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Enel Investment Holding B.V.
2006 Financial Statements

29-06-2007

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Balance sheet as at December 31, 2006

(all amounts in thousands of Euro)

(before profit appropriation)

		December 31, 2006		December 31, 2005	
		EUR	EUR	EUR	EUR
Fixed assets					
Intangible fixed assets	3	154.230		-	
Financial fixed assets	4	706.740		98.600	
			860.970		98.600
Current assets					
Accounts receivable	5	37.620		309.520	
Cash at bank and in hand	6	396		176.321	
			38.016		485.841
			898.986		584.441
Shareholders' equity (deficit)					
Issued and paid-up capital	7	1.593.050		1.593.050	
Share premium		6.467.436		5.587.436	
Currency translation reserve		(1.929)		655	
Accumulated losses		(7.901.150)		(7.720.864)	
Loss for the year		(24.953)		(172.413)	
			132.454		(712.136)
Long term liabilities (over 1 year)					
	8		575.000		987.630
Short term liabilities					
	9		191.532		308.947
			898.986		584.441

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**Profit and loss account for the period January 1, 2006 up to
and including December 31, 2006**

(all amounts in thousands of Euro)

		2006		2005	
		EUR	EUR	EUR	EUR
Operating income			173		-
Costs of outsourced work		164		-	
Amortization goodwill		6.715		146.689	
General and administrative expenses	11	769		611	
Total operating expenses			(7.648)		(147.300)
Net operating loss			(7.475)		(147.300)
Interest and similar income	12	18.261		25.199	
Interest and similar charges	13	(47.990)		(119.704)	
Results from participations and other investments	14	12.251		69.392	
			(17.478)		(25.113)
Loss before tax			(24.953)		(172.413)
Provisions for income tax			-		-
Loss after tax			(24.953)		(172.413)

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Notes to the financial statements as per December 31, 2006

(all amounts in thousands of Euro)

1 General

1.1 Relationship with parent Company and principal activities

The Company is a private limited liability Company, where 100% of the shares are held by Enel SpA having its statutory seat in Rome Italy.

Enel Investment Holding B.V. (hereafter the "Company"), having its statutory seat in Amsterdam, was incorporated on December 15, 2000 under Dutch Law.

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

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

1.2 Basis of presentation

The financial statements have been prepared in accordance with principles of accounting generally accepted in The Netherlands and is in compliance with the provisions of the Dutch Civil Code, Book 2, Title 9.

1.3 Going concern

Enel Spa, the Parent company, has issued a letter of support as per December 31, 2006 with respect to the Company, guaranteeing its continued financial support to meet the Company's liabilities.

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1.4 Consolidation

Since the Company is ultimately controlled and consolidated by Enel Spa, Rome, Italy, there is no requirement to publish consolidated financial statements, in accordance with article 2:408 of the Dutch Civil Code, consequently the applicable consolidated financial statements of Enel Spa will be filed with the Dutch Trade Register.

2 Principles for the valuation of assets and liabilities and the determination of the result

2.1 General

The principles adopted for the valuation of assets and liabilities and determination of the result are based on the historical cost convention.

Insofar as not stated otherwise, assets and liabilities are shown at nominal value.

The income and expenses are accounted for in the period to which they relate.

2.2 Translation of foreign currencies

The reporting currency in the financial statements of Enel Investment Holding B.V. is the Euro (EUR).

The costs and income arising from transactions in foreign currencies and non-monetary balance sheet items or monetary receivables and debts are translated at the exchange rate applicable on the transaction date or balance sheet date respectively (except where indicated otherwise in the notes to the financial statements).

Exchange rate differences are added or charged to the profit and loss account as financial income or expenditure respectively.

The group companies and foreign participating interests qualify as foreign entities. Assets and liabilities both monetary and non-monetary, of the foreign entities are translated of the closing rate. Income and expense items of foreign entities are translated at exchange rates at the rates of the transactions. Exchange differences arising from the translation of foreign entities, including group loans, are taken to currency translation reserve. Foreign currency profit and loss account items of foreign entities are translated at the exchange rate applicable on transaction date. If this spot rate is not available, the average rate over the reporting period is used.

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2.3 Intangible fixed assets

Goodwill

Goodwill is the positive difference between the acquisition cost of the participating interests and the net asset value at the time of acquisition, less amortization. Goodwill paid upon the acquisition of foreign group companies and participating interests is translated at the exchange rate applicable at the moment of acquisition. The capitalized goodwill is amortized according to the straight-line method over the estimated useful life, in any case the maximum period will not exceed twenty years.

2.4 Financial fixed assets

Participating interests, where substantial influence is exercised over the business and financial policy, are valued according to the equity method on the basis of net asset value. The net asset value is calculated on the basis of the accounting principles of Enel Investment Holding B.V.

Participating interests where no substantial influence is exercised are stated of cost less any accumulated impairment losses.

2.5 Accounts receivable

Accounts receivable are stated at nominal value less a bad-debt provision.

2.6 Taxation on result

The taxation on result comprises both taxes payable in the short term and deferred taxes, taking account of tax facilities and non-deductible costs. No taxes are deducted from profits if and insofar as said profits can be offset against losses from previous years.

Taxes are deducted from losses if these can be offset against profits in previous years and this results in a tax rebate. In addition, taxes may be deducted if and insofar as may be reasonably expected that losses can be offset against future profits.

Taxes are calculated on the results, taking into account the tax facilities.

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3 Intangible fixed assets

The movement of the intangible fixed assets can be shown as follows:

	Goodwill EUR
Book value as at December 31, 2005:	-
Changes in book value:	
■ Investments	160.945
■ Amortization	6.715
■ Impairment	-
	<hr/>
Balance as at December 31, 2006	154.230
	<hr/>
Balance as at December 31, 2006:	
Acquisition price	160.945
Accumulated amortization	6.715
	<hr/>
Book value as at December 31, 2006	154.230
	<hr/>

Also see note 4.1, participating interest in group companies

4 Financial fixed assets

	Participating interests	Other investments	Advances paid for purchases of non current equity investments	Other Receivables	Issue discount (GMTN)	Total
	EUR	EUR	EUR	EUR	EUR	EUR
Balance as at December 31, 2005	39.976	22.977	-	30.000	5.647	98.600
Changes in book value 2006:						
■ Investments and loans provided	60.759	-	37	575.000	-	635.796
■ Divestments and redeemed loans	-	(19)	-	(30.000)	(5.496)	(35.515)
■ Impairment / depreciation	-	(1.689)	-	-	(151)	(1.840)
■ Share in result of participating interests	14.248	-	-	-	-	14.248
■ Currency translation adjustments	(2.584)	-	-	-	-	(2.584)
■ Dividends declared	-	(1.965)	-	-	-	(1.965)
Balance as at December 31, 2006	112.399	19.304	37	575.000	-	706.740

4.1 Participating interest in group companies

The valuation of participations is based on the net assets value of the participations as per December 31, 2006.

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The participating investments in group companies as of December 31, 2006 and December 31, 2005 comprise the following entities:

Name	Location	Book value		Book value	
		31-12-2006 EUR	% held	31-12-2005 EUR	% held
Enel Re Ltd	Dublin, Ireland	37.652	100,00	27.115	100,00
Enel Green Power International S.A.	Luxembourg	4.028	32,89	5.466	32,89
Pragma Energy S.A.	Lugano, Switzerland	6.903	100,00	7.395	100,00
Res Holdings B.V.	Amsterdam	7.573	49,50	-	-
Erelis SAS	Lyon, France	0	100,00	-	-
Enel Panama Ltd.	Amsterdam	55.974	100,00	-	-
Enelco S.A.	Maroussi, Greece	269	75,00	-	-
		<u>112.399</u>		<u>39.976</u>	

4.1.1 Enel Re. Ltd.

In order to put in place a reorganization of Enel's foreign subsidiaries and render more efficient Enel's presence outside Italy, on September 22, 2004 the Board of Directors of the Company has resolved to wind up the subsidiary Enel Holding Luxembourg SA, 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 2006.

As of December 31, 2006 the audited net asset value of Enel Re. Ltd amounts to EUR 37.657 thousand (2005: EUR 27.115 thousand).

4.1.2 Enel Green Power International S.A.

The Company is the holder of 32,89% of the shares in Enel Green Power International SA., a company who is the sub-holding for Enel Group overseas activities in the field of electricity generation from renewable sources. The remaining 67,11%, following to the merger of Enel Green Power Spa into Enel Produzione Spa, are held by Enel Produzione Spa.

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As of December 31, 2006 the audited net asset value of Enel Green Power International S.A. amounts to EUR 12.246 thousand (2005: EUR 16.620 thousand).

4.1.3 Pragma Energy S.A.

In March 2005 the Company bought 100% of the shares in Pragma Energy S.A. from Enel Trade S.p.A. for an amount of EUR 6.479 thousand (USD 8.400 thousand). Pragma Energy S.A. 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 3.391 thousand (USD 4.055 thousand).

As of December 31, 2006 the audited net asset value of Pragma Energy S.A. amounts to EUR 6.903 thousand (2005: EUR 7.395 thousand).

4.1.4 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 83.182 thousand (USD 105.000 thousand). The acquisition cost recorded in 2006 amounted to EUR 859 thousand. The acquisition cost includes an amount of goodwill of EUR 80.832 thousand. The goodwill is capitalized and amortized for a period of 8 years.

Res Holdings B.V. is the owner of 100% of the shares of the Russian electricity trading company, Rusenergosbyt LLC.

As of December 31, 2006 the audited net asset value of Rusenergosbyt LLC amounts to EUR 14.079 thousand.

4.1.5 Erelis SAS

In July 2006 the Company bought 100% of the shares in Erelis SAS for an amount of EUR 14.131 thousand. The acquisition cost recorded in 2006 amounted to EUR 234 thousand. The acquisition cost includes an amount of goodwill of EUR 14.321 thousand. The goodwill is capitalized and amortized in a period of 20 years.

Erelis SAS has the scope to develop wind energy projects. In 2007 the Company is planning to sale its shares in Erelis SAS to Enel France SAS. Enel France SAS, a 100% subsidiary of the Company, was incorporated by the Company in 2007. The purchase price to be paid by Enel France SAS is financed through a capital contribution paid by the Company in February 2007 in the amount of EUR 14.400 thousand.

As of December 31, 2006 the audited net asset value of Erelis SAS amounts to EUR 718 thousand negative.

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4.1.6 Enel Panama Ltd.

In August 2006 the Company bought 100% of the shares in Enel Panama Ltd. (previously called HQI Latin America Ltd.) for an amount of EUR 118.977 thousand (USD 150.000 thousand). The acquisition cost recorded in 2006 amounted to EUR 68 thousand. The acquisition cost includes an amount of goodwill of EUR 61.847 thousand. The goodwill is capitalized and amortized in a period of 20 years.

Enel Panama Ltd. is the owner of 50,1% of the corporate capital of Americas Holding Corporation, which company is the owner of 100% of the corporate capital of Americas Generation Corporation. Americas Generation Corporation is the owner of 49% of the corporate capital of Empresa de Generation Electrica Fortuna S.A., which is in turn the owner of a hydroelectric generation station located in the Republic of Panama.

The other shares in Americas Holding Corporation are held by Globeleq Holding (Fortuna) S.A. In February 2007 the Company bought 100% of the shares in Globeleq Holding (Fortuna) S.A. for an amount of EUR 124.472 thousand (USD 162.000 thousand).

As of December 31, 2006 the net asset value of Enel Panama Ltd amounts to EUR 55.974 thousand, of which EUR 53.570 thousand are audited and EUR 2.404 thousand are unaudited.

4.1.7 Enelco S.A.

In November 2006 the Company bought 50% of the shares in Enelco S.A. from the affiliated company Enelpower Spa. for an amount of EUR 8.079 thousand. The acquisition cost includes an amount of goodwill of EUR 7.873 thousand. The goodwill is directly deducted from the Shareholders' equity under the accumulated losses.

In December 2006 the Company bought additional 25% of the shares in Enelco S.A. from a third party for an amount of EUR 4.000 thousand. The acquisition cost recorded in 2006 amounted to EUR 48 thousand. The acquisition cost includes an amount of goodwill of EUR 3.945 thousand. The goodwill is capitalized and amortized for a period of 20 years. Depending on future events (see below) it is possible that the acquisition price for the 25% part will be increased with EUR 6.000 thousand to EUR 10.000 thousand. A part of the future events were completed in February 2007, which effected in an increase of the acquisition price with EUR 2.000 thousand. This amount is recorded in the books of EIH BV in 2007.

Enelco S.A. holds a license required by the Greece Regulatory Authority for Energy (R.A.E.) to participate to tenders issued for the allocation of power capacity in Greece, through the construction of new gas power plants. In February 2007 Enelco has filed a binding offer to develop a new unit in Greece. In this respect the Company has approved, in case the offer is accepted, to support Enelco with an equity investment in the overall amount of up to EUR 100 million.

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As of December 31, 2006 the audited net asset value of Enelco S.A. amounts to EUR 363 thousand.

4.2 Other investments

The other investments are valued at cost less any accumulated impairment losses.

The other investments as of December 31, 2006 and December 31, 2005 can be specified as follows:

Name	Country	Book value		Book value	
		31-12-2006 EUR	% held	31-12-2005 EUR	% held
Echelon Corporation	USA	18.223	7,67	19.912	7,54
Eutilia N.V.	The Netherlands	50	9,81	50	9,81
Selecta S.p.A.	Italy	1.000	3,98	1.000	3,98
Euromedia Luxembourg One S.A. – in liquidation	Luxembourg	31	28,57	1.996	28,57
Carbones Colombianos del Cerrejón	Colombia	-	-	19	9,11
IPG AG – in liquidation	Switzerland	-	-	0	4,68
eDreams Inc.	USA	-	-	0	1,58
ETF Group S.A.	Switzerland	-	-	0	1,52
Codetoys Oy.	Finland	-	-	0	0,13
IPG Holding AG – in liquidation	Liechtenstein	-	-	0	4,68
Mycasa Network Inc	USA	-	-	0	5,86
Teggs S.p.A. – in liquidation	Italy	-	-	0	40,00
Exstream Solutions Inc.	USA	-	-	0	15,09
		19.304		22.977	

4.2.1 Echelon Corporation

The shares in Echelon were bought in December 2005 from Enel S.p.A. for an amount of EUR 20.803 thousand (USD 24.600 thousand). Echelon is listed on the NASDAQ market in the USA. Echelon is engaged in the field of control networking technology for automation systems.

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4.2.2 Eutilia N.V.

Eutilia N.V. has ceased its operations as from January 1, 2007 and is expected to be liquidated in 2007.

4.2.3 Selecta S.p.A.

The shares in Selecta S.p.A. were acquired through the merger with Webiz Holding B.V. in 2005. The percentage held by the Company represents 3,98% of the issued capital of Selecta S.p.A. As per December 31, 2006 the investment was valued at cost.

4.2.4 Euromedia Luxembourg One S.A. – in liquidation

Euromedia Luxembourg One S.A. was put into liquidation on October 28, 2005. A part equal to USD 3.971 thousand of the issued share capital was not paid up by the Company. In February 2006 Euromedia Luxembourg One S.A. paid an amount of USD 2.355 thousand to the Company as an advance payment on liquidation. The liquidation of this company is expected to be closed in the first half of 2007.

4.2.5 Carbones Colombianos del Cerrejon

The shares in Carbones Colombianos del Cerrejon were bought in December 2005 from Aburra B.V. for an amount of EUR 548 thousand (USD 650 thousand). In February 2006 the Company and Pragma Energy S.A. (the Sellers) sold their shares in Carbones Colombianos del Cerrejon to Andean Coal Corporation. The part of the selling price related to the shares held by the Company was EUR 340 thousand (USD 406 thousand).

4.2.6 Webiz Capital B.V.

In July 2006 the Company incorporated the company Webiz Capital B.V. For the purpose of paying up the issued shares the Company has contributed to Webiz Capital B.V. its shares in eDreams inc; ETF Group S.A.; Codetoys Oy.; IPG Holding A.G. (in liquidation); MyCasa Network Inc.; Teggs S.p.A. (in liquidation) and eXstream inc.

The shares in Webiz Capital were sold in July 2006 for an amount of EUR 550 thousand.

In October 2006 it arose a dispute between the buyer (Broop LLP) and the Company on the validity of the sale. In fact, in September 2006 the Company received an offer for the shares of eDreams (one of the companies contributed to Webiz Capital) for a total consideration of more than 2 million Euro.

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The Company and the seller are now seeking for an amicable settlement of the dispute in order to share the surplus deriving from the sale of eDreams shares. The Company is confident to find a solution in the next few months.

4.3 Advances paid for purchases of non current equity investments

In December 2006 the company paid an amount of EUR 37 thousand in respect of the incorporation of Enel France S.A.S.. The company was incorporated in January 2007.

4.4 Other Receivables

The other receivables to third parties as of December 31, 2006 can be specified as follows:

Company	31-12-2006	31-12-2005	Interest rate	Expiration date
	EUR	EUR		
Loan receivable from shareholders (GMTN Loans)	575.000	-	see below	
Tellas Telecommunications SA	-	30.000	Euribor 3m + 0.125%	31-12-2007
	<u>575.000</u>	<u>30.000</u>		

The interests percentages of the loan receivables from shareholders (GMTN loans) are between 3,75% and 5,25%. The maturity dates of the loans are from 2008 till 2023. See also note 8.

In 2006 the loan to Tellas Telecommunications SA is classified as a current asset.

5 Accounts receivable

	30-12-2006	31-12-2005
	EUR	EUR
Loans to group companies	229	307.500
Other receivables from group companies	308	-
Other Loans	30.000	-
Accrued Interest on loans to shareholder	6.415	-
Accrued interest on loans to affiliated companies	173	240
Other receivables towards third parties	495	1.780
	<u>37.620</u>	<u>309.520</u>

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5.1 Loans to group companies.

Company	31-12-2006 EUR	31-12-2005 EUR	Interest rate	Expiration Date
Enel Green Power International	-	307.500	Euribor 3m + 0.50%	02-01-2006
Erelis S.A.S.	229	-	Euribor 3m + 0.50%	31-03-2007
	<u>229</u>	<u>307.500</u>		

5.2 Other Loans

Company	31-12-2006 EUR	31-12-2005 EUR	Interest rate	Expiration Date
Tellas Telecommunications SA	30.000	-	Euribor 3m + 0.125%	31-12-2007
	<u>30.000</u>	<u>-</u>		

In 2005 the loan to Tellas Telecommunications SA was classified as a financial fixed asset.

6 Cash at bank and in hand

The Cash at Banks as per December 31, 2005 also includes EUR 176.221 thousand as Intercompany Current Account held with the parent company Enel SpA. The account has the nature of a cash transaction deposit account with maturity no longer than three months.

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7 Shareholders' equity

	Share Capital	Share Premium	Reval- uation Reserve	Currency translation Reserve	Accu- mulated losses	Loss for the period	Total
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Balance as at							
1 January 2005	1.593.050	5.587.436	199.894	-	(6.326.936)	(1.593.822)	(540.378)
▪ Appropriation					(1.593.822)	1.593.822	-
▪ Revaluation Wind			(199.894)		199.894		-
▪ Other movements				655			655
▪ Loss for the year						(172.413)	(172.413)
Balance as at							
December 31, 2005	1.593.050	5.587.436	-	655	(7.720.864)	(172.413)	(712.136)
▪ Appropriation					(172.413)	172.413	-
▪ Goodwill Enelco					(7.873)		(7.873)
▪ Share premium contribution		880.000					880.000
▪ Other movements				(2.584)			(2.584)
▪ Loss for the year						(24.953)	(24.953)
Balance as at							
December 31, 2006	1.593.050	6.467.436	-	(1.929)	(7.901.150)	(24.953)	132.454

The revaluation reserve recorded in 2005 in respect of the investment in Wind was released in 2006 in favor of the accumulated losses following the sale in August 2006 of the Company's shares in Wind to Weather Investments S.r.l.

The authorized capital of Enel Investment Holding B.V. amounts to EUR 7.500.000 thousand, 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.

In 2006, the Company received additional capital contribution EUR 880.000 thousand from the parent company.

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8 Long term liabilities

As at December 31, 2006 the Company has issued bonds in six different installments for a total amount of EUR 575.000 thousand. The maturity of the bonds - exclusively placed to private investors - ranges from 2 to 16 years as detailed in the following chart:

Currency	EUR	Maturity	Interest rate
EUR	300.000	Sep 2023	5.25%/year
EUR	100.000	Sep 2010	4.125%/year
EUR	50.000	Oct 2010	Fl. Euribor 6m + 0.50%
EUR	50.000	Oct 2008	Fl. Euribor 6m + 0.30%
EUR	50.000	Oct 2010	5% for the first year. From 2 nd year linked to UE C.P.I.
EUR	25.000	Nov 2010	3.75% for the first 2 yrs. From 3 rd year linked to UE C.P.I.
Total	575.000		

In June 2006 the Company signed an agreement with the parent company for the assumption of Debt with its shareholder Enel S.p.A. Based on this agreement Enel S.p.A. undertook to the Company to assume all the obligations of payment of the Company in respect of the above-mentioned bonds. In this respect reference is made to note 4.4.

An amount of EUR 275.000 thousand has a maturity date within 5 years. An amount of EUR 300.000 thousand has a maturity date after five years.

In June 2006 the Company signed an agreement in relation to the substitution of the following bonds:

Currency	EUR	Maturity	Interest rate
EUR	40.000	Oct 2032	Fl. Euribor 6m + 0.62%
EUR	40.000	Oct 2032	5.675%/year
EUR	125.000	Oct 2033	5.5%/year
GBP	40.000	Nov 2033	5.584%/year
EUR	150.000	Mar 2029	Fixed rate 5.60% from 1 st to 7 th year. Convertible at 7 th , 11 th , 17 th years into floating rate Euribor 6m + 0,49%

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The total amount of the loans transferred to the parent company in 2006 amounts to EUR 412.630 thousand.

Based on this agreement Enel S.p.A., with effect from June 20, 2006, is deemed to be the issuer of the above-mentioned bonds.

9 Short term liabilities

	31-12-2006 EUR	31-12-2005 EUR
Debts to shareholder	176.281	-
Liabilities other group companies	4.145	-
Accrual interest payable shareholder	185	4.506
Other Accrued liabilities shareholder	3.836	11.407
Accrued liabilities other group companies	232	-
Short term loan Banks – ECP	-	275.893
Interest payable – GMTN	6.415	15.791
Other payables	6	1.019
Accrued liabilities	432	331
	<u>191.532</u>	<u>308.947</u>

9.1 Debts to shareholder

The debts to shareholder consist of a short-term inter-company loan account. The average interest charged in 2006 was 3,4% (2005: 2,4%)

9.2 Liabilities other group companies

	31-12-2006 EUR	31-12-2005 EUR
Enelpower S.p.A. in respect of sale Enelco	4.079	-
Enel Services UK	66	-
	<u>4.145</u>	<u>-</u>

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9.3 Short term loan Banks - ECP

On October 2005 the Board of Directors of the Company has resolved to terminate the ECP Program, meaning that the Company shall not issue any other Commercial Papers, letting the outstanding notes reach their maturity, without any early redemption. The last maturity of the outstanding notes was June 2006.

10 Off-balance sheet commitments

Long-term unconditional obligations have been entered into an agreement in respect of the rental for office space until April 1, 2008. As per December 31, 2006 the commitments ensuing from this amount amounts to EUR 24 thousand. An amount of EUR 20 thousand has a term not exceeding one year.

11 General and administrative expenses

	2006 EUR	2005 EUR
Cost management	65	98
Accommodation cost	20	19
Administration services	104	98
Audit fees	36	41
Services from group companies	332	191
Other advisory fees	194	129
Other general expenses	18	35
	<hr/>	<hr/>
	769	611
	<hr/>	<hr/>

12 Interest and similar income

	2006 EUR	2005 EUR
Interest income shareholder	3.148	14.165
Interest income shareholder (GMTN loans)	13.870	-
Interest income other group companies	60	10.630
Interest income other	1.183	404
	<hr/>	<hr/>
	18.261	25.199
	<hr/>	<hr/>

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13 Interest and similar charges

	2006 EUR	2005 EUR
Interest expenses shareholder	6.107	17.538
Interest expenses banks (GMTN/ECP)	37.275	89.209
Interest expenses other	-	13
Other financial expenses shareholder	3.234	11.831
Other financial expenses	1.374	1.113
	<u>47.990</u>	<u>119.704</u>

14 Results from participations and other investments

	2006 EUR	2005 EUR
Result sale shares Wind	-	186.279
Result sale shares investment WEBiz Capital B.V.	550	-
Adjustment liquidation Enel Holding Luxembourg S.A.	110	-
Share in results of participating interests	14.248	(125.992)
Impairment other investments	(1.874)	(2.296)
Movement provisions on subsidiaries	-	11.401
Movement provisions loan subsidiaries	(783)	-
	<u>12.251</u>	<u>69.392</u>

15 Staff levels

As per December 31, 2006 the Company had, other than the five directors, no staff employed. On January, 3 2007 the Company hired a Corporate Manager who shall manage all the aspects of the ordinary course of business of the Company with specific reference to financial, administrative, accounting, reporting, control, tax, corporate affairs and general service activities.

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Enel Investment Holding B.V.

16 Directors and supervisory directors

The Company has five directors and no supervisory board.

Amsterdam, February 26, 2007

The Board of Management:

C. Machetti

G. Frea

A.J.M. Nieuwenhuizen

F. Mauritz

H. Marseille

29-06-2007

Enel Investment Holding B.V.

Other information

Provisions in the articles of association governing the appropriation of profit

Under article 14 of the Company's articles of association, the profit is at the disposal of the General Meeting of Shareholders, which can allocate said profit either wholly or partly to the formation of – or addition to – one or more general or special reserve funds.

The Company can only make payments to the shareholders and other parties entitled to the distributable profit insofar as the shareholders' equity is greater than the paid-up and called-up part of the capital plus the legally required reserves.

Proposal for profit appropriation

The Executive Board proposes to add the loss for the year to the accumulated losses.

Post balance sheet events

On February 2, 2007 the Company bought 100% of the shares in Globeleq Holding (Fortuna) S.A. for an amount of EUR 124.472 thousand (USD 162.000) thousand. In this respect reference is made to note 4.1.6.

In February 2007 the Company made a share premium contribution to Enel France SAS in the amount of EUR 14.400 thousand. In 2007 the Company is planning to sale its shares in Erelis SAS to Enel France SAS. In this respect reference is made to note 4.1.5.

Auditor's report

The auditor's report is set forth on the following page.

29-06-2007



Auditor's report

We have audited the accompanying financial statements 2006 of Enel Investment Holding B.V., Amsterdam, which comprise the balance sheet as at 31 December 2006, the profit and loss account for the year then ended and the notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for qualified opinion

The Company's investment in ENEL Panama Ltd. and its subsidiaries, foreign associates acquired during the year and accounted for by the equity method, is carried at € 55.974 thousand on the balance sheet, of which € 53.570 thousand are audited and the remaining € 2.404 thousand are unaudited as at 31 December 2006, and the Company's share of ENEL Panama

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Ltd's net income of € 576 thousand is included in the Company's income for the year then ended. We were unable to obtain sufficient appropriate audit evidence about the remaining carrying amount € 2.404 thousand of the Company's investment in ENEL Panama Ltd. as at 31 December 2006. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified opinion

In our opinion, except for the possible effect of the matter described in the basis for qualified opinion paragraph, the financial statements give a true and fair view of the financial position of ENEL Investment Holding B.V. as at 31 December 2006, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Amstelveen, 3 May 2007

KPMG ACCOUNTANTS N.V.

J.M.A.Eskes RA

07-5279

INITIALS FOR
IDENTIFICATION PURPOSES

29-06-2007