal of Bulgarian companies (EUR 13 million) and to higher revenues performed by Enel OGK5 (EUR 9 million).

Costs in the 1st half of 2011 amounted to EUR 1.320 million, up EUR 152 million over the corresponding period of 2010. The change is primarily attributable to higher costs for raw materials and consumables (EUR 130 million) due to higher volumes of energy purchased by Enel France further to an increase of its anticipated capacity (EUR 82 million) and to greater fuel purchase costs incurred by Enel OGK5 over the reporting period (EUR 53 million).

The **Gross Operating Income** rose by EUR 63 million to EUR 390 million thanks to:

- the capital gain realized on the sale of Bulgarian companies (EUR 13 million);
- higher margins performed by Enel OGK5 (EUR 41 million) which has benefited from greater energy sale prices during the first half of 2011.

Depreciation, amortization and impairment losses rose by EUR 48 million to EUR 175 million mainly because of impairment losses on tangible assets recorded after giving up a few ongoing projects while depreciation and amortization remained substantially unchanged.

Net financial expenses increased by EUR 48 million in the 1st half of 2011. This change is essentially caused by a decrease in the net exchange rate gains recognized by Enel OGK5 over its Euro-denominated loans (EUR 52 million).

The **share of gains/(losses) on investments accounted for using the equity method** showed a positive EUR 41 million, down EUR 13 million over 2010. The drop mainly reflects lower results arising from the associate Severenergia partially made up for higher performances of Rusenergosbyt LLC in the first half of 2011.

Income taxes dropped to EUR 41 million from EUR 52 million reported in the first half of 2010. This change is primarily due to the deferred taxation effect over the two reporting periods whereas current taxation is substantially in line with 2010 half-year.

Analysis of the Group's financial position

Millions of euro	Notes	**2011**	31 Dec. 2010	Change
Net non-current assets:				
Property, plant and equipment and intangible assets		4.697	4.479	218
Goodwill		1.778	1.757	21
method		397	457	(60)
Other net non-current assets/(liabilities)		507	392	115
Total		**7.379**	**7.085**	**294**
Net current assets:				
Trade receivables		313	386	(73)
Inventories		85	87	(2)
Other net current assets/(liabilities)		(702)	(756)	54
Trade payables		(532)	(424)	(108)
Total		**(836)**	**(707)**	**(129)**
Gross capital employed		**6.543**	**6.378**	**165**
Provisions:				
Post-employment and other employee benefits		(57)	(56)	(1)
Provisions for risks and charges		(204)	(229)	25
Net deferred taxes		(405)	(398)	(7)
Total		**(666)**	**(683)**	**17**
Net assets held for sale		**-**	**275**	**(275)**
Net Capital Employed		**5.877**	**5.970**	**(93)**
Total Shareholders' Equity		**5.722**	**5.525**	**197**
Net Financial Debt		**155**	**445**	**(290)**

Property, plant and equipment and intangible assets rose by EUR 218 million to EUR 4.697 million. This variation is primarily the result of capital expenditures carried out in the first half of 2011 (EUR 266 million) as well as the effect of positive exchange rate differences (EUR 48 million) partially offset by the recognition of depreciation, amortization and impairment losses incurred in the period (EUR 159 million).

Goodwill amounted to EUR 1.778 million, up EUR 21 million over 2010 year ended with the increase primarily due to the revaluation of Enel OGK5 goodwill after the depreciation of Euro against the Russian Rouble (EUR 14 million).

Equity investments accounted for using the equity method totaled EUR 397 million, down EUR 60 million on 31 December 2010. The fall is primarily connected to the variation of Other Comprehensive Income reserve during the first half of 2011 (EUR -60 million) as well as to dividends paid from Res Holding B.V. to the Company (EUR 42 million); these effects are partially offset by net income from associates amounting to EUR 42 million.

Net current assets came to a negative EUR 836 million, an increase of EUR 129 million compared to 31 December 2010 mainly due to the combined effect of lower trade receivables (EUR 73 million) and higher trade payables (EUR 108 million).

Provisions amounted to EUR 666 million, down EUR 17 million compared to 2010 year ended with the change mainly due to the reversal of provision for unauthorised water usage initially recognized during the purchase price allocation of Enel OGK5 (EUR 22 million).

Net assets held for sale amounted to nil as of 30 June 2011 after the sale of Bulgarian companies to ContourGlobal LP with effective date on 28 June 2011.

Net capital employed came to EUR 5.877 million at 30 June 2011, down 93 million over 31 December 2010; it is funded by shareholders' equity attributable to the Group and minority interests in the amount of EUR 5.722 million and by net financial debt totalling EUR 155 million. The debt-to-equity ratio at 30 June 2011 fell to 0,03 (compared with 0,08 as of 31 December 2010).

Net financial debt

Net financial debt and changes in the period are detailed in the table below:

Millions of euro	Notes	**2011**	31 Dec. 2010	Change
Long Term Debt:				
Bank loans		350	276	74
Bonds		520	395	125
Other loans from third parties		1	2	(1)
Other loans from Enel Group's Companies		490	532	(42)
Long-term debt		1.361	1.205	156
Long-term financial receivables and securities		(658)	(587)	(71)
Other m/l term financial receivables - Enel SpA		(328)	(329)	1
Net long-term debt		**375**	**289**	**86**
Short Term Debt:				
Short-term portion of long term bank debt		25	12	13
Other short-term bank debt		15	0	15
Short-term bank debt		40	12	28
Bonds (short-term portion)		124	123	1
Other loans form Third parties (short-term portion)		-	-	-
Intercompany current account - Enel SpA		574	819	(245)
Other short-term loans from Enel Group's Companies		-	-	-
Commercial Paper		-	-	-
Other short-term debt		698	942	(244)
Long term financial receivables (short-term portion)		(40)	(5)	(35)
Long-term financial receivables (short-term portion) Enel SpA and Enel Group		(8)	(17)	9
Cash and cash equivalents		(910)	(776)	(134)
Cash and cash equivalents and short-term financial receivables		(958)	(798)	(160)
Net short-term financial debt		**(220)**	**156**	**(376)**
NET FINANCIAL DEBT		**155**	**445**	**(290)**
NET FINANCIAL DEBT of "ASSETS HELD FOR SALE"		**-**	**265**	**(265)**

Net financial debt was equal to EUR 155 million at 30 June 2011, a EUR 290 million decrease over 31 December 2010. This significant drop mainly reflects the positive effects of:

- the sale of Bulgarian companies for a total consideration of EUR 230 million which contribute to reduce the negative intercompany current account balance of the Company with Enel Spa (down EUR 245 million);
- the advancing of the project "Cooperation Agreement EPR Flamanville 3 between Enel France and EDF" resulting in higher long-term financial receivables (EUR 206 million).

These positive postings were partially made up for lower cash and cash equivalents drawn by Romanian companies for financing their investments plan (EUR 100 million). Moreover new bonds issued and bank loans raised by Enel OGK5 (EUR 177 million) haven't impacted the Group financial debt because cash acquired wasn't still employed as of 30 June 2011.

Cash flows

Millions of euro	Notes	1st Half		
		2011	2010	Change
Cash and cash equivalents at the beginning of the period (1) (2)		12	(198)	210
Cash flows from operating activities		256	183	73
Cash flows from investing/disinvesting activities		(126)	79	(205)
Cash flows from financing activities		193	102	91
Effect of exchange rate changes on cash and cash equivalents		1	(12)	13
Cash and cash equivalents at the end of the period (1) (2)		336	154	182

(1) including intercompany current account held with Enel SpA
excluding cash and cash equivalents of Bulgarian companies classified held for sale

Cash flows from operating activities in the 1st half of 2011 were positive at EUR 256 million, up EUR 73 million compared with the corresponding period of the previous year. The change primarily reflects the rise in the gross operating margin amounting to EUR 63 million.

Cash flows from investing/disinvesting activities absorbed liquidity in the amount of EUR 126 million (EUR 79 million generated in the first half of 2010). This variation is mainly due to the capital expenditures carried out in the period (EUR 266 million) partially offset by the disinvestment of Bulgarian companies net of cash disposed of (EUR 140 million).

Cash flows from financing activities generated cash in the amount of EUR 193 million further to both new bonds issued and new bank loans drawn by Enel OGK5 in June 2011.

In the 1st half of 2011 cash flows from operating activities totalling EUR 256 million as well as cash flows from financing activities entirely covered the financing needs for capital expenditures performed during the first half of 2011. The generated surplus has increased cash and cash equivalents balances at 30 June 2011 which reached EUR 336 million (cash and cash equivalents also include the balance of intercompany current account between the Company and Enel Spa totalling a negative EUR 574 million as of 30 June 2011).

Regulatory and rate issues

France

NOME Act

On 7 December 2010, the NOME (*Nouvelle Organization du Marchè de l'Electricitè*) Act was officially published. It sets out the main recommendations of the *Champsaur* Commission (2009) and contains the reform measures that will open up the French electricity market to competition and lead to the elimination of the TaRTAM rate.

The French government plans to launch the ARENH mechanism ("*Accès Régulé à l'Electricité Nucléaire Historique*"), introduced by the NOME Act, on 1 July 2011. This mechanism provides access to nuclear-generated base electricity for alternative suppliers at regulated prices for a 15 year period, with volumes calculated annually with a ceiling of 100 TWh. More specifically, were published the implementing decrees for the ARENH and the draft of the framework agreement between EDF and the individual alternative suppliers for delivery of the regulated volumes. As expected the mechanism ARENH will start July 1, at a price of 40 €/MWh for the second half of 2011 and 42 €/ MWh for 2012.

Romania

Reform of electricity sector

As part of the restructuring of the Romanian electricity sector proposed by the government, on 17 March 2011, the Bucharest Court of Appeal denied the appeal presented by Nuclearelectrica against the decision of the Bucharest Court adverse to the formation of the two companies Electra and Hidroenergetica (desired by the government as a pivot of privatization).

Russia

Capacity market

Since 1 January 2011, all capacity for non-household customers is sold on the free market.

The long-term capacity market will start operation in 2011 in the Europe and Urals zone (PRICE Zone 1) and Siberia (Price Zone 2) each of which will be subdivided into Free Capacity Transfer Zones, on the basis of interconnection difficulties.

All plants were selected in Enel.

Usually, the remuneration price is affected by market dynamics (demand and supply); in the Free Capacity Transfer Zone were the competitions between generators is limited, a price cap is applied and a price floor will also be used.

In 2011, 27 Free Capacity Transfer Zones (out of a total of 29) were subject to the price cap. For Enel OGK-5, the price cap was applicable to the Nevinnomiskaya plant, and is equal to 118,125 RUR/MW/month.

On April 1, 2011, in effect retroactively from January 1, 2011, the government published the new target rules for the wholesale market. For 2011 only, it established not introduce the market price for capacity to inflation.

The main change relate to postponing the start of the four-year capacity auctions (through 2013) and, for the annual delivery capacity market in 2012, is expected by October 2011 the definition of market areas in which the price cap will be applied and its value.

The government has also undertaken to introduce a system of guarantees for trading in centralized markets.

Investments in new capacity, that are two new gas combined-cycle plants under construction Nevinnomiskaya e Sredneuralskaya(with an expected commercial capacity of 400 MW each), shall receive a remuneration on the basis of Capacity Contracts (DPM). Under the DPM, the capacity offered by plants has priority access to the market with guaranteed remuneration (capacity payment) for ten years. In addition, for certain new plants ad hoc parameters may be negotiated to cover the actual level of investment. Enel is currently in negotiations for the new unit at Nevinnomysskaya.

Main risks and uncertainties

Business risks

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

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

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

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, THE Group has forged closer relationships with local government and regulatory bodies, adopting a transparent, collaborative and proactive approach in tackling and eliminating sources of instability in regulatory arrangements.

Supply continuity

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

Credit risk

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

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

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

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

Liquidity risk

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

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

Exchange rate and interest rate risk

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

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

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

Country risk

At 30 June 2011 around 44% of the revenues of the Group are generated in Russia, a country which requires the Group to periodically assess its macroeconomic, financial, regulatory, market, geopolitical and social risks whose manifestation could have a negative impact on income or jeopardize corporate assets. In order to mitigate this form of risk, Enel has adopted a country risk calculation model (using a shadow rating approach) that specifically monitors the level of country risk in the areas in which the Group operates.

Other risks

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

Outlook

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

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

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

Research and Development

The Group does not perform directly any research and development activity.

Personnel

The Group employed a total of 8.398 people as of 30 June 2011 (9.071 at 31 December 2010).

Changes in the total number of employees with respect to 31 December 2010 are below summarized:

Employees at 31 December 2010	**9.071**
Changes in the scope of consolidation	(502)
Hirings	229
Terminations	400
Employees at 30 June 2011	**8.398**

The Company had, other than the nine directors, five staff member employed as per 30 June 2011.

Statement of the Board of Directors

Statement ex Article 5:25d Paragraph 2 sub c Financial Markets Supervision Act

To our knowledge,

1. the interim financial report at 30 June 2011 in combination with the financial statements as at 31 December 2010 give a true and fair view of the assets, liabilities, financial position and result of Enel Investment Holding B.V. and its consolidated companies;
2. the half-year report gives a true and fair view of the anticipated state of affairs, in particular providing information about the investments and the circumstances on which the development of turnover and profitability depend to the extent that providing this information is not contrary to the Company's best interest;
3. the Directors' report describes the principal risks the issuer is facing.

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

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

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

- filing electronically with the AFM (Autoriteit Financiele Markten) in the Netherlands its adopted financial statements within 5 days after their adoption;
- making generally available to the public its half-year financial report via posting it on the official Enel website within 2 months after the end of the first six month of the financial year (30 august 2011);
- 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 2011).

Amsterdam, 28 July 2011

The Board of Directors:

L. Ferraris

A. Brentan

C. Machetti

C. Tamburi

C. Palasciano Villamagna

H. Marseille

F. Mauritz

A.J.M. Nieuwenhuizen

K. Schell

Enel Investment Holding B.V.

Consolidated condensed interim financial statements

Enel Investment Holding B.V. consolidated income statement

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

Milions of euro	Notes	1st Half	
		2011	2010
Revenues			
Revenues from sales and services	*5*	1.674	1.484
Other revenues	*5*	36	11
	[Subtotal]	1.710	1.495
Costs			
Raw materials and consumables	*6*	1.050	919
Services	*6*	167	150
Personnel	*6*	96	87
Depreciation, amortization and impairment losses	*6*	175	127
Other operating expenses	*6*	47	49
Capitalized costs	*6*	(40)	(38)
	[Subtotal]	1.495	1.295
Operating Income		**215**	**200**
Financial Income	*7*	94	196
Financial expense	*7*	(141)	(195)
Share of gains/(losses) on investments accounted for using the equity method	*8*	41	54
	[Subtotal]	(6)	55
Income/(Loss) before taxes		**209**	**255**
Income Taxes	*9*	41	52
Net income for the half-year (shareholders of the parent company and minority interests)		**168**	**203**
Attributable to minority interests		53	66
Attributable to shareholders of the Parent Company		115	137

Enel Investment Holding B.V. consolidated statement of comprehensive income

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

Millions of euro	Notes	1st half	
		2011	2010
Net income for the period		**168**	**203**
Other components of comprehensive income:			
- Effective portion of change in the fair value of cash flow hedges		-	(18)
- OCI of associated companies accounted for using equity method		(60)	53
- Change in the fair value of financial investments available for sale		128	50
- Exchange rate differences		40	376
Income (loss) recognized directly in equity		**108**	**461**
Comprehensive income for the period		**276**	**664**
Attributable to:			
- shareholders of the Parent Company		211	157
- minority interests		65	507

Enel Investment Holding B.V. consolidated statement of financial position

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

Millions of euro	Notes		
ASSETS		**30 June 2011**	31 Dec. 2010
Non-current assets			
Property, plant and equipment	*10*	4.359	4.143
Intangible assets	*10*	2.115	2.093
Deferred tax assets	*10*	32	30
Equity investments accounted for using the equity method	*10*	397	457
Equity investments in other companies	*10*	665	538
Non-current financial assets	*10*	987	916
Other non-current financial assets	*10*	13	21
	(Total)	**8.568**	**8.198**
Current assets			
Inventories	*11*	85	87
Trade receivables	*11*	313	386
Tax receivables	*11*	8	3
Current financial assets	*11*	63	28
Other current assets	*11*	147	122
Cash and cash equivalents	*11*	910	776
	(Total)	**1.526**	**1.402**
Assets held for sale	*12*	**-**	**760**
TOTAL ASSETS		**10.094**	**10.360**

Enel Investment Holding B.V. consolidated statement of financial position as at 30 June 2011

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

Millions of euro	Notes		
LIABILITIES AND SHAREHOLDERS' EQUITY		**30 June 2011**	31 Dec. 2010
Equity attributable to the shareholders of the Parent Company			
Share capital	*13*	1.593	1.593
Other reserves	*13*	2.656	2.554
Retained earnings (losses carried forward)	*13*	23	(228)
Net income for the period		115	251
	(Total)	**4.387**	**4.170**
Equity attributable to minority interests		1.335	1.355
TOTAL SHAREHOLDERS' EQUITY		**5.722**	**5.525**
Non-current liabilities			
Long-term loans	*14*	1.361	1.203
Post-employment and other employee benefits	*14*	57	56
Provisions for risks and charges	*14*	125	121
Deferred tax liabilities	*14*	437	428
Non-current financial liabilities	*14*	13	6
Other non-current liabilities	*14*	158	160
	(Total)	**2.151**	**1.974**
Current liabilities			
Short-term loans	*15*	589	821
Current portion of long-term loans	*14*	148	135
Current portion of provisions	*14*	79	108
Trade payables	*15*	532	424
Income tax payable	*15*	2	6
Current financial liabilities	*15*	26	33
Other current liabilities	*15*	845	849
	(Total)	**2.221**	**2.376**
Liabilities held for sale	*16*	**-**	**485**
TOTAL LIABILITIES		**4.372**	**4.835**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**10.094**	**10.360**

Enel Investment Holding B.V. consolidated statement of cash flows

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

Millions of euro	*Notes*	1st Half	
		2011	2010
Cash flows from operating activities (a)		**256**	**183**
Investments in property, plant and equipment and intangible assets		(266)	(270)
Investments in entities (or business units) less cash and cash equivalents acquired		-	(1)
Disposals of entities (or business units) less cash and cash equivalents sold		140	-
Share premium repayments / (contribution)		-	350
Cash flows from investing/disinvesting activities (b)		**(126)**	**79**
Financial debt (new long-term borrowing)		194	139
Financial debt (repayments and other changes)		(1)	(37)
Cash flows from financing activities (c)		**193**	**102**
Impact of exchange rate fluctuations on cash and cash equivalents (d)		**1**	**(12)**
Increase/(Decrease) in cash and cash equivalents (a+b+c+d)		**324**	**352**
Cash and cash equivalents at the beginning of the period (1) (2)		12	(198)
Cash and cash equivalents at the end of the period (1) (2)		336	154

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

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

Enel Investment Holding B.V. consolidated statement of changes in shareholders’ equity

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

Millions of euro	Share capital	Share premium reserve	FV and sundry reserves	Currency translation reserve	OCI equity method reserve	Retained earnings	Net income for the period	**Group Net Equity**	**Minority Interests**	**Total shareholders’ equity**
at 1 January 2010	**1.593**	**2.410**	**109**	**(380)**	**(84)**	**(400)**	**154**	**3.402**	**1.212**	**4.614**
Profit appropriation						154	(154)	**-**		**-**
Capital contribution								**-**		**-**
Change in scope of consolidation								**-**		**-**
Dividends								**-**	**(14)**	**(14)**
Under common control transactions								**-**		**-**
Net income/(loss) for the period recognized in equity			36	281	53			**370**	**91**	**461**
Net income/(loss) for the period							137	**137**	**66**	**203**
2010 movements	**-**	**-**	**36**	**281**	**53**	**154**	**(17)**	**507**	**143**	**650**
at 30 June 2010	**1.593**	**2.410**	**145**	**(99)**	**(31)**	**(246)**	**137**	**3.909**	**1.355**	**5.264**
at 1 January 2011	**1.593**	**2.410**	**465**	**(263)**	**(58)**	**(228)**	**251**	**4.170**	**1.355**	**5.525**
Profit appropriation						251	(251)	**-**		**-**
Capital contribution								**-**		**-**
Change in scope of consolidation			16			(12)		**4**	**(48)**	**(44)**
Dividends								**-**	**(35)**	**(35)**
Under common control transactions								**-**		**-**
Net income/(loss) for the period recognized in equity			128	30	(60)			**98**	**10**	**108**
Net income/(loss) for the period							115	**115**	**53**	**168**
2011 movements	**-**	**-**	**144**	**30**	**(60)**	**239**	**(136)**	**217**	**(20)**	**197**
at 30 June 2011	**1.593**	**2.410**	**609**	**(233)**	**(118)**	**11**	**115**	**4.387**	**1.335**	**5.722**

Notes to the condensed interim consolidated financial statements

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

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

Therefore, Enel Investment Holding B.V., starting with the 2007 financial year, has been preparing the financial statements in accordance with the International Financial Reporting Standards (IFRS), the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretation Committee (SIC) as updated by the European Commission (hereinafter "IFRS-EU").
The consolidated financial statements of the Company for the period ended at 30 June 2011 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.

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.

1.1 Relationship with parent company and principal activities

In 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;
- in network-based sectors (electricity, water, gas, district heating, telecommunications) on those which, in any case, provide urban services;
- in other sectors in any way related or connected with the activities carried out in the sectors mentioned above.

1.2 Going concern

Enel S.p.A., the Parent company, has issued on 14 February 2011 a letter of support as per 31 December 2010 with respect to 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 2011 have been prepared in 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 2011 are consistent with those used for preparing the consolidated financial statements at 31 December 2010, 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 2010.

The following international accounting standards and interpretations, supplementing those applied at 31 December 2010, were adopted starting from 1 January 2011:

- "Revised IAS 24 – Related party disclosures", endorsed on July 2010: the revision foresees the faculty, for subsidiaries and associates of governmental entities, to provide a more synthetic disclosure relating to the transactions occurred between these entities and with other entities also controlled, or subject to significant influence, by the same entities. Moreover, the new version of IAS 24 has changed the definition of related party relating to the disclosure to be provided in the notes to the financial statements.

The IAS 24 revised application did not impact the Group.

- "Amendments to IFRIC 14 – Prepayments of a Minimum Funding Requirement", endorsed on July 2010: these changes clarify the accounting treatment to apply the rules related to the so called "asset ceiling", in the event prepayments related a minimum funding requirement (MFR) are foreseen. In particular, the modified interpretation foresees new rules to measure the available economic benefit deriving from a reduction of future contributions related to an MFR. The application of the amendments did not impact the Group.

- "IFRIC 19 – Extinguishing financial liabilities with equity instruments", endorsed on July 2010: such an interpretation clarifies the recognition criterion that a debtor has to apply in the event of the extinguishment of a financial liability by the issuance of equity instruments to a creditor. In particular, the issued equity instruments are the consideration for the extinguishment of the financial liability and have to be measured at fair value at the extinguishment date. The eventual difference between the carrying value of the extinguished financial liability and the initial value of these issued instruments has to be recognized to the income statement.

The application of the amendments did not impact the Group.

- "Amendment to IAS 32 – Financial instruments: Presentation", endorsed on December 2009: the amendment clarifies that rights, options or warrants that grant the right to purchase a fixed number of equity instruments of the same entity that issues those instruments for a fixed amount in any currency, have to be classified as equity instruments if and only if the entity offers these rights, options or warrants proportionally to all the holders of the same class of non-derivative equity instruments.

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

- "Improvements to IFRSs", endorsed on February 2011: they relate to improvements to already existing accounting standards. The most significant are:
  - "IFRS 3 – Business combinations, as revised in 2008": it is clarified that non-controlling interests in the acquired entity are owners' interests that give right, in the event of liquidation of the entity, to a proportional share of its net assets. These interests are measured at fair value or as a proportionate quota of the recognized amount of the net identifiable assets of the acquiree. All other elements classifiable as non-controlling interests, but that do not present the abovementioned characteristics (e.g. share options, preferred shares, etc.), are measured at fair value at the acquisition date.

    The application of this interpretation didn't have a significant impact for the Group.
  - "IFRS 7 – Financial Instruments: Disclosures": it is clarified the required disclosure in the event of renegotiated financial assets, and the disclosure needed to represent the credit risk.

    The application of this interpretation didn't have a significant impact for the Group.
  - "IAS 1 – Presentation of Financial Statements": it is clarified that reconciliation of the accounting values at the beginning and at the end of the financial year for every component of Other comprehensive income can be included either in the statement of changes in equity or in the notes.

    The application of this interpretation didn't have a significant impact for the Group.
  - "IAS 34 – Interim Financial Reporting": the standard was amended in order to broaden the disclosure required in the preparation of interim financial statements in relation, particularly, to financial assets/liabilities. As an example, it is required to indicated the changes intervened in the business or to the economic conditions that have an impact on the fair value of the financial assets/liabilities measure at fair value or at amortized cost. The application of this interpretation didn't have a significant impact for the Group

3. Risk management

The Group is exposed to different kind of financial risks such as:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks including the objectives, policies and processes for measuring and managing risks in compliance with financial risk policies defined at a Group level. Further quantitative disclosures are included throughout these consolidated financial statements.

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

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

3.1 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.

3.2 Liquidity Risk

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

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

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

3.3 Market risk

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

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

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

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

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

3.3.1 Interest rate risk

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

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

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

At 30 June 2011, 12% of long term debt was floating rate. Taking into account interest rate derivatives (cross currency basis, for any details see chapter Exchange rate risk) designated as cash flow hedge considered effective pursuant to the IFRS – EU, 1% of such debt was exposed to interest rate risk.

There isn't any interest rate derivative outstanding as of 30 June 2011.

3.3.2 Exchange rate risk

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

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

At 30 June 2011, 38% of long term debt was denominated in risky currency. Taking into account exchange rate derivatives designated as cash flow hedge considered effective pursuant to the IFRS – EU, 6% of such debt was 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 Euro 18,4 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 Euro 22 million lower as a result of the decrease of the fair value of Cash Flow Hedge derivatives.

3.4 Capital management

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

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

4. Segment information

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

Information on the consolidated income statement

5. Revenues – *EUR 1.710 million*

Millions of euro	1st Half		
	2011	2010	Change
Electricity sales	1.538	1.362	176
Electricity transport	38	27	11
Revenues from premium reassurance provided	24	20	4
Other sales and services	110	85	25
Total	**1.710**	**1.494**	**216**

In the 1st half of 2011 **Revenues from the sale and transport of electricity** amounted to EUR 1.576 million, up EUR 187 million on the same period of 2010. This amount includes revenues performed by Enel OGK5 which has benefited from higher energy sale prices (EUR 87 million) and Enel France revenues thanks to greater volumes of energy sold to end customers (EUR 94 million).

Revenues from insurance refer to the activity of Enel Re. Ltd. with an increase of EUR 4 million on the corresponding period of 2010.

Revenues from other sales and services came to EUR 110 million in the 1st Half of 2011, an increase of EUR 25 million over the first half of 2010 mainly attributable to the capital gain on the disposal of Bulgarian companies (EUR 13 million) and to higher revenues performed by ENEL OGK5 (EUR 9 million).

6. Costs – *EUR 1.495 million*

Millions of euro	1st Half		
	2011	2010	Change
Raw materials and consumables	1.050	920	130
Services	167	150	17
Personnel	96	87	9
Depreciation, amoritzation and impairment losses	175	127	48
Other operating expenses	47	49	(2)
Capitalized costs	(40)	(38)	(2)
Total	**1.495**	**1.295**	**200**

Costs for **raw materials and consumables** essentially refer to electricity purchases for EUR 561 million (EUR 490 million in the 1st Half of 2010), to fuel purchases for electricity production for EUR 467 million (387 million at 30 June 2010) and to other materials purchases for EUR 53 million (EUR 45 million in the 1st Half of 2010). The variation totalling EUR 130 million was mainly due to higher fuel purchase costs incurred by Enel OGK5 (EUR 53 million) and to a rise in the anticipated capacity granted from EDF to Enel France resulting in higher volumes of electricity bought (EUR 82 million).

Costs for **services, leases and rentals** came to EUR 167 million in the 1st Half of 2011, up EUR 17 million compared with the same period of 2010 with the change primarily attributable to greater costs for electricity transport incurred by Enel France (EUR 14 million).

Personnel costs amounted to EUR 96 million, an increase of EUR 9 million mainly due to higher costs incurred by Enel OGK5 (EUR 8 million) even if the overall Group's employees number has fallen further to a net negative balance between hirings and terminations over the first half of 2011.

Depreciation, amortization and impairment losses amounted to EUR 175 million in the 1st half of 2011, up EUR 48 million on the corresponding period of 2010. The amount relates to depreciation and amortization of tangible and intangible assets (EUR 109 million and EUR 9 million respectively), impairment of fixed assets for EUR 38 million; the aggregate also includes the impairment of trade receivables net of any reinstatement of value (EUR 17 million).

7. Financial income/(expense) – *EUR (47) million*

Financial income stood at EUR 94 million, a decrease of EUR 103 over the first half of 2010 mainly as a result of lower contribution from foreign exchange rate gains attributable to:

- Enel OGK5 (EUR 76 million), due to hedge transaction entered at the end of 2010 for mitigating the exposure of the subsidiary both to foreign exchange rate risk and interest rate risks connected to its Euro-denominated loans;
- Romanian companies (EUR 13 million), because of the appreciation of the currency RON against the EURO on their Euro-denominated bank deposits.

More details of the Group financial income are reported in the following table:

Millions of euro	1st Half		
	2011	2010	Change
Interest and other income from financial assets (current and non-current):			
-interest income at effective rate on non-current securities and receivables	11	14	(3)
-interest income at effective rate on short -term financial investments	9	18	(9)
Total interest and other income from financial assets	**20**	**32**	**(12)**
Foreign exchange gains	57	151	(94)
Income from derivative instruments	1	-	-
Other interest and income	16	13	3
TOTAL FINANCIAL INCOME	**94**	**196**	**(103)**

Financial expense stood to EUR 141 million, a decrease of EUR 54 million compared to 30 June 2010 mainly attributable to:

- lower exchange rate losses incurred by Enel OGK5 (EUR 42 million);

- a drop of financial derivative instruments expenses incurred by Enel Investment Holding B.V in 2010 further to the exchange rate risk hedging connected to the collection of the second installment in USD after the sale of 51% stake in the associated company Severnergia (EUR 32 million).

A breakdown of financial income is shown in the following table:

Millions of euro	1st Half		
	2011	2010	Change
Interest expense and other charges on financial debt (current and non-current):			
-interest expense on bank loans	23	18	5
-interest expense on bonds	19	25	(6)
-interest expense on other loans	23	11	12
Total interest and other income from financial assets	**65**	**54**	**11**
Foreign exchange losses	60	101	(41)
Expense from derivative instruments	5	32	(27)
Accretion of employee benefits and other provisions	5	4	1
Other interest expense and financial charges	6	4	2
TOTAL FINANCIAL EXPENSE	**141**	**195**	**(54)**

8. Share of gains/(losses) on investments accounted for using the equity method – *EUR 41 million*

The **share of gains/(losses) on investments accounted for using the equity method** showed a positive EUR 41 million, down EUR 13 million over 2010. The drop mainly reflects lower results arising from the associate Severenergia partially made up for higher performances of Rusenergosbyt LLC in the first half of 2011.

9. Income taxes – *EUR 41 million*

Millions of euro	1st Half		
	2011	2010	Change
Current taxes	38	41	(3)
Deferred tax liabilities	5	9	(4)
Deferred tax assets	(2)	2	(4)
Total	**41**	**52**	**(11)**

Income taxes stood to EUR 41 million, a decrease of EUR 11 million on the first half of 2010. This change is primarily due to deferred taxation effect over the two reporting periods whereas current taxation remains substantially unchanged.

Information on the consolidated financial position

Assets

10. Non-current assets – *EUR 8.568 million*

Property, plant and equipment amounted to EUR 4.359 million at 30 June 2011, an increase of EUR 216 million over 31 December 2010. This rise is the result of capital expenditure carried out over the period (EUR 259 million) together with positive exchange rate differences (EUR 31 million), net of depreciation and impairment losses accounted for (EUR 100 million).

Intangible assets remained essentially unchanged at 30 June 2011 as a consequence of amortization recorded in the current reporting period (EUR 7 million) offsetting the capital expenditures performed (EUR 7 million).

Goodwill rose to EUR 1.778 million, up EUR 21 million over 31 December 2010. Positive exchange rate differences regarding Enel OGK5 goodwill (EUR 14 million) as well as higher put option values connected to the acquisition of further stakes in Enel Distributie Muntenia and Enel Energie Muntenia (EUR 9 million) contribute to that increase.

Millions of euro

	2011	at 31 Dec 2010	Change
Enel OGK-5	1.256	1.242	14
Marcinelle Energie	17	20	(3)
Enel Distributie Muntenia	414	406	8
Enel Energie Muntenia	91	89	2
Total	**1.778**	**1.757**	21

Equity investments accounted for using the equity method amounted to EUR 397 million, down EUR 60 million over the previous year with the main variation due to 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 eurc

	31 Dec 2010	%	Acquisitions	Capital Repayments	Dividends	Income effect	Other changes	**30 June 2011**	%
Artic Russia	358	40				(1)	(60)	**297**	
Res Holdings	99	50			(42)	43		**100**	
Total	**457**		**-**	**-**	**(42)**	**42**	**(60)**	**397**	**-**

11. Current assets – *EUR 1.526 million*

Inventories remained almost unchanged in the two reporting periods (EUR 85 million and EUR 87 million at 30 June 2011 and 30 June 2010 respectively) and they mainly include raw materials, consumables and other minor supplies.

Trade receivables decreased by EUR 73 million to EUR 313 million with the variation mainly due to a securitization of trade receivables carried out by Enel France at the end of June 2011 amounting to EUR 80 million.

Trade receivables from customers are recognized net of allowance for doubtful accounts, which totaled EUR 199 million as of 30 June 2011, as detailed in the table below:

Millions of euro

Total at 31 Dec. 2010	**191**
Accruals and reversals to income statement	17
Other changes	(9)
Total at 30 June 2011	**199**

Current financial assets rose to EUR 63 million, up EUR 35 million on 31 December 2010 primarily after the recognition of a financial receivable related to the sale of Bulgarian companies (EUR 12 million) together with higher financial accrued income (EUR 11 million).

Cash and cash equivalents rose at EUR 910 million, an increase of EUR 134 million on 31 December 2010 as a result of greater Enel OGK5 cash balances after the issue of new bonds and new bank loans raised (EUR 208 million) partially offset by lower cash and cash equivalents utilized by Romanian companies for financing their investment plans in 2011 (EUR 100 million).

12. Assets held for sale – *EUR 0 million*

Assets held for sale amounted to nil as of 30 June 2011 after the sale of all Bulgarian companies with effective date on 28 June 2011.

Liabilities and shareholders' equity

13. Equity attributable to the shareholders of the Parent Company – *EUR 5.722 million*

Share capital – *EUR 1.593 million*

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

Share premium reserve – *EUR 2.410 million*

Fair value reserve and sundry reserves – *EUR 609 million*

This item mainly includes net cumulative and unrealized gains/(losses) recognized directly in equity resulting from the measurement at fair value of both cash flow hedge derivatives and available-for-sale financial assets (Bayan Resources T.b.K and Echelon Corporation).

Foreign currency translation reserve – *EUR (233) million*

The increase in this aggregate for the half-year 2011 was attributable to the net depreciation of the functional currency against the foreign currencies used by the Group subsidiaries.

OCI equity method reserve – *EUR (118) million*

The reserve reports the share of comprehensive income/(loss) to be recognized directly in equity for companies accounted for using the equity method.

14. Non-current liabilities – *EUR 2.151 million*

Long-term loans including their current portion amounted to EUR 1.509 million (EUR 1.338 million at 31 December 2010) with the change mainly due to new financings of Enel OGK-5 through the issuing of bonds and new tranches from RBS and EIB bank loans.
The following table shows long-term debt and repayment schedules at 30 June 2011 compared to 31 December 2010, 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 2011	**30 June 2011**	December 2010	December 2010			2012 2nd half	2013	2014	2015	Beyond
Bonds:												
- listed, fixed rate	2010-2023	644	647	518	521	124	520	31	99	108	-	282
Bank loans:												
- fixed rate	2026	256	269	171	181	18	238	9	19	19	22	169
- floating rate	2021	119	120	117	120	6	113	6	13	13	13	68
Non-bank loans:												
- with related parties		490	490	531	531		490	490	-	-	-	-
- floating rate		-	-	1	1	-	-		-	-	-	-
Total	**-**	**1.509**	**1.526**	**1.338**	**1.354**	**148**	**1.361**	**536**	**131**	**140**	**35**	**519**

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 2011		December 2010	30 June 2011	
Euro	1.163	1.180	1.117	5,2%	5,0%
Russian Ruble	346	346	221	8,5%	9,9%
Total	**1.509**	**1.526**	**1.338**		

The following chart sets out changes in the nominal value of long-term debt in the first half of 2011:

Millions of euro	Nominal value	Repayment s	New financing	Exchange rate differences	Nominal value
	31 December 2010				**30 June 2011**
Bonds	521	-	123	3	647
Bank loans	301	-	86	2	389
parties	531	-	(41)		490
Other loans	1	(1)	-	-	-
Total financial debt	**1.354**	**(1)**	**168**	**5**	**1.526**

Provisions for risk and charges including their current portion amounted to EUR 204 million at 30 June 2011 with a slight decrease over 31 December 2010 (down EUR 25 million) primarily after the reversal into income statement of provision for unauthorised water tax usage recognized during the purchase price allocation of Enel OGK-5 (EUR 22 million). The following table provides a breakdown of this aggregate:

Millions of euro

	at 30 June 2011	at 31 Dec 2010	Change
Provision for risks and charges:			
- insurance indemnification	122	118	4
- production order charges	13	13	-
- termination incentive	22	23	(1)
- other taxes and levies	1	22	(21)
- other	46	53	(7)
Total	**204**	**229**	**(25)**

Other non-current liabilities comprise post-employment and other employees benefits for EUR 57 million, other non-current liabilities totalling EUR 171 million and deferred tax liabilities for EUR 437 million whose breakdown is reported in the following table:

Millions of euro

	2011	31 Dec 2010	Change
Deferred tax assets	32	30	2
Deferred tax liabilities	437	428	9
Offsettable net deferred tax assets	27	12	15
Non-offsettable deferred tax assets	32	30	2
Non off-settable deferred tax liabilities	410	416	(6)

15. Current liabilities – *EUR 2.221 million*

Short-term loans dropped by EUR 232 million from EUR 821 million recorded at 31 December 2010 primarily following up the disposal of Bulgarian companies whose net proceeds collected (EUR 218 million) have enabled the Company to significantly reduce its negative intercompany current account held with the Parent Company Enel S.p.A.; this decrease has been partially made up for a new bank loan raised by Enelco for paying an overdue trade payable connected to Livadia project.

Other current liabilities include the current portion of provisions for EUR 79 million (EUR 108 million at 31 December 2010), trade payables for EUR 532 million (EUR 424 million at 2010 year end), current financial liabilities for EUR 26 million and other current liabilities totalling EUR 845 million (EUR 849 million at 31 December 2010).

16. Liabilities held for sale – *EUR 0 million*

Liabilities held for sale amounted to nil as of 30 June 2011 after the sale of all Bulgarian companies with effective date on 28 June 2011.

17. 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 for the first half of 2011.

	Balance sheet		Income statement	
	Receivables 30 june 2011	Payables 30 june 2011	Cost 1st Half	Income 1st Half
Shareholder				
Enel Spa	316	613	23	-
Associated Company				
Artic Russia	-	-	-	-
Res Holding BV	-	-	-	-
Enel Green Power Holding Sarl	-	-	-	-
Rusenergosbyt LLC	-	1	-	5
Other affiliated companies				
Enel Produzione	-	4	-	-
Enel Trade	6	16	50	18
Enel Ingegneria e Innovazione	2	31	-	-
Enel Finance International	-	490	9	-
Enel Servizi	1	9	-	-
Enel Distribuzione	-	19	1	-
Enel Energia	-	5	-	-
Enel Servizio Elettrico	-	1	-	-
Enel Rus	-	2	-	-
Enel Erelis	33	1	1	-
Enel Green Power Romania	-	-	2	-
Enel Trade Romania	-	3	17	-
	358	**1.195**	**103**	**23**

Compensation of directors, members of the Board of Auditors, the General Manager and managers with strategic responsibilities

The emoluments of the Company Board of Directors as intended in Section 2:383 (1) of the Netherlands Civil Code, which were charged in the first half of 2011, amounted to EUR 34 thousand (EUR 34 thousand in 2010). Compensations paid to them are summarized in the following table:

(all amounts in thousands of Euro)	**30 June 2011**	30 June 2010
Mr. A.J.M. Nieuwenhuizen	**10**	10
Mr. F. Mauritz	**8**	8
Mr. H. Marseille	**8**	8
Mr. K.J. Schell	**8**	8
Mr. A. Brentan	-	**-**
Mr. C. Machetti	-	**-**
Mr. C. Palasciano Villamagna	-	**-**
Mr. C. Tamburi	-	**-**
Mr. L. Ferraris	-	**-**
	34	34

18. Contractual commitments and guarantees

The contractual commitments and guarantees as per 30 June 2011 can be specified as follows:

- during 2008 Enelco S.A. was awarded the tender offer for the construction of a combined cycle gas plant of 430 MW at Livadia in central Greece. In this respect the Company has approved, to support Enelco with an equity investment for a total amount of up to EUR 100 million. In order to cover the financial need of Enelco relating to the project described, during 2008, the Company has subscribed a share capital increase in favour of Enelco, for a total amount up to EUR 36 million, of which 75% (EUR 29 million) has to be paid by the Company. The amount of EUR 21 million was paid by the Company in December 2008 while the remaining EUR 8 million was paid in March 2009. Moreover in February 2009, the Company subscribed a new share capital increase in favour of the Greek vehicle for a total commitment of EUR 13 million of which 75%, equal to EUR 10 million, was paid by the Company in May 2009.;
- in June 2008 the Company has acquired from Duferco Diversification (DD), the 80% of the share capital of the Belgium company Marcinelle Energie S.A. (ME), being the remaining 20% still held by DD. ME is a special purpose vehicle incorporated for the construction of a CCGT power plant in Marcinelle Belgium. For such above mentioned acquisition the Company paid an initial amount of EUR 19,2 million, postponing the payment of additional sums amounting as a whole to EUR 12,8 million, until the completion of some construction works. Pursuant to the sale and purchase agreement executed between the parties, in order to guarantee the payment of the above mentioned remaining amount of EUR 12,8 million, Enel S.p.A, as the parent company, issued two parent company guarantees, on behalf of the Company, respectively of EUR 4,8 million and of EUR 8 million; on April 29th, 2011 an additional EUR 4,8 million price payment was executed. Furthermore, as provided by the sale and purchase agreement executed between the parties, Enel S.p.A., issued on behalf of the Company, a parent company guarantee, in order to counter guarantee the 80% of an agreement already executed by Marcinelle Energie with Fluxis S.A. for the connection to the natural gas grid, for an amount equal to EUR 11,4 million. Moreover, the Company granted to Duferco a "put option" for the remaining 20% of the shares to be exercised within 72 months after 12 months from the "provisional acceptance";
- in order to guarantee the obligations of the Dutch joint company Artic Russia B.V. under the Rub 14,2 billion Club – Dual Tranche – Term Facility Agreement and the Rub 31 billion Restated Loan Agreement, the Company issued, with reference to the first, a guarantee up to Rub 5.7 billion in favour of Intesa San Paolo and, with reference to the latter, a joint and several guarantee up to Rub 15,2 billion, together with Eni International B.V., in favour of SeverEnergia Llc, GazpromNeft Finance Llc and JSC Novatek for the 49% participation of Artic Russia B.V. into the Russian project company SeverEnergia Llc. Moreover, the Company also signed with Eni International B.V. a Cross Indemnity Deed whereas the obligations of the Company and of Eni International B.V. under the Restated Loan Agreement are joint and several, the Company and Eni International B.V. set up a cross-indemnity mechanism in favour of each other so that in each case should the guarantee under the Restated Loan Agreement been called by SeverEnergia Llc,

GazpromNeft Finance Llc, or JSC Novatek, each of the Company and Eni International B.V., in the aggregate, does not incur liability for an amount which is greater than its due proportion. For the Company, such due portion is equal to the 40% participation held in Artic Russia B.V.;

- during 2007 Enel participated to a public tender launched by Nuclearelectrica (a company wholly owned by the Romanian State) having as object the selection of strategic investors for development, financing, construction and operation of two nuclear units, of 720 MW each, to Cernavoda power plant, a nuclear power plant in Romania owned by Nuclearelectrica. In this respect, in December 2008, the Company has signed an Investment Agreement based on which the Company has the right to own a participation equal to 9,15% of the Romanian Project Company, EnergoNuclear, and has the obligation to fund 9,15% of the subscribed share capital of EnergoNuclear and of the development costs for a maximum amount equal to EUR 4 million. Should the project be deemed by the Company no more interesting, the Company will have the right to exit from the PCO in any time paying, as penalty, an amount equal to its quota of the development costs (maximum approximately EUR 4 million). In March 2010, the Company executed a share capital increase of EUR 1,4 million, equal to 9,15% of the EUR 15 mln required to the shareholders;

- in December 2009 the Company subscribed with its parent company Enel S.p.A. a share premium contribution agreement and with Enel Distribuzione S.p.A. a share sale and purchase agreement relating to the several Romanian companies. More specifically Enel S.p.A. contributed to the Company the 80% of Enel Romania S.r.l., the 64,43% of Enel Distributie Muntenia S.A. and the 64,43% of Enel Energie Muntenia S.A., through a voluntary non-cash share premium contribution; while the Company acquired from Enel Distribuzione S.p.A. the 51% of Enel Distributie Dobrogea S.A. for EUR 160 million, the 51% of Enel Distributie Banat S.A. for EUR 220 million, the 51% of Enel Energie S.A. for EUR 80 million and the 20% of Enel Romania S.r.l. for EUR 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 during the period between 1 July and 31 December in each of 2008, 2009, 2010 and 2011 to the Company and the Company has the obligation to purchase the remaining 23,6% partecipation still held by S.C. Electrica S.A. in Enel Distributie Muntenia S.A. and Enel Energie Muntenia S.A. at a price equal to a) the Adjusted Purchase Price divided by the number of Sale Shares or b) a multiple of the Adjusted Purchase Price dividend by the number of Sale Shares (equal to the Adjusted Purchase Price divided by the number of Sale Shares * RAB on 1 January in the year in which the put option is exercised). Only at information level at time of publication of this document, the option value has been estimated in around EUR 610,2 million as of 30 June 2011;

- the Company has also commitments with regard to rental obligations as follows:
  - rental contract signed on 1 December 2010 for the new office of the Company at Gouden Bocht Complex Herengracht 471 in Amsterdam. The four-years and one month contract will be effective until 31 December 2014 for a yearly rental (VAT included) of EUR 0,09 million;
  - two contracts related to furnished flats rented to Company staff with a cumulative annual rentals amounting to EUR 0,05 million.

19. Post balance sheet events

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

Enel Investment Holding B.V.

Non-consolidated condensed interim financial statements

Enel Investment Holding B.V. non-consolidated income statement

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

Millions of euro	Notes	1st Half	
		2011	2010
Revenues			
Revenues from sales and services	*23*	-	-
Other revenues	*23*	19	-
	(Subtotal)	19	-
Costs			
Personnel	*24*	-	-
Depreciation, amortization and impairment losses	*24*	5	-
Other operating expenses	*25*	11	4
	(Subtotal)	16	4
Operating income		**3**	**(4)**
Income/Loss from equity investments	*26*	79	82
Financial income	*27*	8	13
Financial expense	*27*	(17)	(53)
	(Subtotal)	**70**	42
Income before taxes		**73**	**38**
Income taxes			**-**
NET INCOME FOR THE PERIOD (attributable to the shareholders)		**73**	**38**

Enel Investment Holding B.V. non-consolidated statement of comprehensive income

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

Millions of euro	Notes	1st Half	
		2011	2010
Net income for the period		**73**	**38**
Other components of comprehensive income:			
Effective portion of change in the fair value of cash flow hedges		-	10
Change in the fair value of financial investments available for sale		128	47
Income/(Loss) recognized directly in equity		**128**	**57**
COMPREHENSIVE INCOME FOR THE PERIOD		**201**	**95**
Attributable to:			
- Equity holders of the Company		201	95

Enel Investment Holding B.V. non-consolidated statement of financial position

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

Millions of euro	Notes		
ASSETS		**30 June 2011**	31 Dec. 2010
Non-current assets			
Equity investments in subsidiaries	*28*	4.849	4.789
Equity investments available for sale	*29*	651	523
Other non-current financial assets	*30*	297	297
	(Total)	**5.797**	**5.609**
Current assets			
Current financial assets	*31*	24	8
Other current assets	*32*	37	10
Cash and cash equivalents		-	-
	(Total)	**61**	**18**
Assets classified as held for sale	*33*	**-**	**212**
TOTAL ASSETS		**5.858**	**5.839**

Enel Investment Holding B.V. non-consolidated statement of financial position

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

Millions of euro	Notes		
LIABILITIES AND SHAREHOLDERS' EQUITY		**30 June 2011**	31 Dec 2010
Equity attributable to the shareholders of the Parent Company			
Share capital	*34*	1.593	1.593
Share premium	*34*	2.410	2.410
Fair value reserve - Available for sale	*34*	610	482
Retained earnings (losses carried forward)	*34*	(156)	(198)
Net income for the period		73	42
TOTAL SHAREHOLDERS' EQUITY		**4.530**	**4.329**
Non-current liabilities			
Long-term loans	*35*	297	297
Other non-current liabilities		7	8
	(Subtotal)	**304**	**305**
Current liabilities			
Current financial liabilities	*36*	594	838
Other current liabilities	*37*	430	367
	(Subtotal)	**1.024**	**1.205**
TOTAL LIABILITIES		**1.328**	**1.510**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**5.858**	**5.839**

Enel Investment Holding B.V. non-consolidated statement of changes in equity

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

Millions of euro	Share capital	Share premium reserve	FV reserves AFS	FV reserves CFH derivatives	Retained earnings/(losses carried forward)	Net income for the period	**Total shareholders' equity**
at 1 January 2010	**1.593**	**2.410**	**122**	**(10)**	**(168)**	**(30)**	**3.917**
Profit appropriation	-	-	-	-	(30)	30	-
Share Premium contribution	-	-	-	-	-	-	-
Comprehensive income for the period of which:	-	-	47	10	-	38	95
Net income/(loss) for the period recognized in equity	-	-	47	10	-	-	57
Net income/(loss) for the period	-	-	-	-	-	38	38
at 30 June 2010	**1.593**	**2.410**	**169**	**-**	**(198)**	**38**	**4.012**
at 1 January 2011	**1.593**	**2.410**	**482**	**-**	**(198)**	**42**	**4.329**
Profit appropriation	-	-	-	-	42	(42)	-
Share Premium contribution	-	-	-	-	-	-	-
Comprehensive income for the period of which	-	-	128	-	-	73	201
Net income/(loss) for the period recognized in equity	-	-	128	-	-	-	128
Net income/(loss) for the period	-	-	-	-	-	73	73
at 30 June 2011	**1.593**	**2.410**	**610**	**-**	**(156)**	**73**	**4.530**

Enel Investment Holding B.V. non-consolidated statement of cash flows

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

Millions of euro	Notes	1st Half	
		2011	2010
Cash flows from operating activities (a)		**(19)**	**(46)**
Interest received		-	1
Dividend received		42	11
Investments in equity investments		-	(255)
Divestments in equity investments		1	361
Divestments in equity investments classified as held for sale		231	-
Movements financial and other assets		(9)	53
Cash flows from investing/disinvesting activities (b)		**265**	**171**
Loan and borrowings (borrowed)		-	33
Loan and borrowings (repayments)		-	-
Share premium contribution		-	-
Cash flows from financing activities (c)		**-**	**33**
Increase/(Decrease) in cash and cash equivalents (a+b+c)		**246**	**158**
Cash and cash equivalents at beginning of the period		(820)	(967)
Cash and cash equivalents at the end of the period		(574)	(809)

Notes to the Enel Investment Holding B.V. non-consolidated financial statements

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

20.1 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.

20.2 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 28 July 2011.

20.3 Basis of preparation

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

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

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

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 balcen sheet assets and liabilities.

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

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

The accounting policies as well as the recognition and measurement criteria adopted in preparing the interim non-consolidated financial statement at 30 June 2011 are consistent with those used to prepare the non-consolidated financial statement at 31 December 2010, to wich 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 togheter with the financial statements for the year ended 31 December 2010.

20.4 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.

21. Summary of significant accounting policies

Please see page 29 to 31 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 2011 for evaluating the equity investment in subsidiaries, associated and joint ventures:

"Subsidiaries comprise those entities for which the Company has the direct or indirect power to determine their financial and operating policies for the purposes of obtaining the benefits of their activities. Associated companies comprise those entities in which the Company has a significant influence. Joint ventures are enterprises in which the Company exercises joint control with other entities. In assessing the existence of a situation of control, significant influence and joint control, account is also taken of potential voting rights that are effectively exercisable or convertible. These equity investments are measured at cost. The cost can also include as additional charge any put option granted to former shareholders of an acquired entity when the Company is obliged to acquire additional stakes of the entity. Put options are valued at each balance sheet date at their fair value and their subsequent re-measurements are recognized against the equity investment previously recorded. Cost is adjusted for any impairment losses. Adjustments for impairment losses are reversed where the reasons for their recognition no longer obtain. The reversal may not exceed the original cost."

21.1 Use of estimates

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

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

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

21.2 Segment reporting

The Company is the Holding Company of the Group. According to IFRS 8, segment reporting is disclosed in note 4 of the notes to the consolidated financial statements.

22. Risk management

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

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

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

22.1 Credit risk

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

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

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

22.2 Liquidity Risk

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

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

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

22.3 Market risk

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

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

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

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

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

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

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

22.3.1 Interest rate risk

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

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

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

22.3.2 Exchange rate risk

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

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

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

These contracts are also normally agreed with a notional amount and expiry date equal to that of the underlying financial liability or the expected future cash flows, so that any change in the fair value and/or expected future cash flows of these contracts stemming from a potential appreciation or depreciation of the domestic currency against other currencies is fully offset by a corresponding change in the fair value and/or the expected future cash flows of the underlying position. At balance sheet date there are no outstanding exchange rate derivatives.

22.4 Capital management

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

23. Revenues from sales and services – *EUR 19 million*

Millions of euro	1st Half		
	2011	2010	Change
Other sales and services	19	-	19
Total revenues from services	**19**	**-**	**19**

Revenues from other sales and services entirely relate to the capital gain realized following up the sale of equity investments in Maritza East III Power Holding B.V. and Maritza O&M B.V. executed for a total consideration of EUR 230 million.

Costs

24. Depreciation, amortization and impairment losses – *EUR 5 million*

This aggregate exclusively refer to the impairment loss of the equity investment held by the Company in the subsidiary Enel Rus LLC due to its prior losses deemed as not longer recoverable.

25. Other operating expenses – *EUR 11 million*

Millions of euro	1st Half		
	2011	2010	Change
Capital losses on assets disposal	-	3	(3)
Other expenses	11	1	10
Total	**11**	**4**	**7**

Other operating expenses mainly relate to ancillary expenses incurred during the process of Maritza companies disposal (EUR 3 million) and costs towards the related party Enel Ingegneria & Innovazione connected to the pull-out of the Livadia project in Greece previously carried out by the subsidiary Enelco.

26. Income from equity investments – *EUR 79 million*

This item exclusively refers to dividends resolved by subsidiaries and other companies equal to EUR 79 million (EUR 82 million in the first half of 2010), as detailed below:

Millions of euro	1st Half		
	2011	2010	Change
Res Holdings B.V.	42	30	12
Enel France Sas	18	52	(34)
Enel Distributie Banat SA	10	-	10
Enel Distributie Dobrogea SA	7	-	7
PT Bayan Resources Tbk	2	-	2
Total income from equity investments	**79**	**82**	**(3)**

A part of these recognized dividends (EUR 37 million) will be collected in the second half of 2011.

27. Financial income/(expense) – *EUR (9) million*

This item breaks down as follows:

Millions of euro	1st Half		
	2011	2010	Change
Financial income			
Interest and other income from non-current financial assets:			
Assumption of GMTN bond - Enel S.p.A.	8	12	(4)
Financial receivable - Marcinelle Energie	-	1	(1)
Total income	**8**	**13**	**(5)**
Financial expense			
Interest and other charges on non-current financial debt:			
- interest on non-current financial debt	-	-	-
interest on GMTN bonds	8	12	(4)
Interest and other charges on current financial debt:			
- interest on debts to banks	-	-	-
- Intercompany current account - Enel S.p.A	9	7	2
- Intercompany loan - Enel Finance International NV	-	1	(1)
Foreign exchange losses:			
- on financial receivables and securities	-	-	-
- on cash and cash equivalents	-	-	-
- on loans	-	1	(1)
Expense on financial derivative instruments:			
- from trading derivatives - Enel S.p.A.	-	32	(32)
Total charges	**17**	**53**	**(36)**
TOTAL FINANCIAL INCOME/(EXPENSE)	**(9)**	**(40)**	**31**

Net financial expense decreased by EUR 31 million in the first half of 2011. This change is essentially connected to the recognition in the first half of 2010 of trading derivatives expense connected to the share capital repayment in US Dollars made by the associate Artic Russia B.V. to the Company further to the sale of 51% stake in Severnergia.

Information on the Balance Sheet

Assets

Non-current assets

28. Equity investments – *EUR 4.849 million*

The following table shows the changes occurred during the first half year 2011 for each equity investment held by the Company in subsidiaries, associates, joint ventures and other companies:

Millions of euro	Original cost	(Write downs)/ revaluations	Carrying amount	% Holding	Impairment	Other changes	Adjustment of value of *put option*	Net change	Original cost	(Write downs)/ revaluations	Carrying amount	% Holding
	at 31 Dec. 2010				**Changes in first-half 2011**				**at 30 June 2011**			
A) Subsidiaries												
Enel.Re Ltd.	21,3	-	**21,3**	100,0%				-	21,3	-	**21,3**	100,0%
Pragma Energy S.A.	6,5	-	**6,5**	100,0%				-	6,5	-	**6,5**	100,0%
Enelco S.A.	60,4	(17,8)	**42,6**	75,0%				-	60,4	(17,8)	**42,6**	75,0%
Enel France SAS	34,9	-	**34,9**	100,0%				-	34,9	-	**34,9**	100,0%
OGK 5	2.497,6	-	**2.497,6**	56,4%				-	2.497,6	-	**2.497,6**	56,4%
Enel Rus LLC	9,1	-	**9,1**	100,0%	(5,0)			(5,0)	9,1	(5,0)	**4,1**	100,0%
Enel Productie SRL (GPI)	4,8	-	**4,8**	100,0%				-	4,8	-	**4,8**	100,0%
Marcinelle Energie SA	155,6	-	**155,6**	80,0%		(1,0)	(2,8)	(3,8)	151,8	-	**151,8**	80,0%
Enel Albania SHPK	1,5	-	**1,5**	100,0%				-	1,5	-	**1,5**	100,0%
Linea Albania-Italia SHPK	0,2	-	**0,2**	100,0%				-	0,2	-	**0,2**	100,0%
Enel Romania SRL	0,1	-	**0,1**	99,9%				-	0,1	-	**0,1**	99,9%
Enel Distributie Muntenia S.A.	1.009,5	-	**1.009,5**	64,4%			58,2	58,2	1.067,7	-	**1.067,7**	64,4%
Enel Energie Muntenia S.A.	178,1	-	**178,1**	64,4%			10,3	10,3	188,4	-	**188,4**	64,4%
Enel Distributie Dobrogea S.A.	160	-	**160**	51,0%				-	160	-	**160**	51,0%
Enel Distributie Banat S.A.	220	-	220	51,0%				-	220	-	220	51,0%
Enel Energie S.A.	80	-	**80**	51,0%				-	80	-	**80**	51,0%
Total subsidiaries	**4.439,6**	**(17,8)**	**4.421,8**		**(5,0)**	**(1,0)**	**65,7**	**59,7**	**4.504,3**	**(22,8)**	**4.481,5**	
B) associated companies												
Res Holdings B.V. (49,5%)	84,1	-	**84,1**	49,5%				-	84,1	-	**84,1**	49,5%
Artic Russia B.V. (40%)	278,7	-	**278,7**	40,0%				-	278,7	-	**278,7**	40,0%
Total associated companies	**362,8**	-	**362,8**		**-**	**-**	**-**	**-**	**362,8**	-	**362,8**	
C) other equity investments												
Energo Nuclear S.A.	4,4	-	**4,4**	9,2%					4,4	-	**4,4**	9,2%
Total other equity investments	**4,4**	-	**4,4**		**-**	**-**	**-**	**-**	**4,4**	-	**4,4**	
Total	**4.806,8**	**(17,8)**	**4.789,0**		**(5,0)**	**(1,0)**	**65,7**	**59,7**	**4.871,5**	**(22,8)**	**4.848,7**	

28.1 Investments in subsidiaries

Enel.re. Limited

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

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

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

Pragma Energy S.A.

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

Enelco S.A.

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

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

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

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

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

In the first half of 2011 the Enel Group has decided to move the Power Train under construction from Greece to Russia because the turbine can be effectively utilized in a CCGT plant by the other Company's subsidiary Enel OGK5; the Company Board of Directors decided in February 2011 to take in charge a share of not recoverable costs arising from the shift of job order from Greece to Russia estimated at EUR 7 million.

Enel France SAS

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

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

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

Enel OGK-5

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

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

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

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

As a result of the above mentioned events, the equity investment in Enel OGK-5 stood at EUR 2.498 million as of 31 December 2010, with a 56,43% stake in its share capital.

Enel Rus Llc

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

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

In the first half of 2011 management has decided to account for an impairment loss of its equity investment in Enel Rus Llc. totalling EUR 5 million because prior losses of the subsidiary has been deemed as not recoverable.

Enel Productie Srl

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

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

Marcinelle Energie S.A.

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

In June 2008 the Company acquired 80% of the corporate capital of the Belgian special purpose company Marcinelle Energie S.A. for a total amount of EUR 37 million.

During 2010 the Company recapitalized Marcinelle Energie S.A. for an amount of EUR 86 million by converting an existing financial receivable into a new equity investment increase.

A part of the purchase price was due after the completion of certain agreed events. This amount was paid in 2011. Because the actual amount paid in 2011 (EUR 12 milion) was lower than accrued in previous years (EUR 13 million), an amount of EUR 1 million was adjusted in 2011.

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 after 12 months from the "provisional acceptance". The value of this option as per 30 June 2011 is recognized as current liability amounting to EUR 30 million (EUR 33 million at 31 December 2010).

In June 2011, Marcinelle Energie S.A. merged with Enel Operations Belgium S.A (disappearing company), a company incorporated under Belgium Law in October 2009, which had been previously sold to Marcinelle Energie S.A. by the Company at the end of 2010.

Enel Albania SHPK

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

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

During 2010 the Company recapitalized Enel Albania SHPK for an amount of LEK 122 million (EUR 1 million) and paid back the unpaid part of the issued capital for LEK 27 million (EUR 0,2 million).

Linea Albania-Italia SHPK

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

During 2010 the Company paid back the share capital not yet paid for an amount of LEK 27 million (EUR 0,2 million).

Enel Romania Srl

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

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

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

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

Enel Distributie Muntenia S.A.

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

Following the contribution of shares, Enel S.p.A. also transferred to the Company all rights and obligations included in the Privatization Agreement signed by and between Enel S.p.A. and the Romanian company Electrica S.A. on 11 June 2007. Under the Privatization Agreement Electrica S.A. has the right to request the Company to purchase a further 23,57% of the shares in Enel Distributie Muntenia S.A. The value of this put option as per 30 June 2011 is determined as a current liability of EUR 330 million (EUR 272 million at 31 December 2010).

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

Enel Energie Muntenia S.A.

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

Following the contribution of shares, Enel S.p.A. also transferred to the Company all rights and obligations included in the Privatization Agreement signed by and between Enel S.p.A. and the Romanian company Electrica S.A. on 11 June 2007. Under the Privatization Agreement Electrica S.A. has the right to request the Company to purchase a further 23,57% of the shares in Enel Energie Muntenia S.A. The value of this put option as per 30 June 2011 is determined as a current liability of EUR 58 million (EUR 48 million at 31 December 2010).

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

Enel Distributie Dobrogea S.A.

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

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

Enel Distributie Banat S.A.

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

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

Enel Energie S.A.

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

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

28.2 Associated companies

Res Holdings B.V.

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

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

Artic Russia B.V.

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

Based on the call option granted by Artic Russia B.V. to Gazprom in 2007 and the subsequent agreements made in 2008, Gazprom purchased from Artic Russia B.V. in September 2009 the 51% of the corporate capital of the Russian company SeverEnergia LLC for an amount of USD 1.566 million. This consideration has to be paid to Artic Russia B.V. in two installments: the first USD 384 million installment has already been paid in September 2009, the second tranche of

USD 1.184 million was paid on April 1, 2010. As regards Enel portion of the first collected tranche (USD 153,6 million) Artic Russia B.V. has used it to reimburse the outstanding loan from Enel Finance International SA. and to distribute a USD 102,8 million share premium repayment to the Company.

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

28.3 Other investments

Energo Nuclear S.A.

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

During 2010 the Company recapitalized Energo Nuclear S.A. for an amount of RON 5,6 million (EUR 1,4 million). The total acquisition cost included in the cost price as per 31 December 2010 amounts to EUR 4 million.

29. Equity investments available-for-sale – *EUR 651 million*

The following table lists equity investment classified as available for sale at 30 June 2011 and 31 December 2010.

Millions of euro	**30 June 2011**					31 December 2010				
Name	**Cost Price**	**Results recognized in equity**	**Impairment in P&L**	**Fair Value**	**% Held**	**Cost Price**	**Results recognized in equity**	**Impairment in P&L**	**Fair Value**	**% Held**
Echelon	20	(1)	-	19	8	20	3	-	23	8
PT Bayan Resources	138	612	(118)	632	10	138	480	(118)	500	10
Total	**158**	**611**	**(118)**	**651**		**158**	**483**	**(118)**	**523**	

29.1 Echelon Corporation

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

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

29.2 Bayan Resources T.b.k.

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

The shares acquired by the Company are subject to a lock-up period of 18 months from the closing date of the IPO. In this respect the amount kept as per 31 December 2009 by the Company on a blocked bank account amounts to USD 213 million, corresponding to a counter value at 31 December 2009 exchange rate of EUR 148 million. In 2010 the amount was paid to the sellers.

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

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

In June 2011, the fair value of PT Bayan Resources T.b.k. totalled EUR 632 million with an increase of EUR 132 million over 31 December 2010 thanks to a significant rise in the share price only partially made up for a slight depreciation of the Indonesian currency against Euro.

30. Other non-current financial assets – *EUR 297 million*

Millions of Euro

	at 30 June, 2011	at 31 December, 2010	Change
Financial receivable:			
- due from Shareholder	297	297	-
Total	**297**	**297**	**-**

Financial receivables due from Shareholder relate to the internal assumption of the issued bonds by Enel S.p.A. Based on this agreement, Enel S.p.A. undertakes to the Company to assume all the obligations of payment of the Company under the notes. Therefore, any differences identified between book value and fair value do not have impact on Enel Investment Holding B.V financial statements. Non-current portion remained unchanged as of 30 June 2011 (EUR 297 million) and it relates a 5,25% fixed rate bond installment maturing in 2023.

Current assets

31. Current financial assets – *EUR 24 million*

Millions of euro

	30 June 2011	31 Dec. 2010	Change
Financial receivables due from Group companies:			
- current portion of receivables for assumption of loans	-	-	-
- other financial receivables	12	8	4
- derivatives	-	-	-
Financial receivables due from others:			
- derivatives	-	-	-
- other financial receivables	12	-	12
Total	**24**	**8**	**16**

The change on 31 December 2010 (up EUR 16 million) was mainly due to the recognition of a financial receivable towards ContourGlobal LP after the sale of Bulgarian companies (EUR 12 million); this receivable is interest-bearing (5% annual fixed rate) and it’s due within twelve months from the closing of the disposal.

32. Other current assets – *EUR 37 million*

Millions of euro

	30 June 2011	31 Dec. 2010	Change
Tax receivables	-	-	-
Other receivables due from Group companies	35	10	25
Receivables due from others	2	-	2
Total	**37**	**10**	**27**

The other receivables due from Group companies mainly relate to dividends to be received from Enel France SAS (EUR 17 million), Enel Distributie Banat SA (EUR 10 million) and Enel Distributie Dobrogea SA (EUR 7 million).

The receivables due from others exclusively refer to dividends to be received from PT Bayan Resources T.b.k. (EUR 2 million).

33. Assets classified as held for sale – *EUR 0 million*

During 2010 the Board of Directors of Company had decided of selling its subsidiaries Maritza East III Power Holding B.V. and Maritza O&M Holding Netherlands B.V. to non-Group counterparties and therefore the equity investment in these companies had been separately classified as assets held for sale as per 31 December 2010.

In June 2011 the entire share capital of the Netherlands-registered companies Maritza East III Power Holding B.V. and Maritza O&M Holding Netherlands B.V. were sold and transferred to ContourGlobal Bulgaria Holdings B.V. for a total amount of EUR 230 million.

Liabilities and shareholders' equity

34. Shareholders' equity – *EUR 4.357 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 610 million*

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

Retained earnings – *EUR (156) million*

Non-current liabilities

35. Long-term loans (including the portion falling due within 12 months) – *EUR 297 million*

Millions of euro	Maturing	Carrying amount	Nominal value	Carrying amount	Nominal value
		30 June 2011		December 2010	
Bonds:					
- listed, fixed rate 5,25%	2023	297	300	297	300

At 30 June 2011 the Company has outstanding issued bonds, listed on the Luxembourg stock exchange, for a total nominal value of EUR 300 million. The maturity of the outstanding bond is set in 2023.

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

Current liabilities

36. Current financial liabilities – *EUR 594 million*

Millions of euro

	30 June 2011	31 Dec. 2010	Change
with Enel Spa)	574	820	(246)
Accrued expenses GMTN bond	12	4	8
Accrued expenses from Shareholder	8	14	(6)
Total	**594**	**838**	**(244)**

The significant decrease of the intercompany current account held with Enel Spa was essentially due to the proceeds collected by the Company after the sale of Bulgarian companies at the end of June 2011 (EUR 218 million).

Accrued expenses owed to Enel Spa have also fallen by EUR 6 million thanks to a lower average negative balance of the above mentioned intercompany current account.

37. Other current liabilities – *EUR 430 million*

Millions of euro

	30 June 2011	31 Dec. 2010	Change
Payables owed to related parties:			
- shareholder	1	1	-
- Enel Ingnegneria & Innovazione	7	-	7
Payables due to third parties:			-
- Acquisition Marcinelle Energie S.A.	-	13	(13)
-Put option liability - value option Marcinelle Energie S.A.	30	33	(3)
-Put option liability - value option Enel Distributie Muntenia S.A.	330	272	58
-Put option liability - value option Enel Energie Muntenia S.A.	58	48	10
- Other sundry payables	4	-	4
Total	**430**	**367**	**63**

"Other current liabilities" mainly relate to the put option liabilities payable to third parties for acquiring further stakes in the already controlled entities Marcinelle Energie S.A. (20%), Enel Distributie Muntenia S.A. (23,6 %) and Enel Energie Muntenia S.A (23,6%).

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 2011 and 30 June 2010 respectively.

Millions of euro	Receivables	Payables	Cost	Income	Dividends
	30 June 2011		1st Half 2011		
Shareholder:					
Enel S.p.A	309	595	8	8	-
Subsidiaries:					
Marcinelle Energie S.A.	-	-	-	-	-
Enel France SAS	-	-	-	-	18
Enel Distributie Banat SA	-	-	-	-	10
Enel Distributie Dobrogea SA	-	-	-	-	7
Associated Companies:					
Res Holding B.V.	-	-	-	-	42
Other affiliated companies:					
Enel Finance International S.A.	-	-	-	-	-
TOTAL	**309**	**595**	**8**	**8**	**77**

Millions of euro	Receivables	Payables	Cost	Income	Dividends
	31 Dec. 2010		1st Half 2010		
Shareholder:					
Enel S.p.A	311	835	39	12	-
Subsidiaries:					
Marcinelle Energie S.A.	3	-	-	1	-
Enel France SAS	-	-	-	-	51
Associated Companies:					
Res Holding B.V.	-	-	-	-	12
Other affiliated companies:					
Enel Finance International S.A.	-	-	1	-	-
TOTAL	**314**	**835**	**40**	**13**	**63**

Compensation of directors, members of the Board of Auditors, the General Manager and managers with strategic responsibilities

The emoluments of the Company Directors as intended in Section 2:383 (1) of the Netherlands Civil Code, which were charged in the first half of 2011, amounted to EUR 34 thousand (EUR 65 thousand in 2010). and they are summarized in the following table:

(all amounts in thousands of Euro)	**30 June 2011**	30 June 2010
Mr. A.J.M. Nieuwenhuizen	**10**	10
Mr. F. Mauritz	**8**	8
Mr. H. Marseille	**8**	8
Mr. K.J. Schell	**8**	8
Mr. A. Brentan	**-**	-
Mr. C. Machetti	**-**	-
Mr. C. Palasciano Villamagna	**-**	-
Mr. C. Tamburi	**-**	-
Mr. L. Ferraris	**-**	-
	34	34

Post balance sheet events

There are no significant post balance sheets events to be mentioned.

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.

Amsterdam, 28 July 2011

The Board of Directors:

L. Ferraris

A. Brentan

C. Machetti

C. Tamburi

C. Palasciano

H. Marseille

F. Mauritz

A.J.M. Nieuwenhuizen

K. Schell

Annex

Subsidiaries and associated companies of Enel Investment Holding B.V. as at 30 June 2011

All subsidiaries and associates of Enel Investment Holding B.V. at 30 June 2011 are listed in this Annex. The Company has full title to all investments.

The following information is included for each company: name, registered office, activity, share capital, currency of account, Group companies that have a stake in the company and their respective ownership share, as well as the Group's ownership share.

Subsidiaries consolidated on a line-by-line basis as at 30 June 2011

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				30 June 2011				
Parent company:								
Enel Investment Holding B.V.	Amsterdam	Netherlands	Holding company	1.593.050.000	EUR	Enel SpA	100,00%	100,00%
Subsidiaries:								
Enel Albania Shpk	Tirana	Albania	Construction, operation and maintenance of plants. Electricity generation and trading	194.977.000	ALL	Enel Investment Holding B.V.	100,00%	100,00%
Enel Distributie Banat SA	Timisoara	Romania	Electricity distribution	382.158.580	RON	Enel Investment Holding B.V.	51,00%	51,00%
Enel Distributie Dobrogea SA	Costanza	Romania	Electricity distribution	280.285.560	RON	Enel Investment Holding B.V.	51,00%	51,00%
Enel Distributie Muntenia SA	Bucharest	Romania	Electricity distribution	271.635.250	RON	Enel Investment Holding B.V.	64,43%	64,43%
Enel Energie Muntenia SA	Bucharest	Romania	Electricity sales	37.004.350	RON	Enel Investment Holding B.V.	64,43%	64,43%
Enel Energie SA	Bucharest	Romania	Electricity sales	140.000.000	RON	Enel Investment Holding B.V.	51,00%	51,00%
Enel France Sas	Paris	France	Electricty trading	34.937.000	EUR	Enel Investment Holding B.V.	100,00%	100,00%
Enel Lease Eurl	Lyon	France	Electricity generation	500.000	EUR	Enel France Sas	100,00%	100,00%
Enel OGK-5 OJSC	Ekaterinburg	Russian Federation	Electricity generation	35.371.898.370	RUB	Enel Investment Holding B.V.	56,43%	56,43%
Enel Productie Srl	Bucharest	Romania	Electricity generation	19.910.200	RON	Enel Investment Holding B.V.	100,00%	100,00%
Enel Romania Srl	Judetul Ilfov	Romania	Business services	200.000	RON	Enel Investment Holding B.V.	100,00%	100,00%
Enel Rus LLC	Moscow	Russian Federation	Electricity services	350.000	RUB	Enel Investment Holding B.V.	100,00%	100,00%
Enel Servicii Comune SA	Bucharest	Romania	Electricity services	33.000.000	RON	Enel Distributie Banat SA Enel Distributie Dobrogea SA	50,00% 50,00%	51,00%
Enel.Re Ltd	Dublin	Ireland	Reinsurance	3.000.000	EUR	Enel Investment Holding B.V.	100,00%	100,00%
Enelco SA	Athens	Greece	Plant construction, operation and maintenance	36.961.629	EUR	Enel Investment Holding B.V.	75,00%	75,00%

Subsidiaries consolidated on a line-by-line basis at 30 June 2011

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% Holding	Group % holding
				30 June 2011				
Linea Albania-Italia Shpk	Tirana	Albania	Construction, maintenance and operation of merchant lines	27.460.000	ALL	Enel Investment Holding B.V.	100,00%	100,00%
Marcinelle Energie SA	Charleroi	Belgium	Electricity generation, transport, sale and trading	110.061.500	EUR	Enel Investment Holding B.V.	80,00%	80,00%
OGK-5 Finance LLC	Moscow	Russian Federation	Finance	10.000.000	RUB	Enel OGK-5 OJSC	100,00%	55,98%
Pragma Energy SA	Lugano	Switzerland	Coal trading	4.000.000	CHF	Enel Investment Holding B.V.	100,00%	100,00%
Sociètè du Parc Eolien Grandes Terres Ouest Eurl	Lyon	France	Electricity generation	1.000	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%	33,59%

Associated companies accounted for using the equity method at 30 June 2011

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				30 June 2011				
Parent company:								
Artic Russia B.V.	Amsterdam	Netherlands	Holding company	100.000	EUR	Enel Investment Holding B.V.	40,00%	40,00%
Associates of Artic Russia B.V.:								
SeverEnergia	Moscow	Russian Federation	Gas and oil processing and transport	55.114.150.000	RUB	Artic Russia B.V.	49,00%	19,60%

Parent company:								
Res Holdings B.V.	Amsterdam	Netherlands	Holding company	18,000	EUR	Enel Investment Holding B.V.	49,50%	49,50%
Subsidiaries of Res Holding B.V.:								
Rusenergosbyt LLC	Moscow	Russian Federation	Electricity trading	2.760.000	RUB	Res Holdings B.V.	100,00%	49,50%
Rusenergosbyt C LLC	Khanty-Mansiyskiy	Russian Federation	Electricity sales	5.100	RUB	Res Holdings B.V.	51,00%	25,25%
Rusenergosbyt Siberia LLC	Krasnoyarskiy kray	Russian Federation	Electricity sales	4.600	RUB	Res Holdings B.V.	50,00%	24,75%