Enel Investment Holding B.V.

Half-Year Financial Report
at 30 June 2016

BoD 27 July 2016

Content

Interim Director's Report

General Information

Management of the Enel Investment Holding B.V. (hereafter: the "Company") hereby presents its half-year financial statements at and for the six months ended at 30 June 2016.

The Company is a private limited liability company wholly owned by Enel S.p.A, the ultimate Parent Company, which has its registered office in Rome (Italy). Enel Investment Holding B.V. has its registered office at Herengracht 471 in Amsterdam (The Netherlands) and was incorporated on 15 December 2000 under Dutch Law.

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

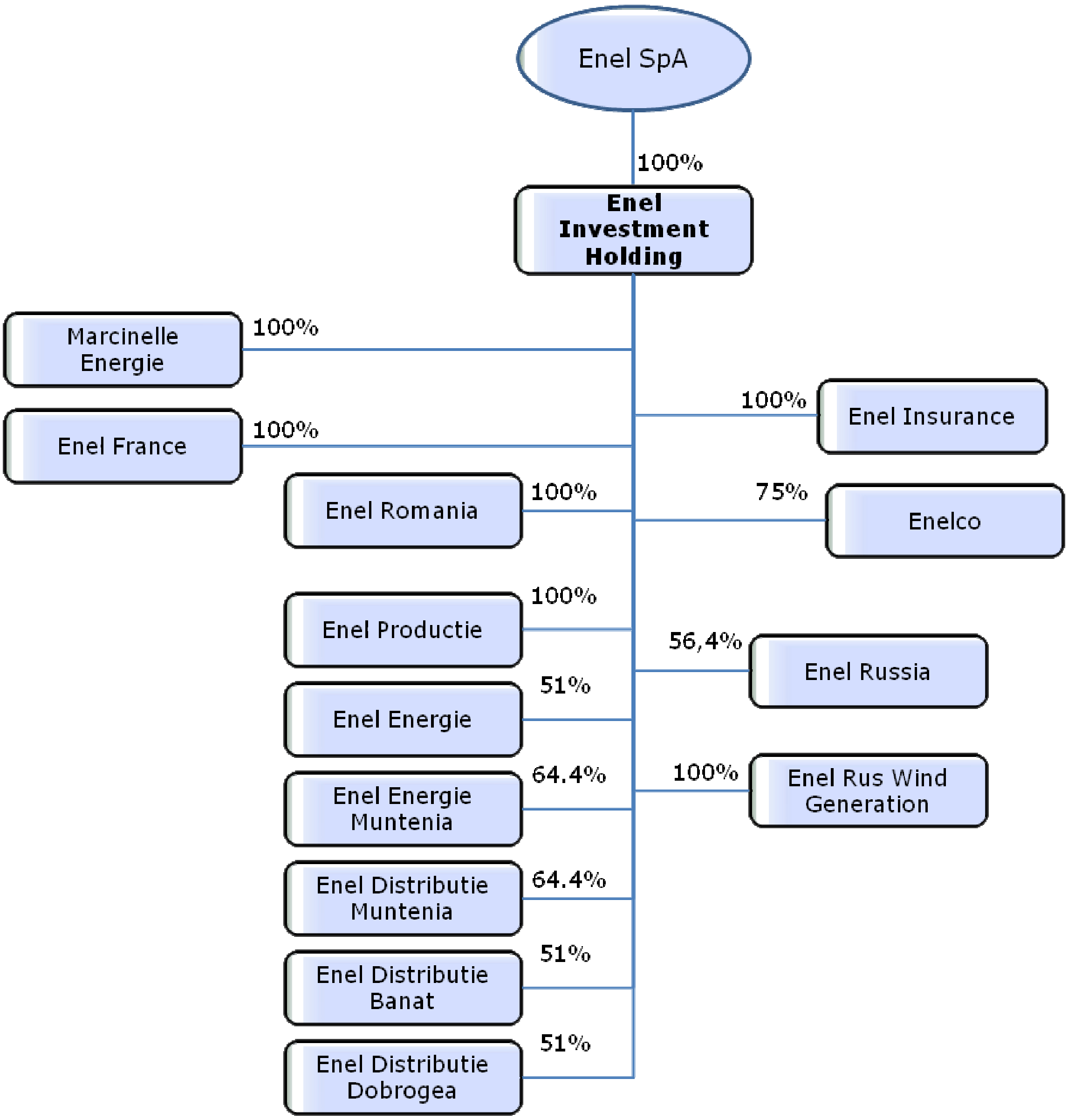
- in the electricity industry, including all generation, distribution, sale and transmission activities;
- in the energy industry in general, including fuels, and in the field of environmental protection, as well as the water sector;
- in the communications, information-technology and the multimedia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

Group structure

At 30 June 2016 the Group structure is as follows:

Holding of the Group

Enel Investment Holding B.V. (wholly owned by the ultimate parent company Enel S.p.A.)



For the complete list of the subsidiaries and associates of the Company please refer to page 77 and following.

Significant events in the first half of 2016

BEG litigation

Following an arbitration proceeding initiated by BEG SpA in Italy, Enelpower obtained a ruling in its favour in 2002, which was upheld by the Court of Cassation in 2010, in which the claim with regard to an alleged breach by Enelpower of the agreement concerning the construction of a hydroelectric power station in Albania was entirely rejected. Subsequently, BEG, acting through its subsidiary Albania BEG Ambient Shpk, filed an action against Enelpower and Enel SpA in Albania concerning the matter, obtaining a ruling, upheld by the Albanian Supreme Court of Appeal, ordering Enelpower and Enel SpA to pay tortious damages of about 25mln of Euro for 2004 as well as an unspecified amount of tortious damages for the subsequent years. Following the ruling, Albania BEG Ambient claimed a payment of more than 430mln of Euro, a request that Enelpower and Enel rejected, vigorously contesting its legitimacy and filing an action in Albania for the revocation of the ruling for conflict with the ruling of the Italian Court of Cassation.

The European Court of Human Rights - to which Enelpower SpA and Enel SpA filed appeal for violation of the right to a fair trial and the rule of law, asking the Court to order the Republic of Albania to pay damages - dismissed the action as inadmissible. The order has been taken without examination or assessment of the merits of the case.

In February 2012, Albania BEG Ambient filed an action against Enel and Enelpower at the Tribunal de Grande Instance in Paris in order to declare the ruling of the Albanian court enforceable in France. Enel and Enelpower have challenged the claim. The proceeding is ongoing. Subsequently, again at the initiative of BEG Ambient:
- Enel France was served with two "Saise Conservatoire de Créances" (orders for the precautionary attachment of receivables) to block any receivables of Enel SpA in respect of Enel France;
- JP Morgan Luxembourg was served with analogous attachment of receivables regarding any potential credit of Enel SpA.

Albania BEG Ambient Shpk commenced in March 2014 an action against Enel SpA and Enelpower SpA before the Supreme Court of the State of New York seeking recognition and enforcement of the Albanian judgment in the State of New York in the alleged amount of $597,493,543. Enel SpA and Enelpower SpA believe plaintiff's claims to be improper and without merit, and have contested all aspects of the plaintiff's case and defend their interests vigorously in this matter.
On April 22, 2014, upon the motion of Enel and Enelpower, the judge vacated a previously entered temporary restraining order that restricted Enel's and Enelpower's transfer of certain assets up to the amount of judgment sought.
On April 27, 2015, Enel SpA and Enel Power SpA asked the trial to be remitted by the Court of the State of New York to the Federal Court. By the Federal Court's decision of March 10, 2016, this removal request of Enel Spa and Enelpower SpA, has been rejected and the consequently, the case will continue to be heard by the New York court.

In June 2014, Albania BEG Ambient Shpk obtained a conservatory attachment ex parte interim from the Hague Tribunal of sums up to 440mn€ and the seizure of the shares of two Dutch subsidiaries Enel Investment Holding B.V. and Enel Finance International N.V..
Enel S.p.A. and Enelpower contested this initiative and on July 1, 2014, the Dutch court - upholding the reasons Enel and Enelpower – i) provisionally estimates ABA's claim (in regard to which the judge in summary proceedings of this district court granted leave for a prejudgment attachment to be levied to secure recovery on 2 June 2014), further at € 25,188,500; ii) lift all the attachments and garnishment as soon as Enel provides ABA with a bank guarantee for €25,188,500. Enel and Enelpower have appealed such decision and no bank guarantee has been released so far.
Albania BEG Ambient Shpk filed a second ex parte attachment request on 3 July 2014. Following the hearing held on 28.8.2014, on 18 September 2014, the court of the Hague has granted leave for a prejudgment attachment to be levied for 425mn€. Enel and Enelpower have appealed this decision. The Court of Appeal of The Hague, by decision of 9 February 2016, upheld the appeal ordering to lift all the protective attachments after Enel provides a bank guarantee in the amount of 440 million Euros and Albania BEG Ambient provides a counter-guarantee of 50 million Euros (estimated value of the loss sustained as a consequence of attachments including the charges of the bank guarantee).). On 30 March 2016, Enel posted a bank guarantee, and the conservatory attachments levied on 6 June 2014 and 19 September 2014 were lifted. ABA did not post a counter guarantee by 20 April 2016 and the bank guarantee has therefore lapsed. Albania BEG Ambient Shpk has appealed the decision dated 9 February 2016 before Supreme Court and Enel and Enelpower have appeared in the proceedings on 20 may 2016.

At the end of July 2014, Albania BEG Ambient Shpk started a proceeding to seek recognition of the Albanian ruling in the Netherlands. The last hearing of the proceedings was held in the end of January 2016. With judgment served on 29 June 2016 the Amsterdam District Court: i) has recognized the Albanian judgment in the Netherlands ii) has ordered Enel and EnelPower to pay 433,091,870.00 Euros, as well as costs 60.673,78 Euros. The District Court has denied Albania BEG Ambient Shpk's other claims. Furthermore, although Albania BEG Ambient Shpk had requested the District Court to declare its decision provisionally enforceable, the District Court has denied this request.
Enel has filed a notice of appeal against the Judgment on 29 June 2016. In the appeal, the Amsterdam Court of Appeal will undertake a full de novo evaluation of the entire case, and will rehear the case as a whole.

On 14 July 2016 Albania BEG Ambient Shpk served conservatory third party attachments ex parte of sums up to 440mn€ and the seizure of the shares of three Dutch subsidiaries Enel Investment Holding B.V., Enel Finance International N.V. and Enel Green Power International B.V.. Enel will file summary proceedings against such attachments.

Albania BEG Ambient Shpk has also initiated the procedure for the enforcement of the judgment of the Court of Tirana at Luxembourg and in Ireland. In their defence Enel SpA and Enelpower challenged all requests of Albania BEG Ambient Shpk. (and, in Ireland, the jurisdiction of the Irish courts). On March 8, 2016 the Irish Court by its decision admitted the jurisdiction challenge raised by Enel Spa and Enelpower SpA pronouncing the lack of jurisdiction in Ireland. In Luxembourg, the proceedings are still ongoing and Enel Spa and

Enelpower SpA are contesting the claims presented by Albania Beg Ambient Shpk. So far no decision has been made by the Court.

It has been terminated the proceedings regarding the suit lodged by Enelpower and Enel SpA with the Court of Rome asking the Court to ascertain the liability of BEG for having evaded the arbitration ruling issued in Italy in favor of Enelpower, through the legal action taken by Albania BEG Ambient in Albania. With this action, Enelpower and Enel have asked the Court to find BEG liable and order it to pay damages in the amount that one or the other could be required to pay to Albania BEG Ambient in the event of the enforcement of the judgment issued by the Albanian courts.
By judgment dated 16 June 2015, Court of Rome declared the lack of legitimacy of BEG SpA as well as inadmissibility of the claim for lack of legitimacy of Enel SpA and Enelpower, since the Albanian ruling has not yet been declared enforceable in any country, with compensation costs. Enel SpA and Enel Power SpA have appealed against this judgment at first instance in front of the Court of Appeal of Rome, requesting a complete revision of the judgment.

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:

2016

- On February 2016, following a bidding offer, the company Enel France has been classified as Held for sale.
- In May 24 the Company purchased the remaining 50% of Enel Insurance. Starting from the end of May Enel Insurance is wholly owned by the Company and consolidated globally.

2015

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

Group performance on income statement

Millions of euro	1th Half	
	2016	2015
Total revenues	1.034	1.187
Total costs	833	961
Gross operating income	**201**	**226**
Depreciation, amortization and impairment losses	73	118
Operating Income	**128**	**108**
Financial income	85	123
Financial expense	(123)	(167)
Total financial income/(expenses)	**(38)**	**(44)**
Share of gain/(losses) on investments accounted for using the equity method	20	23
Profit/(loss) before taxes	**110**	**87**
Income taxes	14	13
Net profit (Group and minority interests)	**96**	**74**
Minority interests	15	14
Group net profit	**81**	**60**

Revenues dropped to EUR 1.034 million from EUR 1.187 million reported in the first half of 2015. The decrease (EUR 153 million) was essentially related to the following factors:

- a decrease of EUR 123 million in revenues in Russia mainly due to lower volumes sold because of Nevinnomysskaya CCGT outage in 1Q16, as well as insurance compensation for Sredneuralskaya CCGT received in 1Q15;
- a decrease of EUR 26 milion in revenues from electricity transport of Rumenian distribution companies.

Costs in the 1st half of 2016 amounted to EUR 833 million, down EUR 128 million over the corresponding period of 2015. The change is primarily attributable to:

- lower costs for **raw materials and consumables** (EUR 101 million) mainly due to: lower energy purchased by the Romanian sales companies (Enel Energie Muntenia and Enel Energie) for EUR 7 million, and Enel Russia (EUR 89 million) due mainly to a decrease of costs for raw materials and consumables;
- the decrease of the cost for **services** (EUR 16 million) of Enel France (EUR 9 milion) and Enel Russia (EUR 7 milion).

The **Operating Income** down to EUR 201 million from EUR 226 million. This change (EUR 25 million) is mainly attributable to the drop of EUR 45 milion of depreciation amortization and impairment losses, partially offset by higher margin performed by Enel Russia (EUR 21 milion).

Depreciation, amortization and impairment losses totaled EUR 73 million with a drop of EUR 45 milion.

Net financial expenses totaled EUR 38 million, an increase of EUR 6 million over the first half of 2016, mainly as a result of the decrease in fair expenses of trading derivatives (EUR

23 million) partially offset by an increase of exchange losses (EUR 6 million), and a decrease of the net result of interest and financial debt (EUR 11 milion).

The share of gains/(losses) on investments accounted for using the equity method showed a positive EUR 20 million, down EUR 3 million over 2015. The fall mainly reflects lower performances of Rusenergosbyt LLC (EUR 3 million) in the first half of 2016.

Income taxes totaled EUR 14 million as of 30 June 2016

Analysis of the Group financial position

Millions of euro

	30 June 2016	31 Dec. 2015	Change
Net non-current assets:			
Property, plant and equipment and intangible assets	2.364	2.258	106
Goodwill	661	661	0
Equity investments accounted for using the equity method	60	143	(83)
Other net non-current assets/(liabilities)	99	71	28
Total	**3.184**	**3.133**	**51**
Net current assets:			
Trade receivables	352	303	49
Inventories	85	83	2
Other net current assets/(liabilities)	(928)	(825)	(103)
Trade payables	(365)	(426)	61
Total	**(856)**	**(865)**	**9**
Gross capital employed	**2.328**	**2.268**	**60**
Provisions:			
Post-employment and other employee benefits	(62)	(56)	(6)
Provisions for risks and charges	(407)	(119)	(288)
Net deferred taxes	(124)	(119)	(5)
Total	**(593)**	**(294)**	**(299)**
Net assets held for sale	**56**	**-**	**56**
Net Capital Employed	**1.791**	**1.974**	**(183)**
Total Shareholders' Equity	**4.419**	**4.245**	**174**
Net Financial Debt	**(2.628)**	**(2.271)**	**(356)**

Property, plant and equipment and intangible assets totalled 2.364 million, up EUR 106 million on 31 December 2015. This variation is primarily the result of the positive exchange rate effects (EUR 87 million) and the capital expenditure carried out over the period (EUR 83 million), partially offset by the depreciation and amortization during the reporting period (EUR 73 million).

Goodwill amounted to EUR 661 million, in line with the values of the previous period.

Equity investments accounted for using the equity method amounted to EUR 60 million, down EUR 83 million the difference over the previous year is due the change of consolidation method to global for Enel Insurance, following the acquisition of the remaining 50% of shares (EUR 104 milion) and the increase of income effect of Res Holdings (EUR 21 milion).

Net current assets came to a negative EUR 856 million, an increase of EUR 9 million compared to 31 December 2015, mainly due to the increase of trade receivables of Enel Insurance (EUR 38 million), due the global consolidation method following the full control of the company, and Marcinelle (EUR 26 milion) partially ofset by the decrease of trade receivables of Enel France (EUR 14 milion); and by the decrease of trade payables for EUR 61 milion mostly related to Enel Russia (EUR 54 milion) due the scheduled payment, these effects are partially ofset by the increase of net current liabilities for EUR 103 milion mainly due the Enel Insurance acquisition.

Provisions amounted to EUR 407 million, up EUR 288 million compared to 2015 year ended with the change mostly attributable to the increase of insurance indemnities (EUR 260 milion) as effect of the, described above, global consolidation method of Enel Insurance.

Net capital employed came to EUR 1.792 million at 30 June 2016, down EUR 182 million over 31 December 2015; it is funded by shareholders' equity attributable to the Group and non-controlling interests in the amount of EUR 4.419 million and by net financial debt totalling EUR –2.628 million. The debt-to-equity ratio at 30 June 2016 came to -59% (as of 31 December 2015 -53%).

Analysis of the financial structure

Millions of euro

	30 June 2016	31 Dec. 2015	Change
Long Term Debt:			
Bank loans	267	271	(4)
Bonds	438	422	16
Other loans from third parties	1	1	-
Other loans from Enel Group's Companies	-	-	-
Long-term debt	706	*694*	*12*
Long-term financial receivables and securities	(474)	(1)	(473)
Other m/l term financial receivables from Enel Group's Companies	(297)	(297)	-
Net long-term debt	**(65)**	**396**	**(461)**
Short Term Debt:			
Short-term portion of long term bank debt	52	42	10
Other short-term bank debt	-	16	(16)
Short-term bank debt	52	*58*	*(6)*
Bonds (short-term portion)	-	-	-
Other short-term debt	-	-	-
Long term financial receivables (short-term portion)	-	-	-
Short-term financial receivables	-	-	-
Short-term financial receivables from Enel SpA	(6)	(87)	81
Short-term financial receivables from Enel Group Companies	(111)	(167)	56
Cash and cash equivalents	(2.498)	(2.471)	(27)
Cash and cash equivalents and short-term financial receivables	(2.615)	(2.725)	110
Net short-term debt	**(2.563)**	**(2.667)**	**104**
NET FINANCIAL DEBT	**(2.628)**	**(2.271)**	**(357)**
NET FINANCIAL DEBT of wich "Assets held for sale"	(80)	-	(80)

Net financial debt was equal to EUR -2.628 million at 30 June 2016, an EUR 357 million decrease over 31 December 2015.

Net long-term debt decrease by EUR 461 million mainly due the global consolidation method of the company Enel Insurance following the acquiring of full control (EUR 473 milion) partially ofset by increase of long term debt (EUR 12 milion).

Net short-term debt increase by 104 million mainly because:

- a reduction of EUR 81 million of intercompany current account with Enel Spa used partially to the acquiring of the remaining 50% of Enel Insurance shares by the Company;
- a decrease of short financial receivables from Enel Group for EUR 56 milion mostly related to the reclassification as Held For Sale (HFS) of Enel France (EUR 85 milion)

These effects are partially ofset by Increasing of receivables due consolidation of Enel Insurance (EUR 30 milion) and reducing of short term bank debt.

Net financial debt of which "Asset Held for Sale" amounted to EUR 80 milion related only to Enel France.

Millions of euro	1th Half	
	2016	2015
Cash and cash equivalents at the beginning of the period [1]	**2.470**	**2.240**
Cash flows from operating activities (a)	194	197
Cash flows from (investing)/disinvesting activities (b)	(165)	(85)
Cash flows from financing activities (c)	(9)	62
Effect of exchange rate changes on cash and cash equivalents (d)	14	18
Increase/(Decrease) in cash and cash equivalents (a+b+c+d)	**34**	**192**
Cash and cash equivalents at the end of the period [1]	**2.504**	**2.432**

[1] including intercompany current account held with Enel SpA

Cash flows from operating activities in the 1st half of 2016 were positive at EUR 194 million, in line with the values of the previous period.

Cash flows from investing/disinvesting activities absorbed liquidity in the amount of EUR 165 million due to the acquiring of remaining 50% of Enel Insurance shares, and the investments in property, plant and equipment of the period

Cash flow from financing activities amounted to EUR -9 million. The change reflect the difference between repayment and new issue of financial debt

Main risks and uncertainties

Significant risks, risk appetite which could have a material effect on financial position and results as well as risk mitigation strategy have been described in the annual financial statements for 2015. Those categories and risks remain valid and should be read in conjunction with this interim report.

Outlook

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

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

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

Research and Development

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

Personnel

As of 30 June 2016, the Group employed 5.940 people (5.896 at 31 December 2015).

Changes in the total number of employees with respect to 31 December 2015 are below summarized:

n°	
Employees at 31 December 2015	**5.896**
Changes in the scope of consolidation	2
Hirings	184
Terminations	(142)
Employees at 30 June 2016	**5.940**

The Company employed seven directors and ten staff members.

Statement of the Board of Directors

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

To our knowledge,

1. the condensed interim financial statements at 30 June 2016 in combination with the annual report as at 31 December 2015 give a true and fair view of the assets, liabilities, financial position and result of Enel Investment Holding B.V. and its consolidated companies;

2. the condensed interim financial statements gives a true and fair view of the anticipated state of affairs, in particular providing information about the investments and the circumstances on which the development of turnover and profitability depend to the extent that providing this information is not contrary to the Company's best interest;

3. the Directors' report describes the principal risks the issuer is facing.

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

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

The Group main obligations can be summarized as follows:

- filing electronically with the AFM (Autoriteit Financiele Markten) in the Netherlands its adopted financial statements within 5 days after their adoption;

- making generally available to the public its half-year financial report via posting it on the official Enel website within 2 months after the end of the first six months of the financial year (31 August 2016);

- 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 (31 August 2016).

Amsterdam, 27 July 2016

The Board of Directors:

Mr. A. J. M. Nieuwenhuizen

Mr. Alessandro Canta

Mr. C. Palasciano Villamagna

Mr. Ernesto Di Giacomo

Mr. Giancarlo Pescini

Mr. Hans Marseille

Mr. Frank Mauritz

Enel Investment Holding B.V.

Condensed interim consolidated financial statements for the period ended 30 June 2016

Enel Investment Holding B.V. consolidated income statement for the period ended 30 June 2016

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

Millions of euro		1th Half	
		2016	2015
Revenues			
Revenues from sales and services	*5*	1.041	1.164
Other revenues	*5*	(7)	23
	[Subtotal]	1.034	**1.187**
Costs			
Raw materials and consumables	*6*	614	715
Services	*6*	116	132
Personnel	*6*	62	66
Depreciation, amortization and impairment losses	*6*	73	118
Other operating expenses	*6*	56	59
Capitalized costs	*6*	(15)	(11)
	[Subtotal]	906	1.079
Operating Income		**128**	**108**
Financial Income	*7*	85	123
Financial expense	*7*	(123)	(167)
Share of gains/(losses) on investments accounted for using the equity method	*8*	20	23
	[Subtotal]	(18)	(21)
Income/(Loss) before taxes		**110**	**87**
Income Taxes	*9*	14	13
Net income for the half-year (shareholders of the parent company and minority interests)		**96**	**74**
Attributable to non-controlling interests		15	14
Attributable to shareholders of the Parent Company		81	60

Enel Investment Holding B.V. consolidated statement of other comprehensive income for the period ended 30 June 2016

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

Millions of euro

	2016	2015
Net income/(loss) for the period	**96**	(593)
Other comprehensive income, recyclable to be profit or loss in future periods:		
Effective portion of change in the fair value of cash flow hedges	5	(19)
Share of income recognized in equity by companies accounted for using the equity method	-	-
Change in the fair value of financial investments available for sale	30	25
Exchange rate differences	43	(64)
Other comprehensive income, not to be recyclable to profit or loss in future periods:	**78**	(58)
Re-measurement gains/(losses) on defined benefit plans	-	-
Comprehensive income for the period	**174**	(651)
Attributable to:		
- shareholder of the Parent Company	136	(314)
- non-controlling interests	38	(337)

Enel Investment Holding B.V. consolidated statement of financial position as at 30 June 2016

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

Millions of euro	*Notes*		
ASSETS		**30 June 2016**	31 Dec. 2015
Non-current assets			
Property, plant and equipment	*10*	2.130	2.021
Intangible assets	*10*	895	898
Deferred tax assets		58	54
Equity investments accounted for using the equity method	*10*	60	143
Equity investments available for sale		204	176
Non-current financial assets		785	317
Other non-current assets		1	1
	(Total)	**4.133**	**3.610**
Current assets			
Inventories	*11*	85	83
Trade receivables	*11*	352	303
Tax receivables		4	15
Current financial assets	*11*	162	325
Other current assets	*11*	39	75
Cash and cash equivalents	*11*	2.498	2.471
	(Total)	**3.140**	**3.272**
Assets held for sale	*12*	**87**	**-**
TOTAL ASSETS		**7.360**	**6.882**

Enel Investment Holding B.V. consolidated statement of financial position as at 30 June 2016

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

Millions of euro	*Notes*		
LIABILITIES AND SHAREHOLDERS' EQUITY		**30 June 2016**	31 Dec. 2015
Equity attributable to the shareholders of the Parent Company	*13*		
Share capital		1.593	1.593
Other reserves		1.404	1.349
Retained earnings		533	846
Net income (loss) for the period		81	(313)
	(Total)	**3.611**	**3.475**
Equity attributable to minority interests		808	770
TOTAL SHAREHOLDER'S EQUITY		**4.419**	**4.245**
Non-current liabilities			
Long-term loans	*14*	706	694
Post-employment and other employee benefits	*14*	62	56
Provisions for risks and charges	*14*	352	89
Deferred tax liabilities	*14*	181	173
Other non-current liabilities	*14*	121	126
	(Total)	**1.422**	**1.138**
Current liabilities			
Current portion of long-term loans	*14*	52	42
Current portion of provisions for risks and charges	*14*	55	30
Trade payables	*15*	365	426
Current financial liabilities	*15*	34	37
Other current liabilities	*15*	961	940
Income tax payable	*15*	21	24
	(Total)	**1.488**	**1.499**
Liabilities held for sale		**31**	**-**
TOTAL LIABILITIES		**2.941**	**2.637**
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		**7.360**	**6.882**

Enel Investment Holding B.V. consolidated statement of cash flow for the period ended 30 June 2016

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

Millions of euro	1th Half	
	2016	2015
Cash and cash equivalents at the beginning of the period [1]	**2.470**	**2.240**
Cash flows from operating activities (a)	194	197
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Effect of exchange rate changes on cash and cash equivalents (d)	14	18
Increase/(Decrease) in cash and cash equivalents (a+b+c+d)	**34**	**192**
Cash and cash equivalents at the end of the period [1]	**2.504**	**2.432**

[1] including intercompany current account held with Enel SpA

Enel Investment Holding B.V. consolidated statement of changes in shareholder's equity as at 30 June 2016

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	Reserve for employee benefits	Retained earnings	Net income for the period	**Group Net Equity**	**Non-controlling Interests**	**Total shareholder's equity**
Balance at 1 January 2015	**1.593**	**2.410**	**132**	**(1.156)**	**(20)**	**(16)**	**654**	**192**	**3.789**	**1.107**	**4.896**
Transactions with Shareholder:											
- Profit allocation	-	-	-	-	-	-	192	(192)	**-**	-	**-**
- Capital contribution	-	-	-	-	-	-		-	**-**	-	**-**
Dividends	-	-	-	-	-	-	-	-	**-**	-	**-**
Change in scope of consolidation	-	-	-	-	-	-	-	-	**-**	-	**-**
Comprehensive income for the year:											
- Net income/(loss) for the period recognized in equity	-	-	(7)	133	-	(1)	-	-	**125**	**39**	**164**
- Net income/(loss) for the period	-	-	-	-	-	-	-	60	**60**	**14**	**74**
2014 movements	**-**	**-**	**(7)**	**133**	**-**	**(1)**	**192**	**(132)**	**185**	**53**	**238**
Balance at 30 June 2015	**1.593**	**2.410**	**125**	**(1.023)**	**(10)**	**(17)**	**846**	**60**	**3.947**	**1.160**	**5.134**
Balance at 1 January 2016	**1.593**	**2.410**	**151**	**(1.169)**	**(22)**	**(21)**	**846**	**(313)**	**3.475**	**770**	**4.245**
Transaction with Shareholder:											
- Profit allocation	-	-	-	-	-	-	(313)	313	**-**	-	**-**
- Capital contribution	-	-	-	-	-	-		-	**-**	-	**-**
Dividends	-	-	-	-	-	-	-	-	**-**	-	**-**
Change in scope of consolidation	-	-	-	-	-	-	-	-	**-**	-	**-**
Comprehensive income for the year:											
- Net income/(loss) for the period recognized in other comprehensive income	-	-	22	27	6	-	-	-	**55**	**23**	**78**
- Net income/(loss) for the period	-	-	-	-	-	-	-	81	**81**	**15**	**96**
2015 movements	**-**	**-**	**22**	**27**	**6**	**-**	**(313)**	**394**	**136**	**38**	**174**
Balance at 30 June 2016	**1.593**	**2.410**	**173**	**(1.142)**	**(16)**	**(21)**	**533**	**81**	**3.611**	**808**	**4.419**

Notes to the Enel Investment Holding B.V. consolidated financial statements for the period ended 30 June 2016

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

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

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

The consolidated financial statements of the Company for the period ended at 30 June 2015 comprise the financial statements of the Company and its subsidiaries ("the Group") and the Group's interest in associates and jointly controlled entities. A list of the subsidiaries included in the scope of consolidation is reported in the annex.

Relationship with Parent Company and principal activities

Enel Investment Holding B.V. (hereinafter: The "Company") is a private limited liability Company, where 100% of the shares are held by Enel S.p.A., the ultimate parent company, having its statutory seat in Rome Italy. Pursuant to article 5:25 of the Netherlands Act on Financial Supervision the Group's condensed interim financial statements will be generally available on the Enel website (www.enel.com), on the AFM website (www.afm.nl) as well as at the Company statutory seat in Amsterdam.

Enel Investment Holding B.V., which has its registered office at Herengracht 471 in Amsterdam the Netherlands, was incorporated on 15 December 2000 under Dutch Law.

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

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

Going concern

On 20 January 2016 Enel S.p.A., the Parent company, issued a letter of support as of 31 December 2015 regarding the Company, guaranteeing its continuous financial support to meet the Company's liabilities.

2. Accounting policies and measurement criteria

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

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

The interim consolidated financial statements at 30 June 2016 have been prepared in a condensed form in conformity with the international accounting standard governing the preparation of interim financial reports (IAS 34) as adopted by the European Union and with the provisions of the Netherlands Civil Code, Book 2, Title 9.

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

The accounting policies as well as the recognition and measurement criteria adopted in preparing the interim consolidated financial statements at 30 June 2016 are consistent with those used for preparing the consolidated financial statements at 31 December 2015, 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 2015.

During the 2016, the European Commission did not endorse any accounting standards, interpretations or amendments applicable in the current period.

3. Financial risk management

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

- credit risk
- liquidity risk
- market risk

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

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

Credit risk

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

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

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

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

Liquidity Risk

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

Furthermore, the excess of liquidity has been managed entering into four short term deposits with Enel Finance International NV for a total amount of EUR 1.207 million.

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

Market risk

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

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

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

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

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

Interest rate risk

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

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

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

At 30 June 2016 only a 8% share of medium-long term debt was set at floating rates. Taking into account derivatives designated as cash flow hedge considered effective pursuant to the IFRS-EU, such debt is no exposed to interest rate risk.

Exchange rate risk

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

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

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

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

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

At 30 June 2016, 24% of medium-long term debt was denominated in currencies other than the functional currency of the respective countries entered into by individual subsidiaries. Taking into account the hedging performed via foreign exchange derivatives, such debt is no exposed to exchange rate risk.

As regards the potential impact on equity of a change in foreign exchange rates assuming a 10% appreciation of Euro against Russian ruble, all other variables being equal, equity would have been about EUR 8 million higher as a result of the increase of the fair value of Cash Flow Hedge derivatives. Conversely, assuming a 10% depreciation of Euro against Russian ruble, all other variables being equal, equity would have been about EUR 11 million lower as a result of the decrease of the fair value of Cash Flow Hedge derivatives

Capital management

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

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

4. Segment information

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

- **Central Europe**, where the Group is active in France (Enel France) and Belgium (Marcinelle Energie).
- **South-Eastern Europe**, with the development of generation capacity (Enel Productie), electricity distribution (Enel Distributie Banat, Enel Distributie Dobrogea, Enel Distributie Muntenia) and sale and support activities in Romania (Enel Energie, Enel Energie Muntenia, Enel Romania and Enel Servicii Comune), and the development of thermoelectric and photovoltaic power plants in Greece (Enelco);
- **Russia**, with power generation and sales (Enel Russia);
- **Others**, with Enel Investment Holding B.V. as Group holding company, Enel Insurance (re-assurance) and support services in the Russian Federation (Enel Rus Wind Generation).

Performance in the 1st Half of 2016

Millions of euro	1st Half		
	2016	2015	Change
Revenues	1.034	1.187	(153)
Gross operating margin	201	226	(25)
Operating income	128	108	20
Employees at period-end (no.)	5.940	6.030	(90)
Capital expenditure	83	85	(2)

The table below shows the Group performance by geographical area:

Result for 1st Half 2016

Millions of euro	Central Europe	South-eastern Europe	Russia	Others	**Total**
Revenues from third parties and Enel Group affiliates	132	468	424	10	1.034
Revenues from other segments	-	-	-	-	-
Total revenues	**132**	**468**	**424**	**10**	**1.034**
Net income/(charges) from commodity risk management	-	-	-	-	-
Gross operating margin	**(3)**	**124**	**78**	**2**	**201**
Depreciation, amortization and impariment losses	3	47	23	-	73
Operating income	**(6)**	**77**	**55**	**2**	**128**
Capital expenditure	-	48	35	-	83

Result for 1st Half 2015

Millions of euro	Central Europe	South-eastern Europe	Russia	Others	**Total**
Revenues from third parties and Enel Group affiliates	154	485	547	1	1.187
Revenues from other segments	-	-	-	-	-
Total revenues	**154**	**485**	**547**	**1**	**1.187**
Net income/(charges) from commodity risk management	-	-	-	-	-
Gross operating margin	**(5)**	**137**	**95**	**(1)**	**226**
Depreciation, amortization and impariment losses	2	56	60	-	118
Operating income	**(7)**	**81**	**35**	**(1)**	**108**
Capital expenditure	-	42	43	-	85

Revenues in the first half of 2016 totaled EUR 1.034 million, down EUR 153 million compared with EUR 1.187 million in the first half 2015. This performance was related to the following factors:

- a decrease of EUR 123 million in revenues in **Russia**, attributable to Enel Russia mainly due to lower volumes sold because of Nevinnomysskaya CCGT outage in 1Q16, as well as insurance compensation for Sredneuralskaya CCGT received in 1Q15;
- a decrease of EUR 22 million in revenues in **Central Europe** attributable mainly to Marcinelle Energie;
- a decrease of EUR 17 million in **South-eastern Europe** mainly attributable to the Romanian sales companies;
- an increase of EUR 9 million in revenues in **Others** due to Enel Insurance.

The **gross operating margin** amounted to EUR 201 million, a decrease of EUR 25 million, essentially as a result of the following factors:

- an increase of EUR 2 million in the gross operating margin in **Central Europe**, essentially related to Marcinelle Energie;
- an increase of margin in **Other** (EUR 3 milion) mainly due Enel Insurance global consolidation;
- an decrease of EUR 12 in **South-eastern Europe** mainly due to the decrease of revenues performed by Romanian distribution companies;
- a drop of EUR 17 million in the gross operating margin in **Russia**, due the less volumes product.

Operating income in the first half of 2016 amounted to EUR 128 million, an increase of EUR 20 million over the same period of 2015, essentially because of less impairment losses (EUR 45 million) mostly related to Enel Russia.

Capital expenditure totaled EUR 83 million, in line with the previous period.

Performance in the 2nd Quarter 2016

Millions of euro	2nd Quarter		
	2016	2015	Change
Revenues	491	658	(167)
Gross operating margin	111	156	(45)
Operating income	71	92	(21)
Capital expenditure	52	47	5

The table below shows the Group performance by geographical area:

Result for 2nd Quarter 2016

Millions of euro	Central Europe	South-eastern Europe	Russia	Others	**Total**
Revenues from third parties and Enel Group affiliates	51	219	211	10	491
Revenues from other segments	-	-	-	-	-
Total revenues	**51**	**219**	**211**	**10**	**491**
Net income/(charges) from commodity risk management	-	-	-	-	-
Gross operating margin	**(1)**	**67**	**41**	**4**	**111**
Depreciation, amortization and impariment losses	2	25	13	-	40
Operating income	**(3)**	**42**	**28**	**4**	**71**
Capital expenditure	-	25	27	-	52

Result for 2nd Quarter 2015

Millions of euro	Central Europe	South-eastern Europe	Russia	Others	**Total**
Revenues from third parties and Enel Group affiliates	68	227	273	-	568
Revenues from other segments	-	-	-	-	-
Total revenues	**68**	**227**	**273**	-	**568**
Net income/(charges) from commodity risk management	-	-	-	-	-
Gross operating margin	**(6)**	**75**	**28**	**(1)**	**96**
Depreciation, amortization and impariment losses	1	28	30	-	59
Operating income	**(7)**	**47**	**(2)**	-	**37**
Capital expenditure	-	24	25	-	49

Revenues in the second quarter of 2016 totaled EUR 491 million, down EUR 77 million with respect to the same period of the previous year. The performance was related to the following factors:

- a decrease of EUR 17 million in revenues in **Central Europe**, essentially due to Marcinelle Energie;
- a decrease of EUR 66 million in revenues in **Russia**, attributable to Enel Russia essentially due to the reduction in volumes;
- an drop of EUR 8 million in revenues in **South-Eastern Europe** mainly as a result of the less volumes sold of the Romanian supply companies;
- an increase of EUR 10 milion in revenues in Other mostly due the global consolidation of Enel Insurance.

The **gross operating margin** amounted to EUR 111 million, with an increase of EUR 15 million, essentially as a result of the following factors:

- an increase of EUR 5 million in the gross operating margin in **Central Europe**;
- a decrease in the margin in **South-eastern Europe** (EUR 8 million) mainly due to the lower margin performed by Romanian supply companies;
- an increase of the margin in Russia (EUR 13 million).

Operating income in the second quarter of 2015 amounted to EUR 71 million, an increase of EUR 33 million over the same period 2014, mainly due to the less depreciation performed in the period (EUR 19 million).

Capital expenditure came to EUR 52 million, with no significant change regard the previous period.

Information on the consolidated income statement

Revenues

5. Revenues - *EUR 1.034 million*

Millions of euro	1th Half		
	2016	2015	Change
Revenues from the sale of electricity	940	1.069	(129)
Revenues from the transport of electricity	62	72	(10)
Other sales and services	32	46	(14)
Total	**1.034**	**1.187**	**(153)**

Revenues from the sale of electricity amounted to EUR 940 million, down EUR 129 million on the same period of 2015. The variation was mainly due to lower volumes sold because of Nevinnomysskaya CCGT outage in 1Q16, as well as insurance compensation for Sredneuralskaya CCGT received in 1Q15 (EUR 123 million).

Costs

6. Costs – *EUR 906 million*

Millions of euro	1th Half		
	2016	2015	Change
Raw materials and consumables	614	715	(101)
Services	116	132	(16)
Personnel	62	66	(4)
Depreciation, amoritzation and impairment losses	73	118	(45)
Other operating expenses	56	59	(3)
Capitalized costs	(15)	(11)	(4)
Total	**906**	**1.079**	**(173)**

Costs for **raw materials and consumables** refers to electricity purchases for EUR 331 million (EUR 369 million in the 1st Half of 2015), to fuel purchases for electricity production for EUR 257 million (323 million at 30 June 2015) and to other materials purchases for EUR 26 million (EUR 23 million in the 1st Half of 2015). The change (EUR 101 million) is mainly attributable to lower energy purchased Enel Russia (EUR 89 million), and the Romanian companies (EUR 6 million).

Depreciation, amortization and impairment losses amounted to EUR 73 million in the 1st half of 2016, with a significant drop comparing the last year (EUR 45 milion).

Other operating expenses amounted to EUR 56 million in the 1st half of 2016, with no significant changes.

7. Financial income/(expense) - *EUR (38) million*

Millions of euro	1th Half		
	2016	2015	Change
Interest and other income on financial assets (current and non-current):			
- interest income at effective rate on non-current securities and receivables	8	8	-
- interest income at effective rate on short-term financial investments	2	4	(2)
Total interest and other income from financial assets	**10**	**12**	**(2)**
Foreign exchange gains	53	53	0
Income from derivatives instruments	12	45	(33)
Other interest and income	10	13	(3)
Total income	**85**	**123**	**(38)**

Millions of euro	1th Half		
	2016	2015	Change
Interest expense and other charges on financial debt (current and non-current):			
- interest expense on bank loans	16	14	2
- interest expense on bonds	16	9	7
- interest expense on other loans	4	8	(11)
Total interest expense and other charges on financial debt	**36**	**31**	**(2)**
Foreign exchange losses	25	19	6
Expense from derivatives instruments	58	112	(56)
Other interest and financial charges	6	5	1
Total charges	**123**	**167**	**(44)**

Net Financial expenses totaled EUR 38 million, an increase of EUR 6 million over the first half of 2016, mainly as a result of the decrease in fair expenses of trading derivatives (EUR 23 million) partially offset by an increase of exchange losses (EUR 6 million), and a decrease of the net result of interest and financial debt (EUR 11 milion).

8. Share of income/(expense) from equity investments accounted for using *the equity method* - *EUR 20 million*

The balance at 30 June 2016 reflects the contribution of the joint ventures referred to Rusenergosbyt.

9. Income taxes – *EUR 14 million*

Millions of euro

	2016	2015	Change
Current taxes	13	26	(13)
Deferred tax liabilities	-	(16)	16
Deferred tax assets	1	3	(2)
Total	**14**	**13**	**1**

Income taxes totaled EUR 14 million as of 30 June 2016 the difference with the previous period is mainly related to the decrease of current taxes in Russia and decrease of deferred tax liabilities.

Information on the consolidated financial position

Assets

Non-current assets

10. Non-current assets – *EUR 4.133 million*

Property, plant and equipment amounted to EUR 2.130 million at 30 June 2016, an increase of EUR 109 million over 31 December 2015. This increase is the result of a positive exchange rate effect (EUR 86 million) and the capital expenditures performed (EUR 81 million), partially offset by depreciation and impairment losses accounted for EUR 67 million.

Intangible assets decreased by EUR 3 million to EUR 234 million as a consequence of amortization (EUR 5 million) offset by the capital expenditures performed (EUR 2 million).

Goodwill amount of EUR 661 million, without changes respect 31 December 2015 (EUR 661 million).

Millions of euro

	31 Dec. 2015	Translation differences	Impairment	Other changes	30 June 2016
Enel Distributie Muntenia	547	-	-	-	547
Enel Energie Muntenia	114	-	-	-	114
Total	**661**	**-**	**-**	**-**	**661**

Equity investments accounted for using the equity method amounted to EUR 60 million the difference over the previous year is due the increase of income effect of Res Holdings and the change of consolidation method to global for Enel Insurance, following the acquisition of the remaing 50% of shares.

Millions of euro

	31 Dec. 2015	%	Dividends	Income effect	Impairment	Other changes	Change in scope of consolidation	30 June 2016	%
Enel Insurance NV	104	50,0	-	-	-	-	-	-	100,0
Res Holdings [1]	39	49,5	-	20	-	1	-	**60**	49,5
Total	**143**		**-**	**20**	**-**	**1**	**-**	**60**	

Non-current financial assets amounted to EUR 785 million, up EUR 468 million over 31 December 2015. This increase is mostly the result of the global consolidation of Enel Insurance.

Current assets

11. Current assets – *EUR 3.140 million*

Inventories totaled EUR 85 million as of 30 June 2015, with no significant change reported.

Trade receivables increased by EUR 49 million to EUR 352 million with the variation mainly due to Enel Insurance (EUR 38 million), due global consolidation method adopt following the acquiring of the remaining 50% of the company's shares and Enel Russia (EUR 5 million) as result of better exchange rate experienced.

Trade receivables from customers are recognized net of allowance for doubtful accounts, which totaled EUR 112 million as of 30 June 2016, as detailed in the table below:

Millions of euro

Total at 31 December 2015	**107**
Accruals	5
Utilization	3
Exchange rate effect	(5)
Transferred to profit and loss	2
Total at 30 June 2016	**112**

Current financial assets dropped to EUR 162 million, down EUR 163 million on 31 December 2015 with the variation mainly related to intercompany current account held with Enel SpA mainly due to the decrease by Enel Investment Holding of EUR 81 milion due the acquisition of Enel Insurance and a decrease of EUR 84 milion from Enel France due the reclassification as asset held for sale.

Cash and cash equivalents rose by EUR 27 million to EUR 2.498 million mainly as a result of the adoption of global consolidation method following the acquiring of the remaining 50% of Enel Insurance (EUR 32 million), partially ofset by the reclassification of the asset of Enel France into asset held for sale (EUR 7 million),

Liabilities and shareholders' equity

13. Equity attributable to the shareholder of the Company – *EUR 3.612 million*

Share capital – *EUR 1.593 million*

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

Other reserves - *EUR 1.404 million*

a. Share premium reserve – *EUR 2.410 million*

b. Fair value reserve and sundry reserves – *EUR 173 million*

This item mainly includes net cumulative and unrealized gains/(losses) recognized directly in equity resulting from the measurement at fair value of cash flow hedge derivatives (EUR 8 million) as well as the measurement at fair value of available-for-sale financial assets mainly referring to the investments in Bayan Resources T.b.K and Echelon Corporation (EUR 165 million). This reserve is not freely distributable.

c. Reserve for equity investments accounted for using equity method – *EUR (16) million*

This reserve includes the Company's share of the equity movements of equity not recognized directly in income statement.

d. Reserve from translation of financial statements in currencies other than euro – *EUR (1.142) million*

The increase in this aggregate for the year totaling EUR 30 million is attributable to the depreciation of the functional currency against the foreign currencies used by subsidiaries between two reporting periods (in particular the Russian ruble and the Romanian leu).

e. Reserve for employee benefits – *EUR (21) million*

This reserve includes changes in the fair value of any right to reimbursement of all expenditure required to settle a defined benefit obligation related to employee's defined benefit plans.

Non-current liabilities

14. Non-current liabilities – *EUR 1.422 million*

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

The following table shows long-term debt and repayment schedules at 30 June 2016 compared to 31 December 2015, grouped by loan and interest rate type:

Millions of euro	Maturing	Balance	Nominal value	Balance	Current portion	Portion falling due at more than 12 months	Maturing in				
		30 June 2016		31 Dec. 2015			2017	2018	2019	2020	Beyond
Bonds:											
- listed, fixed rate	2023, 2018	438	440	422	-	438	-	140	-	-	298
Bank loans:											
- fixed rate	2021	140	140	122	28	112	28	28	28	28	-
- floating rate											
- use of revolving credit lines											
- fixed rate EU bodies	2026	118	118	123	13	105	13	13	13	13	53
- floating rate EU bodies	2021	62	63	69	13	50	15	13	12	10	-
Non-bank loans:											
- with related parties											
- floating rate											
Total		**758**	**761**	**736**	**54**	**705**	**56**	**194**	**53**	**51**	**351**

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 2016		31 Dec. 2015	**30 June 2016**	
Euro	478	481	612	4,31%	4,85%
Russian Ruble	280	280	124	12,20%	12,20%
Total	**758**	**761**	**736**	**16,51%**	**17,05%**

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

Millions of euro	Nominal value	Repayments	New Financing	Exchange rate differences	Reclassification from/to "Liabilities held for sale"	Nominal value
	31 Dec. 2015					**30 June 2016**
Bonds	424	-	-	16	-	440
Bank loans	320	(140)	126	15	-	321
Total	**744**	**(140)**	**126**	**31**	**-**	**761**

Provisions for risk and charges including their current portion amounted to EUR 407 million with an increase over 31 December 2015 (up EUR 288 million) mainly due to the insurance indemnities. This new item is related to the consolidation of Enel Insurance now consolidated with the global method.
The following table provides a breakdown of this aggregate:

Millions of euro

	30 June 2016	31 Dec. 2015	Change
Provision for risk and charges:			
- production order changes	8	8	-
- termination incentive	6	7	(1)
- insurance indemnities	260	-	260
- other	133	104	29
Total	**407**	**119**	**288**

Other non-current liabilities comprise **post-employment and other employees benefits** for EUR 62 million, **other non-current liabilities** totalling EUR 121 million and **deferred tax liabilities** for EUR 181 million.

Current liabilities

15. Current liabilities – *EUR 1.488 million*

Other Current liabilities include **trade payables** for EUR 365 million (EUR 426 million at 2015 yearend), **current financial liabilities** for EUR 34 million (EUR 37 million at 31 December 2015), **other current liabilities** totalling EUR 1.099 million (EUR 1.012 million at 31 December 2015) and **income tax payable** for EUR 21 million (EUR 24 million at 31 December 2015).

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.

	Balance sheet		Income statement		
	Receivables	**Payables**	**Cost**	**Income**	**Dividends**
	30 June 2016	**30 June 2016**	**1^{th} half 2016**		
Shareholder					
Enel Spa	13	30	10	1	-
Associated Company					
Rusenergosbyt LLC	-	-	-	-	-
Other affiliated companies					
Enel Distribuzione	-	17	2		-
Enel Ingegneria e Innovazione	-	10	3	1	-
Enel Produzione	4	4	-	-	-
Enel Italia	3	6	2	1	-
Enel Global Trading	76	127	73	14	-
Enel Finance International	1.678	-	10	-	-
Enel Energia	-	1	-	-	-
Enel Distributie Banat	-	-	-		8
Enel Distributie Dobrogea	-	-	-		2
Enel Energie	-	-	-	16	6
Enel Distributie Muntenia	-	-	-	14	-
Enel Energie Muntenia	-	-	-	15	-
Enel Romania	-	-	-	1	-
Enel Servicii Comune	-	-	-	1	-
Total	**1.774**	**195**	**100**	**64**	**16**

	Balance sheet		Income statement		
	Receivables	Payables	Cost	Income	Dividends
	31 dec 2015	31 dec 2015	1^{th} half 2015		
Shareholder					
Enel Spa	87	1	-	-	
Associated Company					
Res Holdings	27	-	-	-	9
Other affiliated companies					
Enel Produzione	-	-	-	-	-
Enel Trade	1	-	-	1	-
Enel Russia	-	-	-	-	26
Enel Finance International	1.517	-	-	10	-
Enel Energie	-	-	-	-	7
Enel Green Power Romania	-	-	-	-	-
Marcinelle Energie	-	-	-	-	35
Enel Ingegneria e Innovazione	-	3	-	-	-
Enel Distributie Banat	-	-	-	-	10
Enel Distributie Dobrogea			-	-	5
Total	**1.632**	**4**	**-**	**11**	**92**

Compensation of Directors

The emoluments of the Company Directors as intended in Section 2:383 (1) of the Dutch Civil Code, which were charged in the first half of 2016, amounted to EUR 36 thousand (EUR 36 thousand in the same period of 2015) and they are summarized in the following table:

(all amounts in thousands of Euro)	**30 June 2016**	30 June 2015
Mr. A. Canta	**-**	-
Mr. C. Palasciano Villamagna	-	-
Mr. G. Pescini	-	-
Mr. A.J.M. Nieuwenhuizen	**9**	9
Mr. H. Marseille	**9**	9
Mr. F. Mauritz	**9**	9
Mr. E. Di Giacomo	**9**	9
	36	36

Board of Directors composition

Taking into account the new legislation that entered into force in the Netherlands on 1 January 2013 and concerning the composition of the companies' Board of Directors, we highlight that the Board members of the Company are currently all men. Nonetheless, the Company believes that the composition of its Board of directors has a broad diversity of experience, expertise and backgrounds, and that the backgrounds and qualifications of the directors, considered as a group, provide a significant mix of experience, knowledge, abilities and independence that we believe will allow our board of directors to fulfil its responsibilities and properly execute its duties.

18. Contractual commitments and guarantees

The contractual commitments and guarantees as of 30 June 2016 can be specified as follows:

- in relation to the development of a project by the subsidiary Enel Russia for the construction of a CCGT power plant in Russia using a former Power Train pertaining to Enelco SA, the Company issued two Parent Company Guarantees for a cumulative amount of EUR 94,7 million in favour of the suppliers Ansaldo and Nooter Eriksen (EUR 69,7 million and EUR 25 million respectively) as security to the timely payment of the due invoices. Following the payment of invoices for a cumulative amount of EUR 56,9 million, the value of the residual guarantee was accordingly reduced to EUR 37,7 million. Due to the revised capital expenditure planning of the Enel Group, Enel Russia requested Nooter Eriksen to postpone the ex works delivery date and maintain the property of the heat recovery steam generator (HRSG) until December 31st , 2015. Nooter Eriksen has replied to the proposal by indicating to Enel Russia a specific methodology for the preservation of the equipment, meant to mitigate the risks associated to the prolonged storage period. Finally the parties, on June 4th, 2013 executed the Addendum n. 4 to the Supply Agreement whereby they agreed that the Company and Enel Russia shall issue a second parent company guarantee which shall materially replace the First Comfort Letter and reproduce each and any guarantee obligation indicated in the First Comfort Letter for a cumulative amount of EUR 6 million.

- in December 2009 the Company entered into a share premium contribution agreement with its Parent Company Enel S.p.A. and also entered into a share sale and purchase agreement with Enel Distribuzione S.p.A. relating to the Romanian companies. More specifically Enel S.p.A. contributed 80% of Enel Romania S.r.l., 64,43% of Enel Distributie Muntenia S.A. and 64,43% of Enel Energie Muntenia S.A. to the Company, through a voluntary non-cash share premium contribution; while the Company acquired the 51% of Enel Distributie Dobrogea S.A. from Enel Distribuzione S.p.A. for EUR 160 million, 51% of Enel Distributie Banat S.A. for EUR 220 million, the 51% of Enel Energie S.A. for EUR 80 million and 20% of Enel Romania S.r.l. for EUR 11 thousand. According to the Privatization Agreement (initially signed between Enel S.p.A. and the Romanian S.C. Electrica SA), S.C. Electrica S.A. has the right (Put Option) to require the Company to purchase - during the periods between 1 July and 31 December of 2008, 2009, 2010, 2011 and 2012 the remaining 23,6% stake still held by S.C. Electrica S.A. in Enel Distributie Muntenia S.A. and Enel Energie Muntenia S.A. at a price equal to a) the Adjusted Purchase Price divided by the number of Sale Shares or b) a multiple of the Adjusted Purchase Price dividend by the number of Sale Shares (equal to the Adjusted Purchase Price divided by the number of Sale Shares * RAB on 1 January in the year in which the put option is exercised). Purely for information purposes at the time of publication of this document, the value of consolidated debt associated to the put option (exercised on December 4th, 2012) granted to minority shareholders was estimated at around EUR 778 million.

- In October 2011 the Company resolved to issue a guarantee for an unlimited amount in favour of Sonatrach, the Algerian state-owned oil company, and in the interest of Enel Trade S.p.A., fully owned by Enel S.p.A., for the proper execution of Enel Trade S.p.A. obligations arising from its entering into a Production Sharing Contract (PSC) for the acquisition of a 18,375% stake in the Isarene project, especially with regards to the operations to be performed during the exploration and exploitation phases.

19. Contingent liabilities

On July 5, 2013 SAPE (ex Electrica SA) notified to Enel, Enel Investment Holding, Enel Distributie Muntenia and Enel Energie Muntenia a request for arbitration at the Chamber of Commerce in Paris with a claim for damages for alleged violations of the privatization agreement, requiring payment of penalties for about 800 million euro, plus interest and further damage to quantify.

On July 18, 2016 the Arbitral Tribunal unanimously rejected in full the claims of SAPE and ordered the defendant to pay the costs of the arbitration proceedings. SAPE might file a request for the annulment of the award within 30 days from the service.

Moreover, on September 29, 2014 SAPE notified to Enel SpA and Enel Investment Holding a further request for arbitration at the Chamber of Commerce in Paris, requesting a payment of 500 million Euros (plus interest) in relation to the put option exercise by SAPE, related to a share of 13.57% of shares held by SAPE in Enel Distributie Muntenia and Enel Energie Muntenia. The process is under way and hearing took place in July 2016.

On April 20, 2016 SAPE has submitted a further request for arbitration at the International Chamber of Commerce in Paris against Enel SpA and Enel Investment Holding BV regarding not-distribution asking the distribution of dividends for the year 2012 , plus interest . The proceedings are in the preliminary stage.

20. Subsequent events

On 14 July 2016, Board of Directors approved the substitution of the issuer of the Euro 300 million notes, with due date September 2023, originally issued by the Company, with Enel Finance International NV.

Enel Investment Holding B.V.

Condensed non-consolidated interim financial statements at 30 June 2016

Enel Investment Holding B.V. non-consolidated income statement for the period ended 30 June 2016

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

Millions of euro	*Notes*	*1 st half*	
		2016	2015
Revenues			
Revenues from sales and services	*24*	1	1
Other income		-	-
	(Subtotal)	*1*	*1*
Costs			
Services	*25*	3	2
Personnel	*25.b*	1	1
	(Subtotal)	*4*	*3*
Operating Income		**(3)**	**(2)**
Income/(loss) from equity investments	*26*	16	92
Financial Income	*27*	10	12
Financial expense	*27*	(8)	(9)
	(Subtotal)	*18*	*95*
Income/(Loss) before taxes		15	**93**
Income Taxes		-	-
NET INCOME FOR THE PERIOD (attributable to the shareholder)		**15**	**93**

Enel Investment Holding B.V. non-consolidated statement of comprehensive income for the period ended 30 June 2016

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

Millions of euro	1st *half*	
	2016	2015
Net income / (loss) for the period	**15**	**93**
Other comprehensive income recyclable to profit or loss:		
Change in the fair value of financial investments available for sale	13	30
Comprehensive income for the period	**28**	**123**
Attributable to:		
- Equity shareholder of the Company	**28**	**123**

Enel Investment Holding B.V. non-consolidated statement of financial position as at 30 June 2016

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

Millions of euro	*Notes*		
ASSETS		**30 June 2016**	31 Dec. 2015
Non-current assets			
Equity investments in subsidiaries and associated companies	*50*	2.604	2.491
Equity investments available for sale	*51*	191	176
Other non-current financial assets	*52*	297	297
	(Total)	**3.092**	**2.964**
Current assets			
Current financial assets	*53*	18	91
Other current assets	*54*	19	32
Cash and cash equivalents	*55*	1.207	1.214
	(Total)	**1.244**	**1.337**
TOTAL ASSETS		**4.336**	**4.301**

Enel Investment Holding B.V. non-consolidated statement of financial position as at 30 June 2016

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

Millions of euro	*Notes*		
LIABILITIES AND SHAREHOLDER'S EQUITY		**30 June 2016**	31 Dec. 2015
Equity attributable to the shareholder of the Parent Company	*34*		
Share capital		1.593	1.593
Share premium		2.410	2.410
Fair value reserve - Available for sale		149	136
Retained earnings (losses carried forward)		(1.002)	(599)
Net income for the period		15	(403)
TOTAL SHAREHOLDER'S EQUITY		**3.165**	**3.137**
Non-current liabilities			
Long-term loans	*35*	298	298
Provisions for risks and charges	*36*	79	79
	(Total)	**377**	**377**
Current liabilities			
Current financial liabilities	*37*	12	5
Other current liabilities	*38*	782	782
	(Total)	**794**	**787**
TOTAL LIABILITIES		**1.171**	**1.164**
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		**4.336**	**4.301**

Enel Investment Holding B.V. non-consolidated statement of changes in shareholder's equity as at 30 June 2016

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

Millions of euro	Share capital	Share premium reserve	Available-for-sale reserve (1)	Retained earnings/(losses carried forward)	Net income for the period	**Total shareholder's equity**
at 1 January 2015	**1.593**	**2.410**	**111**	**(15)**	**(584)**	**3.515**
Profit appropriation	-	-	-	(584)	584	-
Share Premium contribution	-	-	-	-	-	-
Comprehensive income for the period of which:						
- Net income/(loss) for the period recognized in equity	-	-	30	-	-	30
- Net income/(loss) for the period	-	-	-		93	93
at 30 June 2015	**1.593**	**2.410**	**141**	**(599)**	**93**	**3.638**
at 1 January 2016	**1.593**	**2.410**	**136**	**(599)**	**(403)**	**3.137**
Profit appropriation	-	-	-	(403)	403	-
Share Premium contribution	-	-	-	-	-	-
Comprehensive income for the period of which:						
- Net income/(loss) for the period recognized in equity	-	-	13	-	-	13
- Net income/(loss) for the period	-	-	-		15	15
at 31 June 2016	**1.593**	**2.410**	**149**	**(1.002)**	**15**	**3.165**

Enel Investment Holding B.V. non-consolidated cash flows statement for the period ended 30 June 2016

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

Millions of euro	1st half	
	2016	2015
Cash flows from operating activities (a)	**26**	**44**
Investments in equity investments	(114)	-
Disinvesting in equity investments	-	-
Cash flows from investing/disinvesting activities (b)	**(114)**	**-**
Financial debt (new borrowings/(deposits))	-	11
Financial debt (repayment)	-	-
Cash flows from financing activities (c)	**-**	**11**
Increase/(decrease) in cash and cash equivalents (a+b+c)	**(88)**	**55**
Cash and cahs equivalents at beginning of the period (1)	1.301	1.198
Cash and cahs equivalents at the end of the period (1)	1.213	1.253

(1) It also includes the balance of intercopmany current account held with Enel SpA

Notes to the Enel Investment Holding B.V. non-consolidated financial statements as of 30 June 2016

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

Relationship with Parent Company and principal activities

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

Enel Investment Holding B.V., having its statutory seat at Herengracht 471 in Amsterdam, The Netherlands, was incorporated on 15 December 2000 under the Dutch Law.

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

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

Statement of compliance

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

These non-consolidated financial statements were approved by the Board of Directors and authorized for issue effective on 27 July 2016.

Basis of preparation

These non-consolidated financial statements consist of the non-consolidated income statement, the non-consolidated statement of other comprehensive income, the non-consolidated financial position, the non-consolidated statement of changes in shareholder's equity and cash flows and the related notes.

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

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

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

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

- derivative financial instruments;
- available-for-sale financial assets;

The accounting policies as well as the recognition and measurement criteria adopted in preparing the interim non-consolidated financial statement at 30 June 2016 are consistent with those used to prepare the non-consolidated financial statement at 31 December 2015, to which the reader should refer for more information.

These non-consolidated half year financial statement may not include all the information required to be reported in the annual financial statements and must be read together with the financial statements for the year ended 31 December 2015.

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.

22. Summary of significant accounting policies

Please see page 28 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 2015 for evaluating the equity investments in subsidiaries, associated and joint ventures:

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

Please see page 28 of the notes of consolidated financial statements for a description of the new IFRS standards and interpretations.

Use of estimates

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

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

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

Segment reporting

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

23. Risk management

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

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

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

Credit risk

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

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

Liquidity Risk

Liquidity risk is managed by the Group Treasury unit at Enel S.p.A., which ensures adequate coverage of cash needs (using lines of credit and issues of bonds and commercial paper) and appropriate management of any excess liquidity. Furthermore, the excess of liquidity has been managed entering into a short term deposit with Enel Finance International NV for a total amount of EUR 1.207 million.

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

Market risk

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

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

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

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

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

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

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

Interest rate risk

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

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

As of 30 June 2016 there are no outstanding interest rate derivatives pertaining to the Company.

Exchange rate risk

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

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

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

These contracts are also normally agreed with a notional amount and expiry date equal to that of the underlying financial liability or the expected future cash flows, so that any change in the fair value and/or expected future cash flows of these contracts stemming from a potential appreciation or depreciation of the domestic currency against other currencies is fully offset by a corresponding change in the fair value and/or the expected future cash flows of the underlying position. As of 30 June 2016 there are no outstanding exchange rate derivative pertaining to the Company.

Capital management

The Board policy of the Company is to maintain a strong capital base for maintaining creditor and market confidence and sustaining the future development of the business. The Board of Directors monitors the return on capital, which the Group defines as total shareholders' equity and the level of dividends to ordinary shareholders.

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

Millions of euro

	30 June 2016	31 Dec. 2015
Total Equity	3.165	3.137
Fair value reserve - Available for sale	149	136
Adjusted Equity	3.016	3.001
Net income	15	(403)
Return of capital (*)	**0,5%**	**- 13%**

*Key Performance Indicator determined on year basis

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

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

Information on non-consolidated income statement

Revenues

24. Revenues from sales and services – *EUR 1 million*

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

Costs

25. Services – *EUR 3 million*

The service costs are relate to business development, other expenses for sundry services, housing, utilities, professional fees and legal consultancy.

25.b Personnel – *EUR 1 million*

As of 30 June 2016 the Company had seven directors and employed ten staff members for a total amount of EUR 1 million in salaries and social security compensations.

26. Income/(loss) from equity investments – *EUR 16 million*

This item refer to the distribution of dividends of the subsidiaries of the Company detailed below:

Millions of euro	1st *half*		
	2016	2015	Change
Res Holdings BV	-	9	(9)
Marcinelle	-	35	(35)
Enel Russia	-	26	(26)
Enel Distributie Banat	8	10	(2)
Enel Energie	6	7	(1)
Enel Distributie Drobogea	2	5	(3)
Total	**16**	**92**	**(76)**

27. Financial income/(expense) – *EUR 2 million*

Millions of euro	*1st half*		
	2016	2015	Change
Interest and other income from non-current financial assets:			
- Assumption of GMTN bond - Enel Finance International NV	8	8	-
Interest and other income from current financial assets:			
- Enel Finance International NV	-	1	(1)
- other financial receivables	2	3	(1)
Total financial income	**10**	**12**	**(2)**
Interest and other charges on non-current financial debt:			
- Interest on GMTN bonds	8	8	-
Interest and other charges on current financial debt:			
- Intercompany current account - Enel S.p.A	-	-	-
Other charges	-	1	(1)
Total financial charges	**8**	**9**	**(1)**
Total	**2**	**3**	**(1)**

There were no significant changes in financial income and expenses referring to the previous period.

Information on the non-consolidated financial position

Assets

Non-current assets

28. Equity investments – *EUR 2.604 million*

The following table shows the changes occurred during the first half year 2016 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	Release of impairment	Other changes	Acquisitions/disposals	Capital contributions/reimbursement	Reclassified from held for sale	Net change	Original cost	(Write downs)/ revaluations	Reclassified to held for sale	Carrying amount	% Holding
	31 Dec. 2015				Changes in 2016							30 June 2016				
A) Subsidiaries																
Marcinelle Energie SA	157,6	(140,0)	**17,6**	100,0%	-	-	-	-	-	-	-	157,6	(140,0)	-	**17,6**	100,0%
Enelco S.A.	27,4	(26,0)	**1,4**	75,0%	-	-	-	-	-	-	-	27,4	(26,0)	-	**1,4**	75,0%
Enel France SAS	34,9	-	**34,9**	100,0%	-	-	-	-	-	(34,9)	(34,9)	34,9	-	(34,9)	**0,0**	100,0%
Enel Russia	2.497,4	(2.289,0)	**208,4**	56,4%	-	-	-	-	-	-	-	2.497,4	(2.289,0)	-	**208,0**	56,4%
Rus Wind Generation LLC	9,1	(5,0)	**4,1**	100,0%		-	-	-	-	-	-	9,1	(5,0)	-	**4,1**	100,0%
Enel Productie SRL (GPI)	6,6	(6,4)	**0,2**	100,0%	-	-	-	-	-	-	-	6,6	(6,4)	-	**0,2**	100,0%
Enel Romania SRL	0,1	-	**0,1**	99,9%	-	-	-	-	-	-	-	0,1	-	-	**0,1**	99,9%
Enel Distributie Muntenia S.A.	1399,7	-	**1.399,7**	64,4%	-	-	-	-	-	-	-	1399,7	-	-	**1.399,7**	64,4%
Enel Energie Muntenia S.A.	247,0	-	**247,0**	64,4%	-	-	-	-	-	-	-	247,0	-	-	**247,0**	64,4%
Enel Distributie Dobrogea S.A.	160,0	-	**160,0**	51,0%	-	-	-	-	-	-	-	160,0	-	-	**160,0**	51,0%
Enel Distributie Banat S.A.	220,0	-	**220,0**	51,0%	-	-	-	-	-	-	-	220,0	-	-	**220,0**	51,0%
Enel Energie S.A.	80,0	-	**80,0**	51,0%	-	-	-	-	-	-	-	80,0	-	-	**80,0**	51,0%
Braila Power	0,1	-	**0,1**	29,9%	-	-	-	-	-	-	-	0,1	-	-	**0,1**	29,9%
Enel Insurance NV	77,8	-	**77,8**	50,0%	-	-	-	113,6	-	-	113,6	191,4	-	-	**191,4**	100,0%
Total subsidiaries	**4.917,9**	**(2.466,4)**	**2.451,5**		**-**	**-**	**-**	**113,6**	**-**	**(34,9)**	**78,7**	**5.031,5**	**(2.466,4)**	**(34,9)**	**2.530,2**	
B) Associated companies																
Res Holdings B.V. (49,5%)	84,1	- 44,80	**39,3**	49,5%	-	-	-	-	-	-	-	84,1	(44,8)	-	**39,3**	49,5%
Total associated companies	**84,1**	**- 44,80**	**39,3**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**84,1**	**(44,8)**	**-**	**39,3**	
C) Equity investment Held for sale																
Enel France SAS	-	-	**-**	0,0%	-	-	-	-	-	34,9	34,9	34,9	-	34,9	**34,9**	100,0%
Total Equity investment Held for sale	**-**	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**34,9**	**34,9**	**34,9**	**-**	**34,9**	**34,9**	
Total	**5.002,0**	**(2.511,2)**	**2.490,8**	**-**	**-**	**-**	**-**	**113,6**	**-**	**-**	**78,7**	**5.115,6**	**(2.511,2)**	**-**	**2.604,4**	

28.a Investments in subsidiaries

Enelco

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

In December 2010 the Board of Directors approved the cancellation of the project further to several constraints encountered. Following the termination of the activities, the Enel Group has decided in 2011 to move the Power Train under construction from Greece to Russia because the turbine can be effectively utilized in a CCGT plant by Enel Russia, another subsidiary of the Company.

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

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

Enel France

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

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

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

In February 2016 the company has been reclassified as asset Held for Sale.

Enel Russia (formerly Enel OGK-5)

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

Enel Gas Rus

Enel Rus Llc. was incorporated by the Company in February 2008 to support the integration of Enel's partly-owned companies and future subsidiaries in Russia.

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

On 15 April 2016 the Enel Gas Rus Llc's Ordinary General Meeting approved the change of the name into Enel Rus Wind Generation Llc.

Enel Romania

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

Enel Productie

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

In September 2013 the Company resolved in an equity contribution divided into a share capital increase for LEI 0,1 million (EUR 22.497) and a share premium increase for LEI 2,6 million (EUR 584.927 million), bringing the equity investment in the company to EUR 6,6 million as of 31 December 2013. In December 2013, the Board of Directors of the Company resolved the exit of Galati Project and the relative write-off of the assets.

Enel Distributie Dobrogea

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

Enel Distributie Banat

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

Enel Energie

Enel Energie S.A., held by the Company at 51%, supplies electricity to captive consumers, whose place of consumption is in the locations determined by the distribution licenses of Enel Distributie Dobrogea S.A. and Enel Distributie Banat S.A.; it also supplies electricity to free market customers.

Enel Distributie Muntenia

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

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

Following the contribution of shares, Enel S.p.A. also transferred to the Company all rights and obligations included in the Privatization Agreement signed by and between Enel S.p.A. and the Romanian company Electrica S.A. on 11 June 2007. Under the Privatization Agreement Electrica S.A. (and its shareholders employees) has the right to ask the Company to purchase till to 23,57% of the shares in Enel Distributie Muntenia S.A. Total debt associated with the exercise of the put option amounts to EUR 661 million as at 30 June 2014.

Enel Energie Muntenia

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

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

Following the contribution of shares, Enel S.p.A. also transferred to the Company all rights and obligations included in the Privatization Agreement signed by and between Enel S.p.A. and the Romanian company Electrica S.A. on 11 June 2007. Under the Privatization Agreement Electrica S.A. (and its shareholders employees) has the right to ask the Company to purchase till to 23,57% of the shares in Enel Energie Muntenia S.A. Total debt associated with the exercise of the put option amounts to EUR 117 million as at 30 June 2014.

Marcinelle

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

The Company also granted Duferco, the former owner of Marcinelle, a "put option" for the remaining 20% of the shares (considered as a further element of the acquisition price) to be exercised within 72 months and 12 months after the "provisional acceptance". In December 2012 this put option has been executed by Duferco for EUR 36 million while the payment was carried out in January 2013.

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

At 30 June 2014, the assets and liabilities of Marcinelle Energie have been reclassified in its corresponding previous accounts, following the loss of the requirement that allowed presentation under IFRS 5, as a result of the substantial interruption of the negotiations for the sale of the investment;

Enel Insurance

In order to reorganize the reinsurance business activities within the Enel Group as carried out by the Company's former subsidiary Enel. Re. Ltd and Compostilla Re SA (wholly owned by Endesa S.A.) in August 2011 the Company established a new wholly owned company named Enel.Re N.V. under the laws of the Netherlands.

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

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

The shares in Enel.Re Ltd, a reinsurance company existing under the laws of Ireland, were acquired by the Company in 2004 following the liquidation of the Company's subsidiary Enel

Holding Luxembourg S.A., a Luxembourg company incorporated as a holding company carrying out financial activities for the Enel Group, which ceased operations.

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

In May 24 the Company purchased the remaining 50% of Enel Insurance. Starting from the end of May Enel Insurance is wholly owned by the Company and consolidated globally.

28.b Associated companies

Res Holding

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

29. Equity investments available-for-sale – *EUR 191 million*

The following table lists equity investment classified as available for sale at 30 June 2016 and 31 December 2015.

Millions of euro

	30 June 2016					31 Dec. 2015				
Name	Cost Price	Results recognized in equity	Accumulated Impairment	Fair Value	% Held	Cost Price	Results recognized in equity	Accumulated Impairment	Fair Value	% Held
Echelon	20	(19)	-	1	7,9	20	(18)	-	2	7,9
PT Bayan Resources	138	170	(118)	190	10	138	154	(118)	174	10
Total	**158**	**151**	**(118)**	**191**		**158**	**136**	**(118)**	**176**	

Echelon Corporation

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

The shares in Echelon are recognized at fair value with any gains or losses recorded directly in other comprehensive income.

Bayan Resources

The 10% stake in corporate capital of Bayan Resources T.b.k. was acquired in August 2008 for a total consideration of IDR 1.933 billion (EUR 138 million). The shares were acquired via Bayan's initial public offering on the Indonesian Stock Exchange, through the implementation of an agreement with Bayan and its shareholders.

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

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

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

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

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

Current assets

31. Current financial assets – *EUR 18 million*

Millions of euro

	30 June 2016	31 Dec. 2015	Change
Financial receivables due from Group companies:			
- accrued income on GMTN debt assumption	12	4	8
- intercompany current amount with Enel Spa	6	87	(81)
- other financial receivables	-	-	-
Total	**18**	**91**	(73)

The decrease of the financial receivables due from Group companies is primarily the result of the decrease of the intercompany current account held with Enel S.p.A. (EUR 81 million), essentially due to the participation on the payment of 50% of Enel Insurance.

32. Other current assets – *EUR 19 million*

Other current assets mainly relate to the dividends resolved by the Rumenian companies (EUR 16 million).

33. Cash and cash equivalents – *EUR 1.207 million*

The item is mostly related to the Short Term deposit Agreement between the Company and Enel Finance international N.V.. The decrease of EUR 7 milion is due the participation in the payment of 50% of Enel Insurance (EUR 33 milion) partially ofset by the collecting of Res Holdings dividends resolved the previous year (EUR 27 milion).

Liabilities and shareholders' equity

34. Shareholders' equity – *EUR 3.165 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 149 million*

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

Non-current liabilities

35. Long-term loans – *EUR 298 million*

Millions of euro	Maturing	Carrying amount	Nominal value	Carrying amount	Nominal value
		30 June 2016		31 Dec. 2015	
Bonds:					
- listed, fixed rate 5,25%	2023	298	300	298	300

At 30 June 2016 the Company had one outstanding issued bond, listed on the Luxembourg stock exchange, for a nominal value of EUR 300 million maturing in 2023.

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

36. Provision for risks and charges – *EUR 79 million*

The item mainly reflects the disputes with partners concerning acquisitions made in previous years.

Current liabilities

37. Current financial liabilities – *EUR 12 million*

Millions of euro

	30 June 2016	31 Dec. 2015	Change
Accrued expenses on GMTN bond	12	4	8
Accrued expenses from Shareholder	-	1	(1)
Total	**12**	**5**	**7**

38. Other current liabilities – *EUR 782 million*

Millions of euro

	30 June 2016	31 Dec. 2015	Change
Payables owed to related parties:			
- Enel Ingengeria e Ricerca	3	3	-
Payables due to third parties:			
- Put option liability - Enel Distributie Muntenia S.A.	661	661	-
- Put option liability - Enel Energie Muntenia S.A.	117	117	-
- Other sundry payables	1	1	-
Total	**782**	**782**	**-**

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

Being exercised the put option right over Muntenia companies by SAPE (former Electrica) the fair value of the put option as at 30 June 2016 is equal to zero (zero as of 31 December 2015) and therefore the amount of current payables accounted for by the Company in its separate financial position is totally aligned with its related consolidated current liability as of 30 June 2016 (EUR 778 million).

39. 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 2016 and 31 December 2015 respectively.

Millions of euro	Receivables	Payables	Cost	Income	Dividends
	30 June 2016		1st half 2016		
Shareholder:					
Enel S.p.A	6	-	1	-	-
Subsidiaries:					
Marcinelle	-	-	-	-	-
Enel Russia	-	-	-	-	-
Enel Distributie Banat	8	-	-	-	8
Enel Energie	6	-	-	-	6
Enel Distributie Drobogea	2	-	-	-	2
Associated Companies:					
Res Holdings BV	-	-	-	-	-
Other affiliated companies:					
Enel Ingegneria	-	3	-	-	-
Enel Trade	1	-	-	2	-
Enel Finance International N.V.	1.504	-	-	9	-
Total	**1.527**	**3**	**1**	**11**	**16**

Millions of euro	Receivables	Payables	Cost	Income	Dividends
	31 Dec. 2015		1st half 2015		
Shareholder:					
Enel S.p.A	87	1	-	-	-
Subsidiaries:					
Marcinelle	-	-	-	-	35
Enel Russia	-	-	-	-	26
Enel Distributie Banat	-	-	-	-	10
Enel Energie	-	-	-	-	7
Enel Distributie Drobogea	-	-	-	-	5
Associated Companies:					-
Res Holding B.V.	27	-	-	-	9
Other affiliated companies:					
Enel Ingegneria	-	3	-	-	-
Enel Trade	1	-	-	1	-
Enel Finance International N.V.	1.517	-	-	10	-
Total	**1.632**	**4**	**-**	**11**	**92**

Compensation of Directors

The emoluments of the Company Directors charged in 2016, as per Section 2:383 (1) of the Dutch Civil Code, amounted to EUR 36 thousand (EUR 36 thousand in the same period of 2015) and are summarized in the following table:

(all amounts in thousands of Euro)	**30 June 2016**	30 June 2015
Mr. A. Canta	**-**	-
Mr. C. Palasciano Villamagna	-	-
Mr. G. Pescini	-	-
Mr. A.J.M. Nieuwenhuizen	**9**	9
Mr. H. Marseille	**9**	9
Mr. F. Mauritz	**9**	9
Mr. E. Di Giacomo	**9**	9
	36	36

Board of Directors composition

Taking into account the new legislation that entered into force in the Netherlands on 1 January 2013 and concerning the composition of the companies' Board of Directors, we highlight that the Board members of the Company are currently all men. Nonetheless, the Company believes that the composition of its Board of directors has a broad diversity of experience, expertise and backgrounds, and that the backgrounds and qualifications of the directors, considered as a group, provide a significant mix of experience, knowledge, abilities and independence that we believe will allow our board of directors to fulfil its responsibilities and properly execute its duties.

40. Subsequent events

On 14 July 2016, Board of Directors approved the substitution of the Issuer of the Euro 300 million notes with Enel Finance International NV, with due date September 2023 issued by the Company.

Amsterdam, 27 July 2016

The Board of Directors:

Mr. A. J. M. Nieuwenhuizen

Mr. Alessandro Canta

Mr. C. Palasciano Villamagna

Mr. Ernesto Di Giacomo

Mr. Giancarlo Pescini

Mr. Hans Marseille

Mr. Frank Mauritz

Annex

Subsidiaries and associated companies of Enel Investment Holding B.V. at 30 June 2016

Below is a list of the subsidiaries and associates of Enel Investment Holding B.V. at 30 June 2016. The Company has full title to all investments.

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

Subsidiaries consolidated on a line-by-line basis at 30 June 2016

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
				30 June 2016				
Parent company:								
Enel Investment Holding BV	Amsterdam	Netherlands	Holding company	1.593.050.000	EUR	Enel SpA	100,00%	100,00%
Subsidiaries:								
Enel Distributie Banat SA	Timisoara	Romania	Electricity distribution	382.158.580	RON	Enel Investment Holding BV	51,00%	51,00%
Enel Distributie Dobrogea SA	Costanza	Romania	Electricity distribution	280.285.560	RON	Enel Investment Holding BV	51,00%	51,00%
Enel Distributie Muntenia SA	Bucharest	Romania	Electricity distribution	271.635.250	RON	Enel Investment Holding BV	64,43%	64,43%
Enel Energie Muntenia SA	Bucharest	Romania	Electricity sales	37.004.350	RON	Enel Investment Holding BV	64,43%	64,43%
Enel Energie SA	Bucharest	Romania	Electricity sales	140.000.000	RON	Enel Investment Holding BV	51,00%	51,00%
Enel France Sas	Paris	France	Electricty trading	34.937.000	EUR	Enel Investment Holding BV	100,00%	100,00%
Rus Wind Generation LLC	Moscow	Russian Federation	Electricity services	350.000	RUB	Enel Investment Holding BV	100,00%	100,00%
Enel Russia	Ekaterinburg	Russian Federation	Electricity generation	35.371.898.3 70	RUB	Enel Investment Holding BV	56,43%	56,43%
Enel Productie Srl	Bucharest	Romania	Electricity generation	20.210.200	RON	Enel Investment Holding BV	100,00%	100,00%
Enel Romania Srl	Judetul Ilfov	Romania	Business services	200.000	RON	Enel Investment Holding BV	100,00%	100,00%
Enel Servicii Comune SA	Bucharest	Romania	Energy services	33.000.000	RON	Enel Distributie Banat SA Enel Distributie Dobrogea SA	50,00% 50,00%	51,00%
Enelco SA	Athens	Greece	Plant construction, operation and maintenance	60.108,80	EUR	Enel Investment Holding BV	75,00%	75,00%
Marcinelle Energie SA	Charleroi	Belgium	Electricity generation, transport, sale and trading	110.061.500	EUR	Enel Investment Holding BV	100,00%	100,00%
OGK-5 Finance LLC	Moscow	Russian Federation	Finance	10.000.000	RUB	Enel Russia410	100,00%	56,43%
Prof-Energo LLC	Sredneuralsk	Russian Federation	Energy services	10.000	RUB	Sanatorium-Preventorium Energetik OJSC	100,00%	56,43%
Sanatorium-Preventorium Energetik OJSC	Nevinnomyssk	Russian Federation	Energy services	10.571.300	RUB	OGK-5 Finance LLC Enel Russia	0,01 % 99,99%	56,43%
Teploprogress OJSC	Sredneuralsk	Russian Federation	Electricity sales	128.000.000	RUB	OGK-5 Finance LLC	60,00%	33,86%
Enel Insurance NV	Amsterdam	Netherlands	Reinsurance	60.000	EUR	Enel Investment Holding BV	100,00%	100,00%

Associated companies accounted for using the equity method at 30 June 2016

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
			30 June 2016					
Parent company:								
Res Holdings BV	Amsterdam	Netherlands	Holding company	18.000	EUR	Enel Investment Holding BV	49,50%	49,50%
Subsidiaries of Res Holding BV:								
Rusenergosbyt LLC	Moscow	Russian Federation	Electricity trading	2.760.000	RUB	Res Holdings BV	100,00%	49,50%
Rusenergosbyt Siberia LLC	Krasnoyarskiy kray	Russian Federation	Electricity sales	4.600.000	RUB	Rusenergosbyt LLC	50,00%	24,75%
Rusenergosbyt Yaroslav	Yaroslavl	Russian Federation	Electricity sales	100.000	RUB	Rusenergosbyt LLC	50,00%	24,75%

Other equity investments at 30 June 2016

Company name	Registered office	Country	Activity	Share capital	Currency	Held by	% holding	Group % holding
30 June 2016								
Echelon Corporation	Wimintgon	USA (Delaware)	Energy control networking platform	424.128,16	USD	Enel Investment Holding BV	7,9%	7,9%
Bayan Resources Tbk	Jakarta	Indonesia	Coal producer	333.333.350.000	IDR	Enel Investment Holding BV	10,00%	10,00%
Braila Power S.A.	Sat Chiscani	Romania	Electricity generation	90.000	RON	Enel Investment Holding BV	28.50%	29.93%