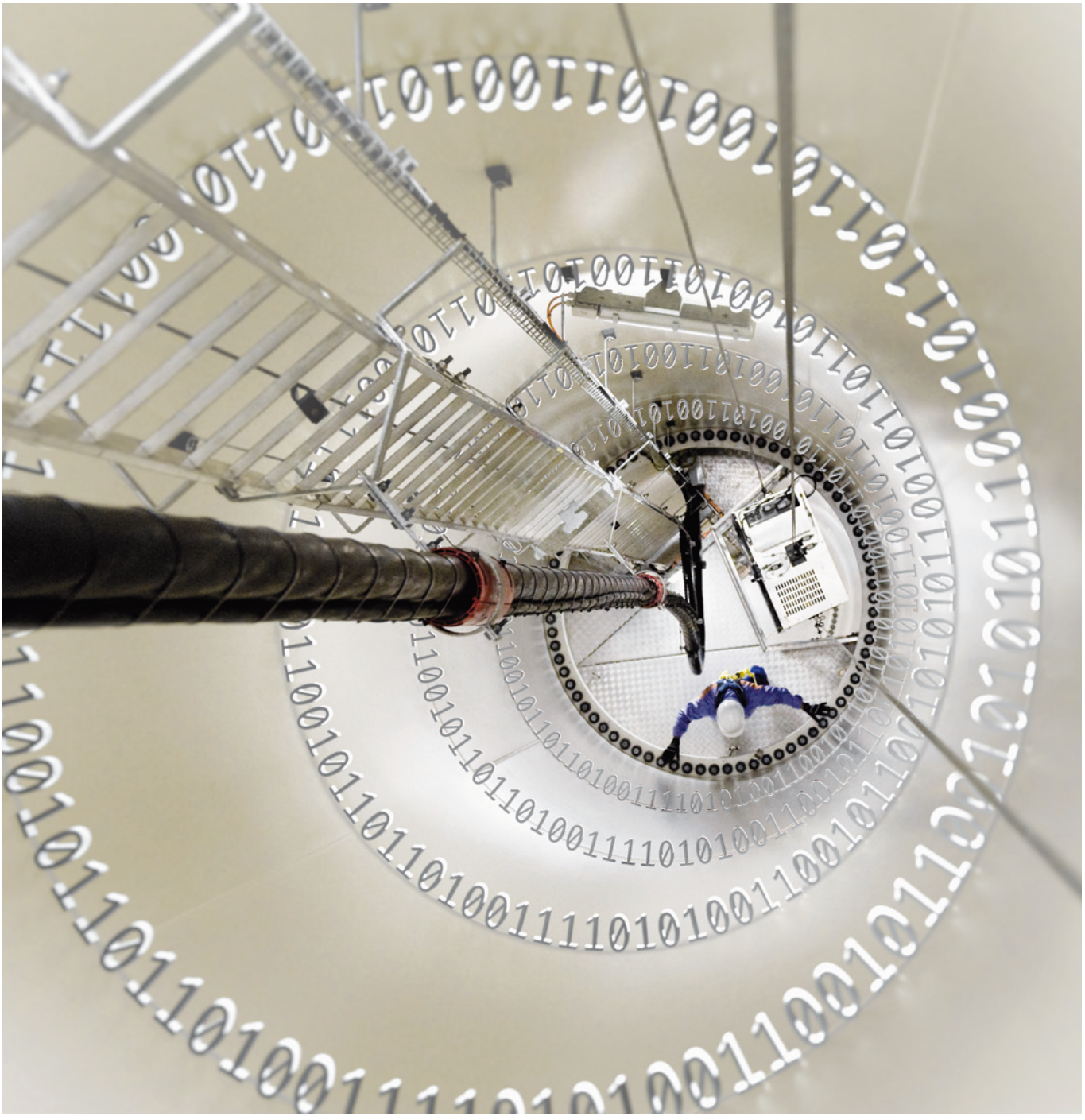
Annual Report 2013



Enel Green Power

ENERGY TO LIFE

Annual Report 2013

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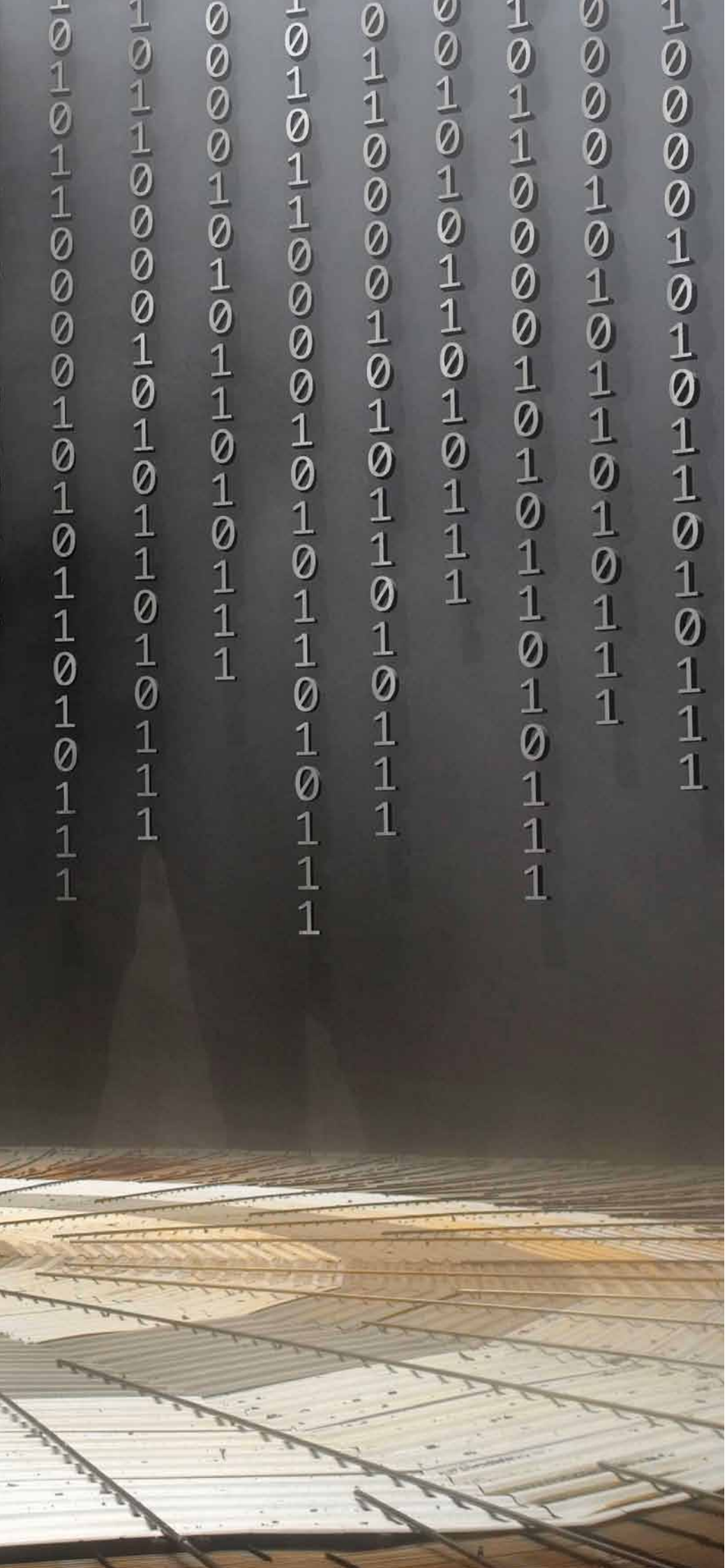


Report on operations

Enel Green Power

Enel Green Power, founded in December **2008**, is the Enel Group company entirely devoted to the development and management of the Group's renewables generation operations around the world, with a presence in Europe and the Americas.

The Company is the world leader in the generation of power from renewable resources, with **8,883 MW** of installed capacity and **29.5 TWh** of output in 2013, **avoiding the emission of 16.4 million metric tons of CO_2**.

The Enel Green Power Group has more than **750 plants** in operation or under construction in **16 countries**, with a generation mix that includes all the main sources of renewable power: wind, solar, hydroelectric, geothermal and biomass.

The Group structure

Corporate

Enel Green Power SpA

Iberia and Latin America

- Enel Green Power España
- Enel Brasil Participações
- Enel Green Power Latin America
- Enel Green Power Costa Rica
- Enel Green Power Guatemala
- Enel Green Power México
- Enel Green Power Panama
- Enel Green Power El Salvador
- Enel Green Power Colombia
- Enel Green Power Perú

Retail

- Enel.si (3)

Italy and Europe

- Enel Green Power Romania
- Enel Green Power Bulgaria
- Enel Green Power Hellas
- Enel Green Power France
- 3SUN (1)
- Enel Green Power & Sharp Solar Energy (1)
- PowerCrop (1)
- Other minor - Italy (2)

North America

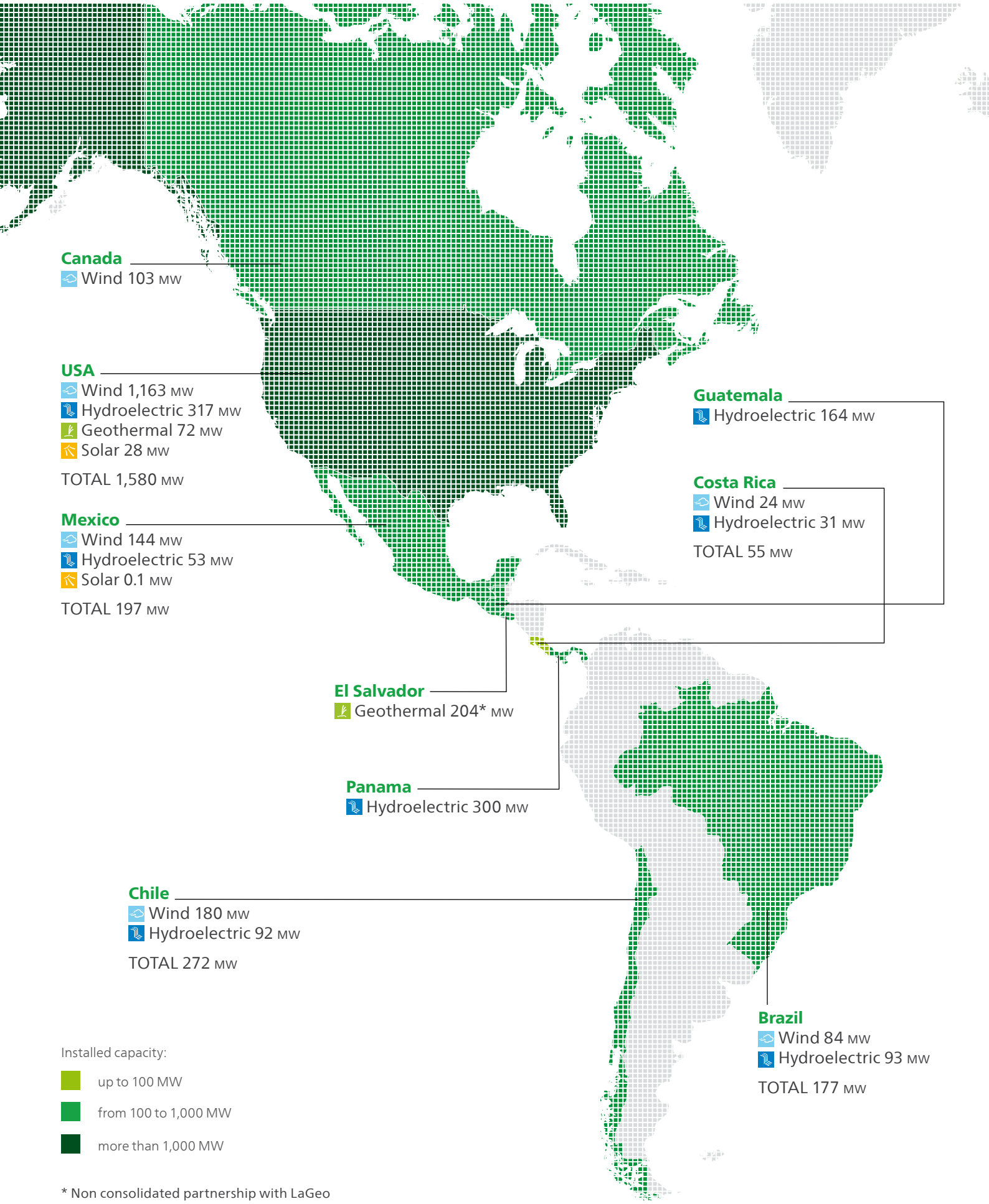
- Enel Green Power North America
- Enel Green Power North America Development

New Countries (4)

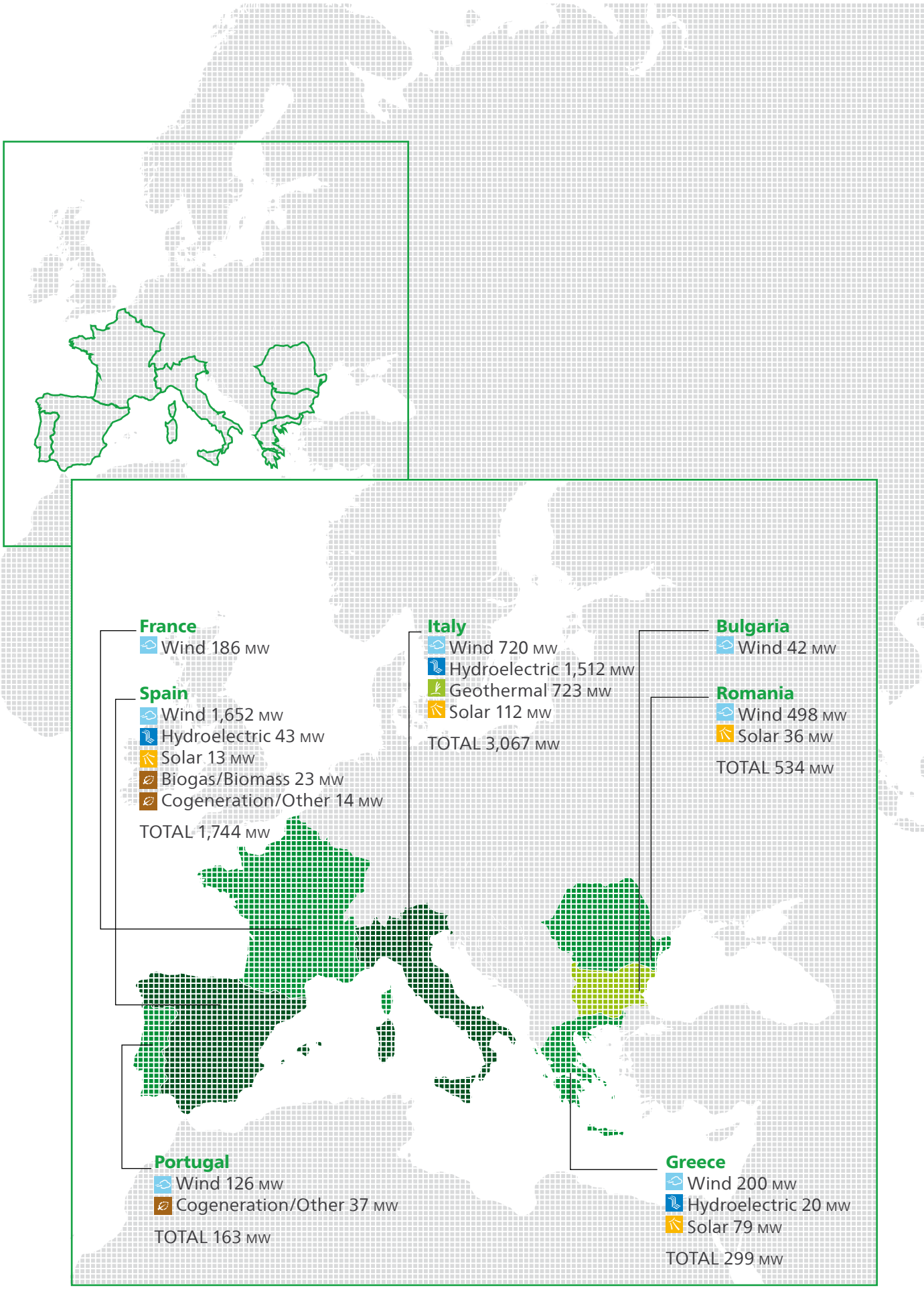
- Enel Green Power South Africa
- Enel Green Power Jeotermal Enerji Yatirimlari

(1) Joint venture.
(2) Maicor Wind, Enel Green Power CAI Agroenergy, Enel Green Power Calabria, Enel Green Power Canaro, Enel Green Power Finale Emilia, Enel Green Power Partecipazioni Speciali, Enel Green Power Puglia, Enel Green Power San Gillio, Enel Green Power Strambino Solar, Enel Green Power TSS, Enel Green Power Villoresi, Energia Eolica, Enerlive, Iris 2006 and Taranto Solar.
(3) Company sold with effect from July 1, 2013.
(4) For the purposes of IFRS 8, the income statement and balance sheet figures for these companies, which are not yet material as their development has not yet begun, have been allocated to the "Italy and Europe" area.

Enel Green Power in the world



* Non consolidated partnership with LaGeo


France
Wind 186 MW
Spain
Wind 1,652 MW
Hydroelectric 43 MW
Solar 13 MW
Biogas/Biomass 23 MW
Cogeneration/Other 14 MW
TOTAL 1,744 MW
Italy
Wind 720 MW
Hydroelectric 1,512 MW
Geothermal 723 MW
Solar 112 MW
TOTAL 3,067 MW
Bulgaria
Wind 42 MW
Romania
Wind 498 MW
Solar 36 MW
TOTAL 534 MW
Portugal
Wind 126 MW
Cogeneration/Other 37 MW
TOTAL 163 MW
Greece
Wind 200 MW
Hydroelectric 20 MW
Solar 79 MW
TOTAL 299 MW

Corporate boards and Powers

Shareholders' Meeting

The Ordinary Shareholders' Meeting appoints the Board of Directors and the Board of Auditors of Company, as well as the company engaged to perform the statutory auditing of the accounts. The Ordinary Shareholders' Meeting also approves the financial statements and the distribution of dividends. The Extraordinary Shareholders' Meeting approves changes to the bylaws and resolves all other matters for which it is responsible under the provisions of law.

Board of Directors

Chairman
Luigi Ferraris

Chief Executive Officer
Francesco Starace

Directors
Luca Anderlini
Carlo Angelici
Andrea Brentan
Francesca Gostinelli
Giovanni Battista Lombardo
Giovanni Pietro Malagnino
Paola Muratorio
Luciana Tarozzi

The Board is vested with the broadest powers for the ordinary and extraordinary management of the Company. More specifically, it determines the strategic objectives of the Company and the Enel Green Power Group and reviews and approves the Business Plan. In addition to its strategic policy-setting role, the Board is responsible for ensuring the presence of controls to monitor developments in Enel Green Power and the Group as a whole. The Board of Directors of Enel Green Power in office at April 24, 2013 had 10 members (7 men and 3 women), of whom 6 qualified as independent.

The Chairman of the Board of Directors is vested by law and the bylaws with the powers to govern the operation of the Shareholders' Meeting and the Board of Directors and to represent and sign on behalf of the Company. In addition, the Chairman also verifies implementation of the resolutions of the Board of Directors.

The Chief Executive Officer is also vested by the bylaws with the powers to represent and sign on behalf of the Company and, under the authority of applicable Board resolutions, has been granted all powers for managing the Company, with the exception of those that are otherwise assigned by law, the bylaws or resolutions of the Board of Directors.

The Board of Directors has established three internal committees charged with assessing certain especially sensitive issues, which among other things could give rise to conflicts of interest, and with providing advice and recommendations in these areas. All of the committees are composed exclusively of independent directors.

- The Control and Risk Committee is charged with conducting due diligence with regard to the assessments and decisions of the Board of Directors concerning the internal control system and the risk management system, as well as the approval of the periodic financial reports.
- The Nomination and Compensation Committee is responsible for assisting the Board with advice and recommendations in assessing and deciding the size and composition of the Board, as well as the remuneration of directors and key management personnel.
- The Related Parties Committee is charged with providing opinions on the Company's interest in carrying out transactions with related parties, offering an assessment of the attractiveness and substantive fairness of the terms and conditions of such transactions.

Board of Auditors

Chairman
Franco Fontana

Standing auditors
Giuseppe Ascoli
Leonardo Perrone

Alternate auditors
Giulio Monti
Pierpaolo Singer

Among its various duties, the Board of Auditors monitors compliance with the law and the bylaws of Enel Green Power, the appropriateness of the Company's organization, the internal control system and the administrative-accounting system, as well as the financial reporting process, the statutory auditing of the accounts and the independence of the audit firm. The Board of Auditors also participates in the meetings of the Board of Directors and presents an annual report to the Shareholders' Meeting.

Independent auditors

Reconta Ernst & Young

Reconta Ernst & Young SpA has been engaged to perform the statutory audit of the accounts of Enel Green Power for the years from 2011 to 2019.

Letter to the shareholders and other stakeholders

The year 2013 was another very positive year for Enel Green Power. The Company posted results that underscore the soundness of our strategy of geographical and technological diversification and reflect the quality of our investments and the constant commitment of all of our people to achieve growth characterized by sustainability and innovation.

More than three years have passed since November 4, 2010, the date of the Enel Green Power IPO. In these years, the Company has not only expanded its installed capacity and generation from renewable resources, it has also seen its share price rise, closing 2013 up 14.4% from its offering price, while dividends have been distributed at a payout ratio of 30%.

Last year, Enel Green Power continued to pursue its strategy of rapid growth, focused on emerging markets with abundant natural resources, strong growth in electricity demand and stable social and economic systems. At the same time, the Company continued to consolidate its presence in European markets.

This was all accomplished while continuing to devote constant attention to sustainability issues and ensuring respect for people. We have undertaken an effort to place the culture of sustainability at the center of company processes, with a business model grounded on listening and involving communities in order to create shared value and use resources rationally.

Enel Green Power's growth has occurred in a market environment characterized by rising demand for electricity and the rapid expansion of renewable energy in the United States and the emerging economies, especially in Central and South America. On the other hand, energy demand has virtually stagnated in the more mature markets, notably Europe.

In 2013 global investment in the clean technologies sector totaled about $250 billion, [(1)] a decrease of about 10% compared with 2012, but which still involved the installation of some 110 GW of new renewables capacity over the course of the year. The growth of renewable energy thus continues, considering that in the last ten years the average annual rate of growth in installed capacity has been persistently high, at between 4% and 8% per year.

Operations

The net installed capacity of the Enel Green Power Group at the end of 2013 totaled 8.9 GW, of which 5.1 GW (57.3%) of wind capacity, 2.6 GW (29.2%) of hydroelectric, 0.8 GW (9.0%) of geothermal, 0.3 GW (3.4%) of solar and 0.1 GW (1.1%) of other renewable technologies (biomass and cogeneration). Net installed capacity therefore expanded by 0.9 GW (+11.3%) compared with the end of 2012, mainly in the wind segment.

Group net output in 2013 came to 29.5 TWh, of which 12.2 TWh (41.4%) of wind power, 10.9 TWh (36.9%) of hydroelectric, 5.6 TWh (19.0%) of geothermal, 0.3 TWh (1.0%) of solar and 0.5 TWh (1.7%) represented by other renewable technologies (biomass and cogeneration).

Electricity generation grew by 4.4 TWh (+17.5%) compared with 2012, mainly due to the expansion of installed capacity.

Compared with 2010, the year in which Enel Green Power was first listed in Milan and Madrid, output has risen by a total of more than 35%.

(1) Bloomberg Energy Finance figures, January 2014.

On January 5, 2014, the Company's generation plants produced a global daily peak of 114.3 GWh of power, a new record that confirms the potential and ability of the Enel Green Power Group to achieve its ambitious goals.

Performance

Total revenues of the Enel Green Power Group amounted to €2.8 billion in 2013, up 12.0% compared with 2012. Revenues increased by €0.3 billion, mainly attributable to a rise in sales of electricity, including incentives, thanks to the expansion of output.
The gross operating margin totaled €1.8 billion, a rise of 12.5% from the €1.6 billion posted for 2012.
The results for 2013 were accompanied by the strong performance of the Enel Green Power stock price in the main Italian exchange, with a rise of more than 30% from the start of the year.

Significant events in 2013

Enel Green Power developed a series of major projects in Central and South America, especially in Brazil, Chile and Mexico, which remain the pillars of a growth strategy focused on the promising social, economic, demographic and industrial profile of this area.
In Brazil, in May 2013 Enel Green Power started construction of three new wind farms, in the States of Bahia, Pernambuco and Rio Grande do Norte, in the north-western part of the country. The three plants will have a total installed capacity of 192 MW and once fully operational will be able to generate more than 770 million kWh per year. In other developments in Brazil, in August and September 2013 Enel Green Power was awarded contracts for the construction of another 190 MW of capacity in two public tenders called by the government. They comprise three wind projects totaling 88 MW and three projects in the hydroelectric sector for 102 MW.
In Chile, in March 2013 Enel Green Power connected its first wind plant to that country's power grid, at Talinay, in the region of Coquimbo, with an installed capacity of 90 MW and an operational output of up to 200 million kWh per year. In August 2013, work began on the construction of the Taltal wind plant in the region of Antofagasta, with installed capacity of 99 MW. The facility will be able to generate more than 300 GWh per year. Construction also began in Chile on Enel Green Power first photovoltaic plant in that country: located in the Atacama region, 950 km north of Santiago de Chile, the Diego de Almagro plant will have an installed capacity of 36 MW, thanks to some 225 thousand mainly thin-film modules produced at the Catania factory of 3SUN, the equally held joint venture between Enel Green Power, Sharp and STMicroelectronics. In another development in Chile, at the end of December 2013, Enel Green Power completed the connection of the new Valle de los Vientos wind farm to the grid in the region of Antofagasta, with a total installed capacity of 90 MW. Once fully operational, it will generate more than 200 GWh per year.
In Mexico, during 2013 our Enel Green Power México subsidiary began construction of two new wind farms. The first is located in the State of Oaxaca and will have a total installed capacity of 102 MW. The second plant, in the State of San Luis Potosí, will have a capacity of 100 MW.
In the United States, a strategic market for the Company, Enel Green Power North America reached an agreement in May 2013 with subsidiaries of GE Capital to raise its stake in the wind farms of Chisholm

View (235 MW of capacity in Oklahoma) and Prairie Rose (199 MW in northern Rock County in Minnesota) to 75%. The Company's presence in North America was strengthened further with the entry into service of the Cove Fort geothermal plant in Utah, with a capacity of 25 MW. During the year, Enel Green Power North America also started construction on the Origin wind project in the counties of Murray and Carter, in Oklahoma. The new plant, which will have an installed capacity of 150 MW, will be able to generate up to 650 GWh of power per year. Finally, in 2013 our North American subsidiary qualified to participate in tenders held by the US Army to supply electricity (Power Purchase Agreements) generated by geothermal plants.

In South Africa, on October 30, 2013 Enel Green Power was awarded the right to enter into contracts to supply power with the South African utility Eskom for a total of 513 MW, of which 314 MWp of photovoltaic capacity and 199 MW of wind capacity, as part of the third round of the Independent Power Producer public tender for renewable energy, organized by the South African government. The projects represent more than 65% and 25%, respectively, of the total amount of photovoltaic and wind capacity awarded to date in the third round of the tender. The photovoltaic plants will use the thin-film photovoltaic panels manufactured at the Catania facility of 3SUN.

The plants are scheduled to enter service in 2016. Winning the contracts in South Africa will enable Enel Green Power to be one of the leading players in the coming years in the renewable energy industry in this country and will open the path for the Group's growth in one of the most promising areas of the entire African continent.

In 2013 Enel Green Power further consolidated its presence in Europe, especially in the photovoltaic segment, in Romania, Greece and Italy.

In Romania, four photovoltaic plants with a total capacity of 35 MW were built and connected to the grid.

In Greece, Enel Green Power Hellas began operating thirteen new photovoltaic plants in the regions of Macedonia, Thrace, Thessaly and in the south of the country with a total installed capacity of 42 MW. ESSE, an equally held joint venture with Sharp, began operating six new photovoltaic plants with an installed capacity of 15 MW in Greece, capable of generating about 21 million kWh per year.

In Italy, two new photovoltaic plants were connected to the grid at Serre Persano, in the province of Salerno, home of Enel's first photovoltaic power plant, which was long the largest in Europe and has now been completely upgraded. The two new photovoltaic plants have a total installed capacity of 21 MW. The plants will be able to generate about 30 million kWh per year. Both plants have been built using thin-film panels manufactured at 3SUN's Catania factory.

In the geothermal segment, work began on the Bagnore 4 geothermal plant in Tuscany, located in the municipalities of Santa Fiora and Arcidosso, in the province of Grosseto. The project calls for the construction of two 20 MW units, for a total installed capacity of 40 MW. Once completed, the plant will be able to generate up to 310 million kWh of electricity per year. The total planned investment for the construction of the plant is about €120 million.

In other Italian projects, major initiatives included the development of locally-sourced biomass plants. Enel Green Power and SECI Energia signed the final agreement for the purchase of 50% of PowerCrop, the Maccaferri Group company dedicated to converting the former Eridania sugar refineries to the production of energy from biomass. The agreement will enable the development of the generation of energy from locally-sourced biomass with the construction of five high-efficiency plants with a total installed capacity of 150 MW. The first tangible result of this collaborative accord came in July with the start of work on the "Macchiareddu Renewable Energy Hub" in Sardinia, as part of the plan to convert Eridania Sadam's former Villasor sugar refinery into an electrical power plant of about 50 MW.

Finally, Enel Green Power and COPROB, the leading sugar beet producer in the country signed a partnership agreement for the construction of a 12.5 MW power plant at Finale Emilia (in the province of Modena) that will be fuelled by agricultural biomass.

During the year, Enel Green Power and Enel Energia reached an agreement for the sale to the latter (a company in the Sales Division of the Enel Group) of the entire share capital of Enel.si. The sale of the

business forms part of the strategy of Enel Green Power, which is increasingly focused on expanding its business of developing, building and operating renewable-resource generation plants around the world.
In the innovative energy field, Enel Green Power and 40South Energy have begun a partnership for the installation and start-up of an initial marine energy generator. With an installed capacity of about 115 kW, the device will be generating electricity from the energy produced by the waves of the sea around the archipelago of Tuscan islands at Castiglioncello, in the province of Livorno.
In another development in 2013, testing began on an innovative mini-wind turbine designed by Renzo Piano and developed in partnership with Enel Green Power at a highly specialized test site. The new slim-line, two-blade turbine blends into the landscape and is demonstrating that can also operate in low intensity wind.
Careful management of sustainability issues, dialogue with local communities and ongoing cooperation with stakeholders – both internal and external – are the key factors in the results achieved by the Group in 2013. The Enel Green Power Group seeks to create value for the communities in which it operates, forging transparent and collaborative relationships with those communities. Consistent with this approach, we pursue projects to create opportunities for local economies and for social development, first and foremost by leveraging the impact of the Company's presence in the area on development and local industries.
An additional focus of our attention at the local level is safeguarding biodiversity from the very outset of our projects and then development and conserving that diversity through specific initiatives. We adopt a comprehensive approach to managing environmental issues: the Group has developed a fully certified integrated Health, Safety and Environment Management System (ISO 14001) and implements prevention, mitigation and management measures at all stages of its value chain. Another priority in 2013 was our "zero injuries" objective, which we pursued with an intensive focus on health and safety issues and the development of numerous prevention programs and the dissemination of a "safety culture", directed both at personnel and external contractors. Our attention to people also involved initiatives to develop talents, performance assessments at all levels and the sharing of best practices.
Supplier management is another essential element of Enel Green Power's sustainability strategy, which uses supplier qualification and selection tools that comply with the criteria adopted by the Enel Group. We have also developed a specific Green Procurement Plan to raise the standards we demand of our suppliers in areas with the greatest environmental and social impact.
In the coming years, Enel Green Power intends to expand its multi-technology presence in the emerging countries even further, with a special focus on South America, and the Middle East and Africa area, thanks to its strong pipeline of selected projects in the different renewable generation technologies.
Our quest for technical and operational excellence around the world continues. Beginning with our consolidated base of experience and know-how developed with our plants in Italy and Europe, our attention to technological innovation and the creation of shared value, as well as the commitment of all of our more than 3,500 employees in 16 countries, enable us to look to the future with full understanding of the great potential we have for the continued development of both the scale and operating performance of the Company.

The Chief Executive Officer
Francesco Starace

Summary of results

NET INSTALLED CAPACITY

Data in MW
(variation as compared to 2012)

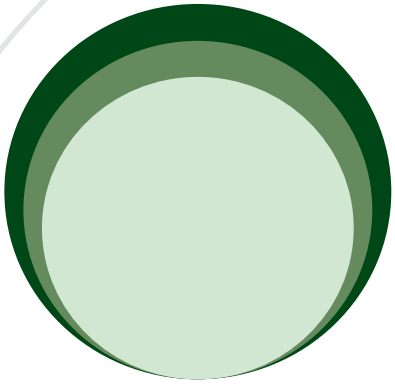
8,883 MW (+882)

BY SOURCE

- Hydroelectric 2,624 (-11)
- Geothermal 795 (+26)
- Wind 5,122 (+807)
- Solar 268 (+107)
- Cogeneration 51 (-26)
- Biomass 23 (-21)

BY GEOGRAPHICAL AREA

- Italy and Europe 4,128 (+130) 46%
- Iberia and Latin America 3,072 (+308) 35%
- North America 1,683 (+444) 19%



2013 8,883 MW
2012 8,001 MW
2011 7,079 MW

NET INSTALLED CAPACITY

Spending on technological innovation

€16.4 million

NEW PLANTS BY SOURCE

Power in MW
(number of plants)

875 MW

UNDER CONSTRUCTION

- Hydroelectric 50 (1)
- Wind 679 (13)
- Geothermal 38 (2)
- Biomass 69 (2)
- Solar 39 (2)

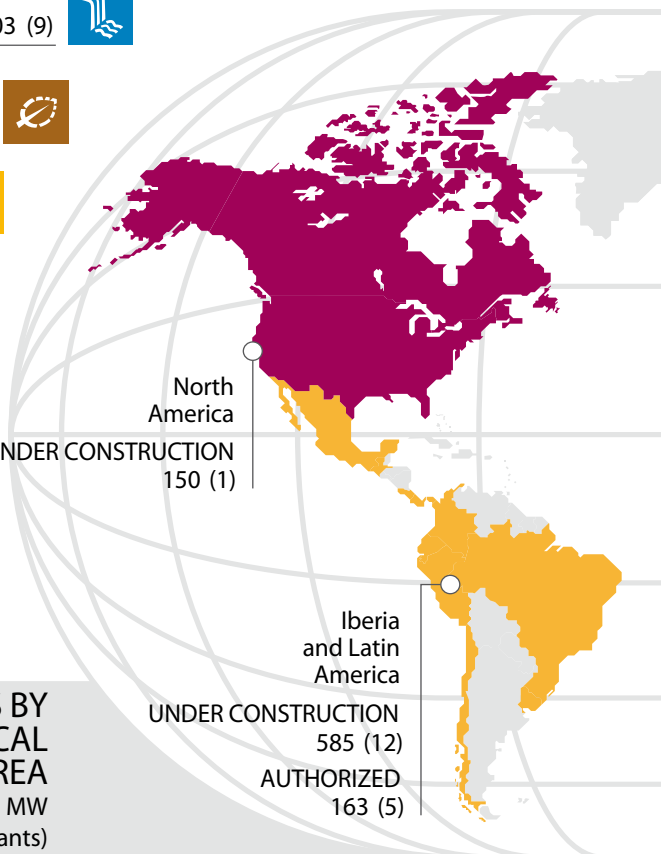
165 MW

AUTHORIZED

- 103 (9)
- 1 (3)
- 61 (2)

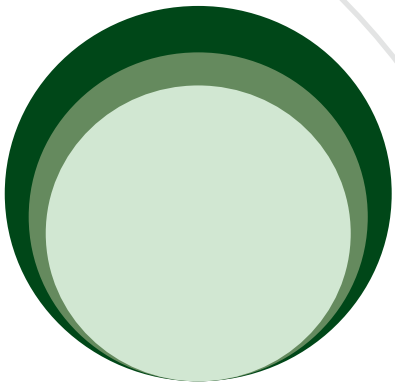
NEW PLANTS BY GEOGRAPHICAL AREA

Power in MW
(number of plants)



North America
UNDER CONSTRUCTION
150 (1)

Iberia and Latin America
UNDER CONSTRUCTION
585 (12)
AUTHORIZED
163 (5)



ELECTRICITY GENERATION

29.5 TWh (+4.4)

BY GEOGRAPHICAL AREA

Italy and Europe
15.3 (+2.2)
52%

Iberia and Latin America
8.8 (+0.7)
30%

North America
5.4 (+1.5)
18%

BY SOURCE

ELECTRICITY GENERATION

Data in TWh
(variation as compared to 2012)

Hydroelectric
10.9 (+1.1)

Geothermal
5.6 (+0.1)

Wind
12.2 (+3.2)

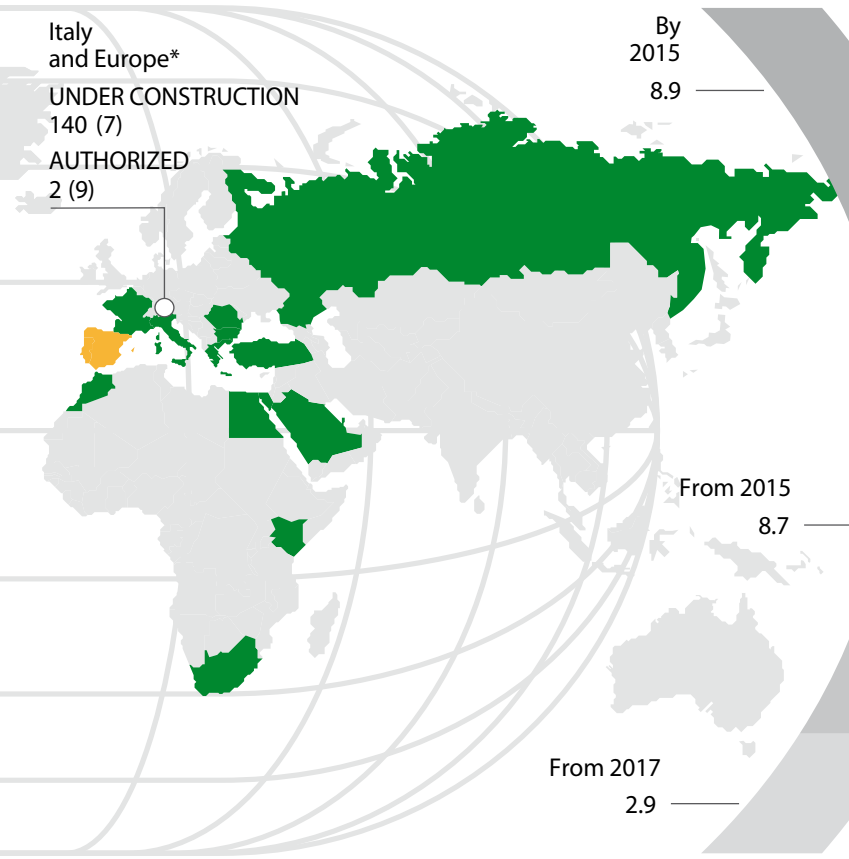
Solar
0.3 (+0.1)

Cogeneration
0.2 (-0.1)

Biomass
0.3 (-)

CO_2 emission avoided

16.5
million tonnes



20.5 GW

BY YEAR OF ENTRY INTO SERVICE

By 2015
8.9

From 2015
8.7

From 2017
2.9

BY SOURCE

GROSS PIPELINE

Power in GW

Hydroelectric
0.7

Geothermal
0.7

Wind
15.6

Solar
3.3

Biomass
0.2

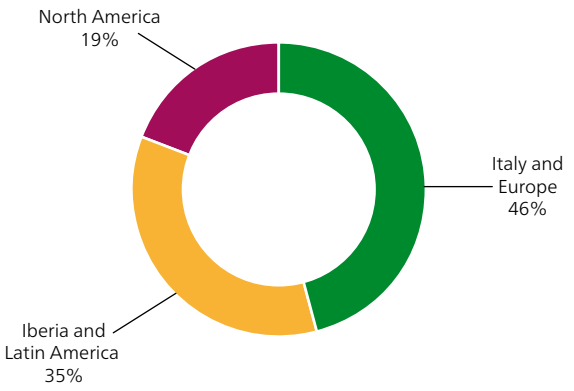
* For countries of this area, please see note 4 on page 7.

Operations

	Net installed capacity (MW)			
	2013	2012	Change	2011
Hydroelectric	2,624	2,635	(11)	2,540
Geothermal	795	769	26	769
Wind	5,122	4,315	807	3,541
Solar	268	161	107	101
Cogeneration	51	77	(26)	84
Biomass	23	44	(21)	44
Total	**8,883**	**8,001**	**882**	**7,079**

The net installed capacity of the Group at December 31, 2013 amounted to 8.9 GW, up 0.9 GW (taking account of planned decommissioning of 62 MW) compared with December 31, 2012 (+11.3%), of which 0.8 GW of wind capacity and 0.1 GW of solar capacity.

	Net installed capacity (MW)			
	2013	2012	Change	2011
Italy and Europe	4,128	3,998	130	3,583
Iberia and Latin America	3,072	2,764	308	2,486
North America	1,683	1,239	444	1,010
Total	**8,883**	**8,001**	**882**	**7,079**



The growth posted by the Italy and Europe area was mainly attributable to the entry into service of photovoltaic plants in Greece, Romania and Italy.

The expansion registered in the Iberia and Latin America area and in North America was essentially due to the entry into service of wind plants.

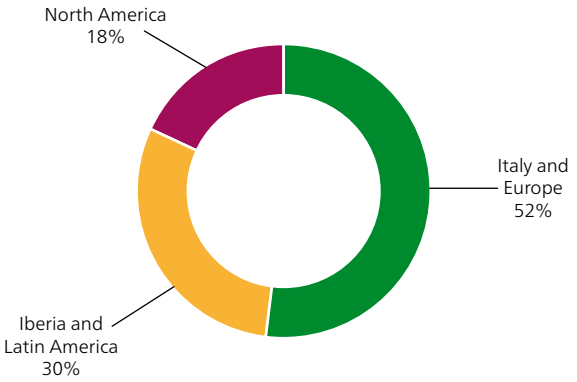
	Electricity generation (TWh)			Average installed capacity (MW)		
	2013	2012	Change	**2013**	2012	Change
Hydroelectric	10.9	9.8	1.1	2,629	2,611	18
Geothermal	5.6	5.5	0.1	772	769	3
Wind	12.2	9.0	3.2	4,748	3,842	906
Solar	0.3	0.2	0.1	232	137	95
Cogeneration	0.2	0.3	(0.1)	51	82	(31)
Biomass	0.3	0.3	-	39	44	(5)
Total	**29.5**	**25.1**	**4.4**	**8,471**	**7,485**	**986**

Electricity generation by the Group in 2013 totaled 29.5 TWh, up 4.4 TWh (+17.5%) on 2012.

	Electricity generation (TWh)			
	2013	2012	Change	2011
Italy and Europe	15.3	13.1	2.2	12.6
Iberia and Latin America	8.8	8.1	0.7	7.0
North America	5.4	3.9	1.5	2.9
Total	**29.5**	**25.1**	**4.4**	**22.5**

More specifically, the growth in 2013 is mainly attributable to the increase in wind generation (+3.2 TWh), in line with the expansion of average installed capacity, and to the increase in hydroelectric generation (+1.1 TWh) as a result of greater resource availability.

	Load factor by generation technology (%)	
	2013	2012
Hydroelectric	47.4	42.9
Geothermal	82.5	81.3
Wind	29.3	26.6
Solar	14.5	15.3
Cogeneration	53.3	45.8
Biomass	72.8	74.4



Electricity output amounted to 15.3 TWh in the Italy and Europe area (+16.8% compared with 2012), 8.8 TWh in the Iberia and Latin America area (+8.6% compared with 2012) and 5.4 TWh in the North America area (+38.5% compared with 2012).
The average load factor in 2013 (the ratio of actual generation to theoretical output) was 39.7% (38.2% in 2012).
The improvement in the hydroelectric load factor is mainly attributable to the greater availability of water in Italy in 2013 compared with 2012, while the improvement in the load factor for wind power reflects both the greater availability of wind resources, mainly in Iberia, and the high load factor of plants installed in 2012 and 2013.

The table below reports the breakdown of plants not yet in service ("under construction" or "authorized") by generation technology and geographical area.

	Plants under construction						Plants authorized					
	MW			Number			MW			Number		
	2013	2012	Change	**2013**	2012	Change	**2013**	2012	Change	**2013**	2012	Change
Hydroelectric	50	50	-	1	2	(1)	103	-	103	9	-	9
Wind	679	365	314	13	11	2	-	296	(296)	-	9	(9)
Geothermal	38	26	12	2	4	(2)	-	38	(38)	-	2	(2)
Biomass	69	-	69	2	-	2	1	-	1	3	-	3
Solar	39	48	(9)	2	18	(16)	61	58	4	2	7	(5)
Total	**875**	**489**	**386**	**20**	**35**	**(15)**	**165**	**392**	**(227)**	**14**	**18**	**(4)**
of which:												
- Italy and Europe	*140*	*61*	*79*	*7*	*24*	*(17)*	*2*	*97*	*(95)*	*9*	*9*	*-*
- Iberia and Latin America	*585*	*403*	*182*	*12*	*9*	*3*	*163*	*292*	*(129)*	*5*	*8*	*(3)*
- North America	*150*	*25*	*125*	*1*	*2*	*(1)*	*-*	*3*	*(3)*	*-*	*1*	*(1)*

At December 31, 2013, the Group had a gross pipeline of projects with a total capacity of 20.5 GW (of which 11.9 GW classified as "potential", 7.1 GW "likely" and 1.5 GW "highly confident"), (2) of which 5.1 GW in Europe, 5.0 GW in North America and 10.4 GW in emerging economies.

The following table provides a breakdown of the Group's pipeline at December 31, 2013, by generation technology and commercial operation date (COD).

	Gross pipeline (GW)		
	2013	2012	Change
Hydroelectric	0.7	1.2	(0.5)
Geothermal	0.7	0.9	(0.2)
Wind	15.6	17.7	(2.1)
Solar	3.3	2.7	0.6
Biomass	0.2	0.2	-
Total	**20.5**	**22.7**	**(2.2)**
Year of entry into service			
≤ 2015	*8.9*	*14.1*	*(5.2)*
> 2015	*8.7*	*8.6*	*0.1*
> 2017	*2.9*	*-*	*2.9*

(2) The projects in the pipeline are classified as such on the basis of the estimated probability of success: (i) "potential" regards projects for which the Group estimates a probability of succes of 20%. They include projects at the initial development stage, for which a preliminary analysis of the site and possible a fatal-flow analysis have been already completed; (ii) "likely" regards projects for which the Group estimates a probability of succes of 50%. They include projects for which preliminary data on resource availability are already available and work has begun on obtaining the permits necessary to build the plant; (iii) "highly confident" regards projects for which the Group estimates a probability of succes of 90%. They include projects for which the main permits have already been obtained (for example, the environmental impact analysis).

Performance and financial position

Restatement of the balance sheet and the income statement for 2012

Following the application, as from January 1, 2013 with retrospective effect, of the new version of "IAS 19/R - Employee benefits", the main effects on the income statement and balance sheet for 2012 reported solely for comparative purposes in these consolidated financial statements are discussed below:

> as the corridor approach may no longer be used, all actuarial gains and losses are recognized directly in equity. Accordingly, the actuarial gains and losses not recognized in application of the previous method were recognized in equity (in the amount of €4 million), with a consequent adjustment of the respective defined-benefit obligation recognized in the balance sheet as at December 31, 2012. The theoretical tax effects of both changes were also calculated;

> as the recognition of past service cost in the income statement may no longer be deferred, the portion of the past service cost not yet recognized was recognized in its entirety in equity, net of the theoretical tax effects, with recognition of the associated employee benefit obligation. The latter item was restated at January 1, 2013 to take account of the unrecognized past service cost, equal to €39 million, associated with the transition-to-retirement plan implemented in Italy at the end of 2012.

In addition, the figures in the balance sheet and the income statement presented in the 2012 consolidated financial statements have been restated to take account of the effects of:

> the definitive recognition, by the time limit provided for under IFRS 3/R, of the fair value of the assets acquired and the liabilities and contingent liabilities assumed with the acquisition of control of the Kafireas group (previously held at 30%; an additional 50% was acquired in 2012) and 100% of the share capital of Stipa Nayaá and Zopiloapan;

> the adoption of a new accounting treatment for green certificates under which grants for green certificates were reclassified from "Revenues from sales and services" to "Other revenues and income" (€294 million) and the value of green certificates not yet credited to the ownership account was reclassified from "Trade receivables" to "Other current non-financial assets" (€71 million).

Finally, on July 1, 2013 Enel Green Power sold the entire share capital of the retail company Enel.si to Enel Energia, a Sales Division company of the Enel Group. Accordingly, the performance figures for the 1st Half of Enel.si and the gain on disposal were reclassified in the income statement to "Net income from discontinued operations". For the sake of uniformity, the results for 2012 were also restated, as discussed in note 4.

Performance

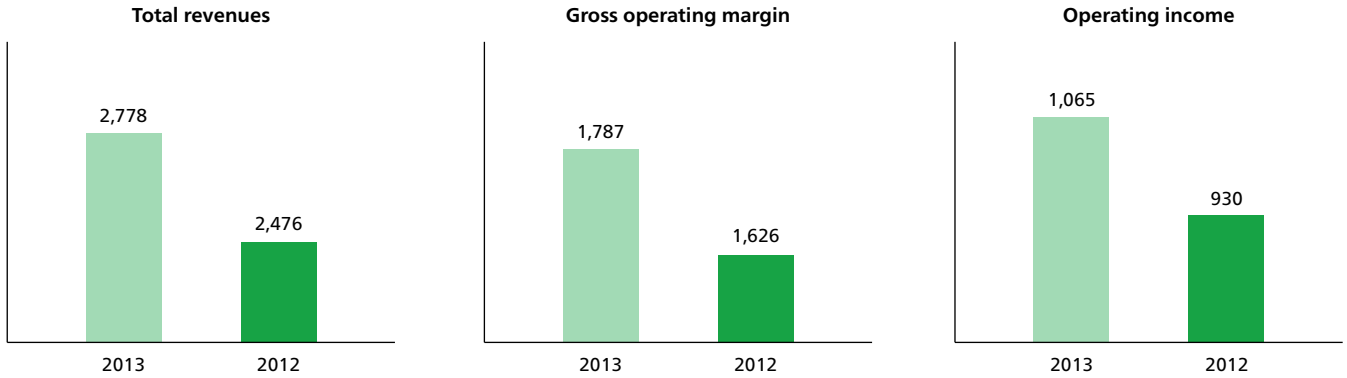
Millions of euro

	2013	2012 restated (1)	Change
Total revenues including commodity risk management	2,778	2,476	302
Gross operating margin	1,787	1,626	161
Operating income	1,065	930	135
Net income pertaining to the shareholders of the Parent Company and non-controlling interests	598	465	133
Net income pertaining to the shareholders of the Parent Company (2)	528	387	141
Earnings per share pertaining to the shareholders of the Parent Company at year end	0.11	0.08	0.03

(1) For more information, please see note 4 "Restatement of comparative figures at December 31, 2012".
(2) Of which "Net income from discontinued operations" of €61 million in 2013 and €0 million in 2012.

Millions of euro	2013			2012 restated		
	Revenues [1]	Gross operating margin	Operating income	Revenues [1]	Gross operating margin	Operating income
Italy and Europe	1,611	1,044	663	1,433	932	542
Iberia and Latin America	871	497	263	797	497	272
North America	363	246	139	300	197	116
Eliminations and adjustments	(67)	-	-	(54)	-	-
Total continuing operations	**2,778**	**1,787**	**1,065**	**2,476**	**1,626**	**930**
Retail [2]	138	69	61	212	13	3
Total	**2,916**	**1,856**	**1,126**	**2,688**	**1,639**	**933**

(1) Total revenues include commodity risk management.
(2) Discontinued operations.



Total revenues including commodity risk management amounted to €2,778 million, an increase of €302 million on 2012 restated (+12.2%), the combination of a rise of €328 million in revenues from the sale of electricity (which totaled €2,628 million in 2013) and a decline of €26 million in other revenues (€150 million in 2013).
The increase in revenues from the sale of electricity, including the increase in incentives (equal to €198 million), primarily reflects higher production in Italy and Europe (€170 million), North America (€90 million) and Iberia and Latin America (€68 million). Revenues in Spain reflect the estimated impact of the regulatory change introduced with Royal Decree Law 9/2013.

The **gross operating margin** came to €1,787 million, an increase of €161 million (+9.9%) on 2012 restated. The rise was mainly achieved in Italy and Europe (€112 million) and North America (€49 million). The performance reflects the rise in revenues noted above (€302 million) and the effect of the recognition in the previous year of charges in respect of the transition-to-retirement plan (€39 million), partially offset by an increase in operating expenses, mainly the result of an increase in the cost of energy purchases in Latin America (€54 million), the introduction of taxes on renewables generation in Spain and Greece (€42 million) and the expansion of installed capacity.

Operating income amounted to €1,065 million, up €135 million (+14.5%) on the €930 million posted the previous year.
The rise in the gross operating margin was only partly offset by the increase in depreciation, amortization and impairment losses (€26 million), mainly attributable to the increase in installed capacity in North America and Latin America.

Net income pertaining to the shareholders of the Parent Company and non-controlling interests, including the net result of discontinued operations (€61 million), totaled €598 million, a rise of €133 million (+28.6%) on the €465 million achieved in 2012 restated. The increase in operating income and in income from equity investments accounted for using the equity method (€17 million) was partially offset by a rise in net financial expense (€40 million) and taxes for the period (€40 million). The net result of discontinued operations comprises the gain from the sale of Enel.si, which takes account of the price adjustment estimated on the basis of the best available information at the closing date (€69 million) and the performance of that company until the disposal date (€7 million) and taxes (€1 million).

Net income pertaining to the shareholders of the Parent Company amounted to €528 million, up €141 million (+36.4%) on the €387 million posted for 2012 restated.

Financial position

Millions of euro

	2013	2012 restated [1]	Change
Net capital employed [2]	13,709	12,567	1,142
Net financial debt	5,446	4,614	832
Shareholders' equity (including non-controlling interests)	8,263	7,953	310
Equity pertaining to Parent Company shareholders per share outstanding at the end of the year	1.46	1.41	0.05
Cash flows from operations	699	1,059	(360)
Operating capital expenditure [3]	1,249	1,257	(8)

(1) For more information, please see note 4 "Restatement of comparative figures at December 31, 2012".
(2) "Net assets held for sale" amounted to €25 million at December 31, 2013 (none at December 31, 2012).
(3) Does not include grants received in Greece for plants on which construction has not begun.

Net capital employed totaled €13,709 million (€12,567 million at December 31, 2012 restated; for more information, please see note 4 "Restatement of comparative figures at December 31, 2012"), a rise of €1,142 million due mainly to the change in net non-current assets (€952 million) and net current assets (€239 million).

The rise in net non-current assets is essentially attributable to operating capital expenditure during the year (€1,249 million), the acquisition of control of the companies operating the Chisholm View and Prairie Rose projects in the United States (€383 million), the wind power company Parque Eólico Talinay Oriente (€127 million), the recognition of the equity investment in the associate Buffalo Dunes (€69 million) and the effects of the determination of the fair value of the assets acquired and liabilities assumed on a provisional basis in respect of a number of projects in North America (€49 million) and on a definitive basis for a number of subsidiaries in Greece and Spain (€24 million). These positive factors were partially offset by depreciation, amortization and impairment losses (€722 million), exchange rate effects (€258 million) and the disposal of a controlling stake in Buffalo Dunes (€64 million).

The rise in net current assets is mainly attributable to an increase of settlement of trade payables in 2013 associated with operating investments in the 4th Quarter of 2012.

Net financial debt came to €5,446 million, a rise of €832 million. At December 31, 2013, the debt-to-equity ratio was 0.7 (0.6 at December 31, 2012 restated), while the ratio of net financial debt to the gross operating margin was 3.0 (2.8 at December 31, 2012 restated).

Operating capital expenditure in 2013 totaled €1,249 million, down €8 million on 2012 restated. The investments mainly regarded the wind sector in Latin America (€539 million), North America (€131 million), Italy and Europe (€39 million) and Iberia (€35 million), the geothermal sector in Italy (€174 million) and North America (€51 million), the solar sector in Romania (€54 million) and Italy (€44 million) and hydroelectric power in Italy (€57 million) and Latin America (€40 million). The total excludes grants received for plants in Greece on which construction has not yet begun.

In addition to operating investments, the Group made financial investments for the acquisition of 100% of the company that owns the Parque Eólico Talinay Oriente plant in Chile (€81 million), the capital increase by the US associate that owns the Buffalo Dunes project (€65 million), and the capital increase carried out by the companies that own the plants at Chisholm View and Prairie Rose (€62 million), control of which was subsequently acquired.

Sustainability highlights

The following tables report a number of indicators that reflect Enel Green Power's commitment to innovation, environmental sustainability, workplace safety and developing our people.

Millions of euro

	2013	2012	Change
Spending on technological innovation	16.4	10.4	6.0

Percentages

	2013	2012	Change
ISO 14001 compliance	100.0	84.0	16.0

Thousands of metric tons

	2013	2012	Change
CO_2 emissions avoided [(1)]	16,464.2	14,091.3	2,372.9

Euro

	2013	2012	Change
Safety expenditure per employee	17,252.0	23,282.5	(6,030.5)

Number

	2013	2012	Change
Workforce by age bracket	**3,599**	**3,512**	**87**
Less than 35	1,220	1,154	66
From 35 to 44	871	828	43
From 45 to 54	944	991	(47)
From 55 to 59	404	409	(5)
More than 60	160	130	30

Years

	2013	2012	Change
Average age	42.0	42.0	-

(1) Please see the section "Analysis of sustainability indicators".

Significant events in 2013[3]

2 January — Extension of incentive mechanisms in North America

The American Taxpayer Relief Act extended the life of the Production Tax Credit for wind plants by one year and changed the termination dates for the Production Tax Credit for all other technologies: plants no longer must enter service by the termination date in order to qualify but rather must begin construction by December 31, 2013.

9 January — Paris Court of Appeal upholds ruling of International Court of Arbitration in favor of Enel Green Power

The Court of Appeal of Paris upheld the ruling of the International Court of Arbitration of the ICC (International Chamber of Commerce) concerning the international arbitration proceeding brought by Enel Green Power against Inversiones Energéticas (INE), its partner in LaGeo, a joint venture for the development of geothermal energy in El Salvador.

The judges rejected the appeal lodged by INE asking for the ruling in favor of Enel Green Power to be voided, confirming that the ruling had been issued at the end of a fair trial.
The decision of the Court of Appeal reaffirmed Enel Green Power's right to allocate investments in LaGeo to share capital through the subscription of newly issued shares in the joint venture.

18 March — Work begins on "Bagnore 4" geothermal plant in Tuscany

Work has begun on the Bagnore 4 geothermal plant, located in the municipalities of Santa Fiora and Arcidosso, in the province of Grosseto (Tuscany).
The project calls for the construction of two 20 MW units, for a total installed capacity of 40 MW. Once completed, the plant will be able to generate up to 310 million kWh of electricity per year, thereby saving 70 thousand TOE (metric tons of oil equivalent). The total planned investment for the construction of the plant, which joins the Bagnore 3 plant, is about €120 million.

(3) The reference date is the date of the associated press release.

21 March — Start-up of two new wind plants in the province of Malaga

Enel Green Power España connected two new wind farms to the grid in the province of Malaga. The first is the Angosturas plant, located in the municipalities of Campillos and Teba, which consists of 18 wind turbines of 2 MW each, for a total installed capacity of 36 MW, and an estimated output of 68 million kWh per year. The second is the Madroñales plant, with an installed capacity of 34 MW, which is located in the municipalities of Almargen, Campillos and Teba and consists of 17 wind turbines of 2 MW each, with an estimated output of 77 million kWh.

25 March — Start-up of the first wind farm in Chile

Enel Green Power connected its first wind plant in Chile, located in Talinay (region of Coquimbo), to the grid. The Talinay wind farm has an installed capacity of 90 MW and will be able to generate up to 200 million kWh per year once fully operational.

The new plant, designed and developed by the Danish company Vestas, is composed of forty-five 2 MW wind turbines also built by Vestas. Construction of the Talinay plant required a total investment of about $165 million.

8 April — Equity partnership agreement with EFS Buffalo Dunes, a GE Capital company

Enel Green Power North America Inc. (EGP-NA) reached an equity partnership agreement with EFS Buffalo Dunes LLC, a subsidiary of GE Capital, for the development of the Buffalo Dunes wind project located in Kansas.

The investment required to build the Buffalo Dunes wind plant amounted to about $370 million, of which EGP-NA contributed about $180 million. The plant has a total installed capacity of 250 MW and is supported by a long-term power purchase agreement.

Under the terms of the agreement, EFS Buffalo Dunes LLC would invest around $40 million for the acquisition of a 51% stake in the project from EGP-NA and fund construction, while the latter will retain the remaining 49% stake. EGP-NA has an option to increase its stake by a further 26% on specific dates in 2014. The equity partnership agreement is secured by a parent company guarantee from Enel Green Power.

9 May — Framework agreement provided for under Article 4 of the Fornero Act

On May 9, 2013, Enel signed a framework agreement with the unions concerning the early retirement of personnel using the mechanism envisaged under Article 4 of Law 92/2012 (the Fornero Act). Following the issue of the implementing rules, on September 6, 2013, specific implementing measures were agreed with the unions, setting out the definitive number of employees involved, for which INPS will conduct a survey to determine those eligible for the scheme. On the basis of the figures certified by INPS, the termination program will be carried out by Enel Green Power in 2013 and 2014, with a final deadline of January 1, 2015.

22 May — Acquisition of control of the Chisholm View and Prairie Rose wind farms

Enel Green Power North America Inc. (EGP-NA) signed an agreement for the acquisition from EFS Chisholm LLC, a GE Capital subsidiary, of an additional 26% of the Class A shares of Chisholm View Wind Project LLC, the company that operates the 235 MW Chisholm View wind plant in Oklahoma, for a price of about $47 million, bringing its total stake to 75%.

EGP-NA also signed an agreement for the acquisition from EFS Prairie Rose LLC, a GE Capital subsidiary, of an additional 26% of the Class A shares of Prairie Rose Wind Project LLC, the company that operates the 199 MW Prairie Rose wind plant in Minnesota, for a total of $34 million, bringing its total interest to 75% as well.

29 May

Start of construction of three wind farms in Brazil

Enel Green Power started construction on three new wind farms, denominated Curva dos Ventos, Fontes dos Ventos and Modelo, in the States of Bahia, Pernambuco and Rio Grande do Norte, in north-eastern Brazil.

The three wind projects will have an installed capacity of about 56 MW, 80 MW and 56 MW and once in service will be able to generate more than 770 million kWh of power per year.

The three plants will require a total investment of €330 million and will supply energy to both the regulated and free markets under a long-term power purchase agreement that the Company was awarded in the "Brazilian New Energy" public tender in 2011.

12 June

Merger of Enel Green Power Portoscuso into Enel Green Power SpA

The instrument for the merger of Enel Green Power Portoscuso Srl into Enel Green Power SpA, approved by the corporate boards of both companies, was filed with the Company Register of Rome. The operation enables the achievement of greater operational efficiency and simplifies administrative processes, with a consequent reduction in operating expenses.

As Enel Green Power Portoscuso is wholly owned by Enel Green Power, the merger was approved by the Board of Directors under the simplified procedure provided for by Article 2505 of the Italian Civil Code and Article 19 of the Company's bylaws. Enel Green Power therefore did not increase its share capital or assign shares – in accordance with Article 2504-*ter* of the Italian Civil Code – to replace the shares held in the merged company, which were cancelled without any exchange after the merger. Similarly, the merger did not involve any amendments to the bylaws of Enel Green Power.

The merger instrument was signed on November 28, 2013, and filed with the Company Register of Rome. The merger took effect as from December 1, 2013, while the accounting and tax effects will be reflected in the financial statements of the surviving company with retroactive effect from January 1, 2013.

17 June

Agreement for the sale of Enel.si

Enel Green Power SpA and Enel Energia SpA reached an agreement for the sale to the latter of the entire share capital of Enel.si Srl, a wholly-owned subsidiary of Enel Green Power. The agreement takes effect as from July 1, 2013.

The price paid by Enel Energia for all of Enel.si amounted to about €92 million (subject to a price adjustment at the effective date of the transfer of the holding in the amount of about €11 million), which was calculated on the basis of the enterprise value at December 31, 2012 (equal to about €76 million) and the company's net financial position at the same date (net liquidity of about €16 million).

The price was paid in a single installment on the date the transfer of the holding took effect, with a resulting positive impact on the net consolidated financial debt of the Enel Green Power Group. The capital gain realized with the sale of Enel.si was reported under discontinued operations in the income statement in view of the fact that the transaction, while carried out between two Enel Group entities, was justified by economically substantive motivations. The price adjustment will become definitive only after verification of the value of a number of specific items, scheduled for June 30, 2014, as provided for in the sale agreement.

9 July — Capital contribution agreement between Enel Green Power and EFS Buffalo Dunes with a syndicate headed by J.P. Morgan

Enel Green Power North America Development (EGPD) and EFS Buffalo Dunes, a GE Capital subsidiary, signed a capital contribution agreement with a syndicate led by J.P. Morgan. The syndicate also includes Wells Fargo Wind Holdings, Metropolitan Life Insurance Company and State Street Bank and Trust Company.

Under the agreement, the syndicate will provide about $260 million in financing for the Buffalo Dunes wind project. When the syndicate disburses the financing – subject to compliance with the specific requirements in the capital contribution agreement – the parties will enter into a tax equity agreement for the Buffalo Dunes wind plant.

The project is associated with a long-term power purchase agreement for the electricity generated by the plant.

Enel Green Power has provided a parent company guarantee, which does not cover the return on the investment, securing the obligations of its subsidiary in respect of the capital contribution agreement and the tax equity agreement.

11 July — Standard & Poor's revises long-term rating of Enel SpA to "BBB" and confirms short-term rating at "A-2"

Standard & Poor's announced that it had revised its long-term rating for the Parent Company, Enel SpA, to "BBB" (from "BBB+"). The agency also maintained its short-term rating of "A-2" for the company. The outlook is stable.

The downgrade follows the similar action recently taken by Standard & Poor's for Italy's sovereign debt rating, which reflected, among the other factors, the deterioration in macroeconomic conditions in the country.

The stable outlook reflects the agency's expectations that Enel will achieve and maintain performance and financial targets commensurate with its current rating as a result of its continued deleveraging efforts, the large contribution of regulated activities and of its good geographical and technological diversification outside Europe.

The downgrade will not have a significant impact on either the cost of outstanding debt or of new borrowing, partly due to the low volatility of spreads in the secondary market for bonds issued by the Parent Company, whose prices already reflect the rating issued by Moody's ("Baa2"), which is now in line with that of Standard & Poor's ("BBB").

With regard to loans granted by the EIB, only some of them (in the total amount of about €535 million) contain covenants requiring the beneficiary companies of the Enel Green Power Group to renegotiate the agreements or, alternatively, provide specific bank guarantees. Accordingly, Enel Green Power, in coordination with Enel SpA, began renegotiations of those agreements, the outcome of which did not have a major impact on the cost of borrowing or result in the early repayment of the debt.

With regard to other major loan agreements, none have early redemption clauses directly linked to the level of the rating.

12 July — Regulatory changes introduced in Spain with Royal Decree Law 9/2013

The Spanish government approved Royal Decree Law 9/2013, which introduces a series of measures for ensuring the financial stability of the local electrical system. A number of the measures modify the current remuneration system for renewables generation, moving from a feed-in tariff regime to one providing a specified return on invested capital based on a "reasonable remuneration" as defined by Parliament, which will be ensured, if necessary, with the supplementation of revenues if the market price is not sufficient to achieve the "reasonable remuneration". Although the measures contained in the Royal Decree Law are effective immediately as from the date of publication in the Official Journal (*Boletín Oficial del Estado*), a series of ministerial orders defining the procedures for their implementation must be issued.

On January 15, 2014 the *Comisión Nacional de los Mercados y la Competencia* (CNMC) published a report on Royal Decree Law 9/2013. In the report, the CNMC underscored that, in view of the complexity of the proposed system, any quantification of the impact could not reasonably be carried out without the issue of those ministerial measures.

On January 31, 2014 the Ministry for Industry sent the CNMC, companies, autonomous communities and consumer associations the draft of the implementing measures that set out the

new remuneration for renewables generation. The document proposes more than 1,600 standards for renewables plants.
Comments on the draft were submitted by February 26, 2014 and regarded only the "technical" assumptions (load factor, standard investments, etc.), the applicability of the system and the specified level of the "reasonable remuneration". The final draft is therefore not expected to be published before the middle of March 2014.

The Enel Green Power Group has taken account of the new values for remuneration in the draft implementing measures in determining revenues from the sale of electricity and the associated tax of 7% on the power produced, with a net impact on the gross operating margin of the Enel Green Power Group of about €20 million, assuming the new rules of Royal Decree Law 9/2013 are effective as from July 14, 2013.
Similarly, account was also taken of the impact of the measures on expected cash flows in impairment procedures, which found no impairment losses as the value in use of the Enel Green Power España cash generating unit (CGU) was sufficient to absorb reasonable fluctuations in the main variables used in estimating that value.

18 July — Long-term agreements for the supply of wind-generated power in Mexico

Enel Green Power, acting through the subsidiaries Enel Green Power México Srl de Cv and Dominica Energía Limpia Srl de Cv (Dominica Energia Limpia), has entered into two power purchase agreements with Delphi Automotive PLC, a leading supplier to the automotive industry, and with Banamex, a leading Mexican bank. The long-term supply contracts have a total value of about $485 million.
The power will be generated by the new Dominica wind farm, with an installed capacity of 100 MW, which will require an investment of about $196 million.

4 September — Enel Green Power awarded 102 MW of hydro capacity in Brazil

Enel Green Power has been awarded energy supply contracts with 3 hydro projects for an overall capacity of 102 MW within Brazil's first "New Energy Auction" for "A-5" power in 2013. The three plants, denominated Salto Apiacás, Cabeza de Boi and Fazenda, are located close together in the State of Mato Grosso in mid-western Brazil.
Once operational, the hydro projects, whose completion will require a total investment of about $248 million, will be able to generate around 490 GWh per year, helping to meet the rapidly expanding demand for power in that country, which is expected to grow by an annual average of 4% through 2020.
Enel Green Power has been awarded 30-year energy supply contracts providing for the sale of a specified amount of power generated by the three hydro plants to a pool of distribution companies operating in the Brazilian regulated market.

30 October — South African tender

Enel Green Power was awarded the right to enter into energy supply contracts with the South African utility Eskom in the amount of 314 MWp of solar projects and 199 MW of wind projects (for a total of 513 MW) in the third round of the Independent Power Producer (IPP) renewable energy tender sponsored by the South African government.
The projects represent more than 65% and 25% of the total photovoltaic and wind capacity awarded to date in the third round.
In line with the rules of the IPP tender, Enel Green Power participated in the tender with vehicle companies, retaining a

controlling 60% stake, in partnership with major local players. The four photovoltaic projects (Aurora, Tom Burke, Paleisheweul and Pulida) will be in the Northern Cape, Western Cape, Free State and Limpopo regions, in areas boasting the highest concentration of solar radiation in the country. The two wind projects (Gibson Bay and Cookhouse) will be located in the Eastern Cape region in areas with abundant wind resources. Once completed, the six projects, which will require a total investment of about €630 million, will generate more than 1,300 GWh per year, making an environmentally sustainable contribution to meeting the country's rising energy demand. The projects will be completed and enter service in 2016. This effort is consistent with Enel Green Power's strategic growth objectives for new emerging markets, as provided for in the 2013-2017 business plan.

The photovoltaic plants have been engineered with the thin-film modules manufactured by the 3SUN joint venture, owned equally by Enel Green Power, STMicroelectronics and Sharp.

These new projects join the plant currently being built in the country by a subsidiary of ESSE, the equally-owned joint venture of Enel Green Power and Sharp, at Upington.

12 November — Work begins on new wind farm in Mexico

Energías Renovables La Mata SAPI de Cv, a subsidiary of Enel Green Power México Srl de Cv, has started construction of the new Sureste I-Phase II wind farm in Mexico. The plant, which is located in the State of Oaxaca, will be composed of 34 wind turbines with a capacity of 3 MW each, giving it a total installed capacity of 102 MW. It will be completed in the 2nd Half of 2014 and, once operational, will be able to generate up to about 390 GWh per year. In line with the growth targets set out in Enel Green Power's 2013-2017 Business Plan, the plant will require a total investment of about $160 million. In June 2013, Enel Green Power, acting through Enel Green Power México Srl de Cv, obtained a $100 million loan from the BBVA Bancomer Group. Part of the loan will be used to build the new plant. Enel Green Power was awarded the right to build Sureste I-Phase II in a public tender organized by the *Comisión Federal de Electricidad*. The project is associated with a 20-year power purchase agreement, with the electricity delivered to the grid through a nearby substation.

21 November — Work begins on a new wind farm in the United States

Enel Green Power, acting through its subsidiary Enel Green Power North America Inc., began construction on the Origin wind power project located in Murray and Carter counties, Oklahoma (United States). The new plant, which will have a total installed capacity of 150 MW, will be able to generate up to 650 GWh of electricity per year.

The Origin wind farm, owned by Origin Wind Energy LLC, a subsidiary of Enel Green Power North America Inc., is expected to be completed and enter service by the end of 2014.

The construction of the plant will require a total investment of about €250 million.

The project is associated with a 20-year power purchase agreement for the electricity that will be generated by the wind farm. The project meets the requirements to qualify for production tax credits, which are tax incentives provided for in US legislation to support renewable energy producers.

27 November — Entry into service of geothermal plant at Cove Fort in Utah

Enel Green Power completed and connected to the grid the Cove Fort geothermal power plant in the State of Utah (United States). The plant has an installed capacity of 25 MW and will be able to generate up to 160 GWh of power per year. Construction of the plant, in line with the growth targets set by Enel Green Power's 2013-2017 Business Plan, required a total investment of about $126 million, financed with the Enel Green Power Group's own resources.

The power plant is supported by a 20-year power purchase agreement for the energy produced by the facility, entered into with Salt River Project.

29 November — Enel Green Power awarded long-term power supply contracts for the regulated market in Chile

As part of the Chilean public tender "SIC 2013/01", the Enel Green Power Group was awarded the right to enter into long-term power supply contracts with a pool of distribution companies operating in Chile's regulated electricity market, providing up to 4,159 GWh for the entire duration of the contracts. The energy supply, at a price of $128/MWh, will start in December 2013 and terminate in 2024. The power will come from an existing plant and, later on, by three new plants – two photovoltaic plants and one wind farm – that will have a total installed capacity of 161 MW and will be part of Chile's Central Interconnected System.

The new plants will be built and enter service by the end of the 1st Half of 2015.

The construction of the three plants requires an overall investment of $320 million, financed with the Enel Green Power Group's own resources. The project is in line with the Group's strategic growth targets, as envisaged in its 2013-2017 Business Plan.

2 December — EIB loan to finance part of investment program in Romania

The European Investment Bank (EIB) and Enel Green Power International BV, the financial and controlling holding company of the international subsidiaries of the Enel Green Power Group, agreed a loan of €200 million to partially cover investments in a number of wind farms in the Banat and Dobrogea regions of Romania. The 15-year loan has a pre-repayment grace period of up to two and a half years, has financial terms that are competitive with the market benchmark and is secured by a parent company guarantee issued, at the request of Enel Green Power SpA, by Enel SpA. The issue of the guarantee is exempt from the procedure for transactions with related parties adopted by Enel Green Power SpA, as an ordinary transaction of greater importance at market-equivalent or standard terms. The terms of the guarantee are in line with those generally granted by Enel Green Power SpA to leading banks for loans of similar amount and maturity.

11 December — Start of construction of a new wind plant in Mexico

Enel Green Power has begun construction of the new Dominica I wind farm in Mexico. The plant, which is located in the municipality of Charcas and is owned by Dominica Energía Limpia Srl, a subsidiary of Enel Green Power México Srl de Cv, is the first wind farm in the State of San Luis Potosí and will be composed of 50 turbines (2 MW each) for a total installed capacity of 100 MW.

Once up and running, the Dominica I plant, which will be completed and enter operation in the 2nd Half of 2014, will be able to generate up to 260 GWh per year. The construction of the wind farm, in line with the growth targets set out in Enel Green Power's 2013-2017 Business Plan, requires a total investment of about $196 million, financed with the Enel Green Power Group's own resources.

The project is supported by two long-term power purchase agreements with a total value of around $485 million.

17 December — Amendment of regulatory mechanism for green certificates in Romania

Order EGO no. 57/2013 temporarily modifying the green certificates mechanism, issued in June, received final approval, temporarily suspending (from July 1, 2013 to March 31, 2017) trade in green certificates due to renewables generators (1 green certificate/MWh for wind and mini-hydro and 2 green certificates/MWh for photovoltaic). Trading in the deferred green certificates could gradually resume after April 1, 2017 for photovoltaic and mini-hydro and after January 1, 2018 for wind until December 2020.

27 December — Entry into service of the Valle de los Vientos wind farm in Chile

Enel Green Power completed and connected to the grid its new Valle de los Vientos wind farm, located in the region of Antofagasta in Chile. The plant, owned by Parque Eólico Valle de los Vientos SA, a subsidiary of Enel Green Power Chile Ltda, is composed of 45 wind turbines (2 MW each), for a total installed capacity of 90 MW. It will be able to generate more than 200 GWh per year.

The construction of the wind farm, in line with the growth targets set by Enel Green Power's 2013-2017 Business Plan, required a total investment of about $170 million. The investment was partly financed with a loan that Enel Green Power, acting through Enel Green Power International BV, agreed with the Danish Export Credit Agency (EKF) and Citi, the latter in the capacity of sole lead arranger and agent.

The Valle de los Vientos project is associated with a 20-year power purchase agreement for the electricity generated by the plant.

Reference scenario

Enel Green Power and the financial markets

	2013	2012 restated
Group gross operating margin per share (euro)	0.36	0.33
Group operating income per share (euro)	0.21	0.19
Group net earnings per share (euro)	0.11	0.08
Dividend per share (eurocents)	3.20	2.59
Pay-out ratio (1) (%)	30	30
Group shareholders' equity per share (euro)	1.46	1.41
Share price - 12-month high (euro)	1.84	1.66
Share price - 12-month low (euro)	1.36	1.02
Average share price in December (euro)	1.75	1.36
Market capitalization (2) (millions of euro)	8,770	6,799
No. of shares outstanding at December 31 (millions)	5,000	5,000

(1) Based on Group net income.
(2) Based on average price in December.

Enel Green Power stock weighting in	Current (1)
FTSE-MIB index	1.21%
STOXX Europe 600 Utilities index	1.07%
Bloomberg World Energy Alternative Sources	17.33%

(1) Updated to January 31, 2014.

Financial markets in the main Western economies posted gains in 2013. European equity indices rose to their highest levels in two years, and in some cases exceed the peaks reached before the crisis in 2008. The 1st Half of the year was marked by uncertainty associated with budget policy developments in the United States. After avoiding the automatic spending cuts at the end of 2012, the so-called fiscal cliff, the US Congress reached an impasse on the debt ceiling. The delay in forging an agreement for the temporary raising of that ceiling, which was only signed in the 2nd Half of October, led to the closure of many government offices, which a number of analysts have estimated caused losses amounting to billions of dollars. Nevertheless, the agreement only partially eliminated the uncertainty as it in fact only postponed any definitive solution to the 1st Quarter of 2014. The 1st Half of 2013 was also affected by a slowdown in growth in a number of emerging economies. More specifically, the rate of GDP growth in China abated in the first two quarters of the year, registering a pace of 7.7% in the 1st Quarter and 7.5% in the 2nd Quarter (compared with 7.9% in the 4th Quarter of 2012). All the same, the financial markets still posted gains in the 1st Half of the year, buoyed by the expansionary monetary policies adopted by the world's leading central banks. In May, the European Central Bank (ECB) confirmed its monetary stance, reducing the rate on main refinancing operations (by 25 basis points, to 0.5%). Among the European indices, only the Italian and Spanish stock markets registered losses in the 1st Half of the year (-6.4% and -5%, respectively) due to the resurgence of tensions as a result of uncertainty about the stability of the Cypriot banking system. The crisis in Cyprus sparked a widening of spreads on 10-year Italian and Spanish bonds compared with the equivalent German paper. The Italian market was also affected by the risk of a downgrade of the Italian government's credit rating by Moody's, as well as the uncertainty associated with the outcome of the national elections in February. The spread on Italian government securities rose to around 350 basis points in March, before beginning to subside in April as political uncertainty eased following the formation of a broad coalition government.

The performance of the financial markets gained pace in the 2nd Half of the year in response to the improvement in the

outlook for growth in the euro area and the positive signals from the United States. US GDP continued to expand in the 2nd Half of 2013 and labor market conditions improved, with the unemployment rate falling below 7% in December. Market volatility, while remaining relatively subdued, did increase in the 2nd Half as a result of concerns about the possibility of an early end to central bank stimulus measures. Nevertheless, the Federal Reserve (FED) in the United States confirmed its intention to continue its support for the economy through its program to purchase government securities. Only towards the end of the year did the FED taper its support somewhat, while confirming that it would maintain an expansionary stance for some time. The ECB also retained its expansionary monetary policy stance, cutting its key main refinancing rate to a historic low of 0.25%.

The pickup in growth on the main European indices in the 2nd Half of the year is also highlighted by a comparison of returns on the main equity indices in the 1st and 2nd Halves:

- Milan: -6.4% in the 1st Half, +24.5% in the 2nd Half, +16.6% for the year as a whole.
- London: +5.4% in the 1st Half, +8.6% in the 2nd Half, +14.4% for the year as a whole.
- Paris: +2.7% in the 1st Half, +14.9% in the 2nd Half, +18.0% for the year as a whole.
- Frankfurt: +4.6% in the 1st Half, +20.0% in the 2nd Half, +25.5% for the year as a whole.
- Madrid: -5.0% in the 1st Half, +27.7% in the 2nd Half, +21.4% for the year as a whole.

Utilities stocks followed a similar pattern, initially displaying uncertainty before accelerating in the 2nd Half of the year. The STOXX Europe 600 Utilities index fell by 3.5% in the 1st Half but grew for the year as a whole (+11.3% in the 2nd Half, +7.5% for the year as a whole). The good performance in the latter part of the year was driven by an improvement in macroeconomic conditions in the euro area, which caused risk premiums on long-term government securities to decline. More specifically, the fall in the spread on 10-year Italian and Spanish securities sustained the stock prices of listed companies in both countries. The utilities with the greatest exposure to the Spanish market were also affected by the regulatory uncertainty associated with the reform of the Spanish electricity market. In order to remedy the structure rate deficit that has afflicted the electricity market, in July 2013 the Spanish government issued Royal Decree Law 9/2013, introducing a series of measures to ensure the financial stability of the system. The failure to issue implementing rules by the end of the year and the consequent regulatory uncertainty had an adverse impact of the share prices of companies exposed to the Spanish market, causing volatility to rise as well. The Enel Green Power stock price rose in both the 1st and 2nd Halves of the year, ending 2013 up more than 30%, outgaining all of the main European indices. In the 1st Half of the year, the stock benefited from an extension of tax incentives for the construction of wind plants in the United States (the Production Tax Credit or PTC), which offset the negative effects of the political uncertainly in Italy and the reform of the Spanish energy market. At the end of April, the price of Enel Green Power shares returned above its listing price, which was equal to €1.60 per share.

For further information we invite you to visit the Investor Relations section of our corporate website (http://www.enelgreenpower.com/en-GB/media_investor/), which contains financial data, presentations, online updates on the share price, information on corporate bodies and the rules of Shareholders' Meetings, as well as periodic updates on corporate governance issues. We have also created contact centers for retail investors (which can be reached by phone at +390683058721) and for institutional investors (phone: +390683059104; e-mail: iregp@enel.com).

Economic and energy conditions in 2013

Economic developments

The year 2013 was characterized by an improvement in the global economic environment. The implementation of structural reforms in some European countries and the resumption of exports in others gave rise to signs of recovery, reflected in a significant narrowing in the spread against the German Bund and, in some cases, a return to positive GDP growth after years of economic stagnation and widespread recession. In Europe, 2013 confirmed the emergence from recession, with some countries that recorded GDP growth and others whose GDP contracted but at a slower pace than the levels of 2012: Ireland (0.5%), Spain (-1.2%), Italy (-1.8% compared with -2.5% in 2012), Greece (-3.6% compared with -6.4% in 2012) and Portugal (-1.5% compared with -3.2% the previous year).

In the United States (growth of 1.9% in 2013 compared with 2.8% in 2012), the easing of uncertainties related to the tapering of quantitative easing and the extension of negotiations on the budget and the public debt helped buoy the financial market, with a positive impact on the real economy and employment. The countries of South America performed well (Argentina +5.5%, Brazil +2.1%, Chile +4.0%, Colombia +4.0% and Peru +5.0%), although towards the end of the year, growth rates exhibited increased volatility due to the sudden withdrawal of financial inflows from the industrial economies. Similar growth was also achieved in China (+7.7% in 2013), a country that is still grappling with environmental problems and excess credit levels that could hinder future development. Other strong performers included the United Kingdom (+1.9% in 2013), thanks to the continuation of robust expansion in the private and public consumption supporting the increasingly solid recovery in growth, and Japan (+1.7% in 2013), although that country experienced a weakening of private consumption and investment while public consumption and investment strengthened considerably. The Eastern European countries are still affected by significant social imbalances, fragile institutional arrangements and economic models that will have to demonstrate their reliability in promoting a long period of sustained growth (GDP growth of 1.9% for Slovakia and 1.3% for Russia in 2013) .

In the 2nd Half of the year, inflation in Europe subsided from its average of 2.3% in 2012 to an average of 1.3% in 2013. More generally, the recovery has not remained confined to European countries but, albeit fragmented and uneven, it has involved both the industrial countries (+1.3%) and the emerging economies (+4.7%).

Banks' demand for liquidity in 2013 caused 3-month Euribor to decline significantly over the year, posting an average of 0.22%, well below that recorded in 2012 (0.57%). In foreign exchange markets , the euro/dollar rate rose from an average of 1.29 in 2012 to an average of 1.33 in 2013. The increase is primarily attributable to flows of money toward the peripheral European countries and to the rise in 3-month Euribor above its level at the end of 2012 (0.19). This level was higher than both USD Libor and the policy rate of the ECB. In order to facilitate access to credit by institutional investors and support the level of investment, the European Central Bank lowered its rate on main refinancing operations to 0.25%. International stock market indices posted gains for 2013 as a whole that were about twice those achieved the previous year thanks to their especially strong showing in the 2nd Half of the year following the publication of positive macroeconomic data and the continuation of expansionary monetary policies. For example, the US index rose by no less than 29.9% and that in Japan rose by 51.9%, with the latter undoubtedly boosted by the ultra-expansionary economic policies put in place by the Japanese government.

The following table shows the growth rates of GDP in the main countries in which Enel Green Power operates through its subsidiaries.

Annual real GDP growth

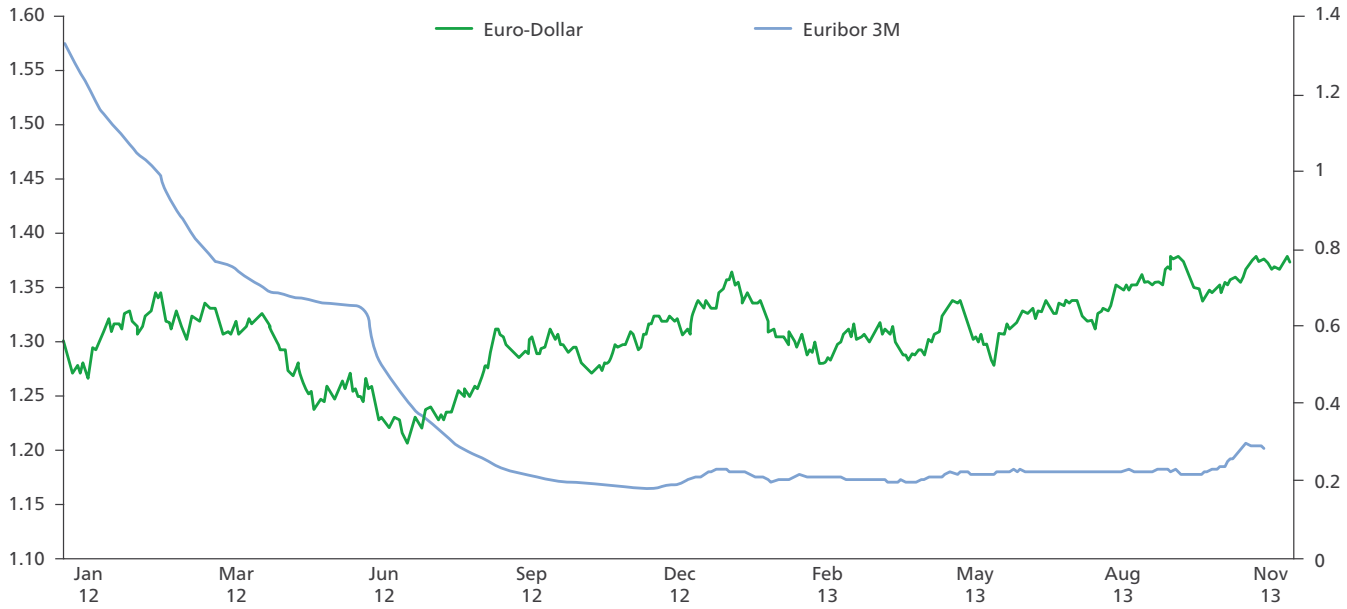
%

	2013	2012
Italy	**-1.8**	**-2.6**
Spain	-1.2	-1.6
Portugal	-1.5	-3.2
Greece	-3.6	-6.4
France	0.2	-
Bulgaria	0.8	0.8
Romania	3.5	0.7
Brazil	2.1	1.0
Chile	4.0	5.6
Colombia	4.0	4.2
Mexico	1.3	3.9
Peru	5.0	6.3
Canada	1.8	1.7
USA	1.9	2.8

Source: National statistical institutes and Enel based on data from ISTAT, INE, EUROSTAT, IMF, OECD and Global Insight.

Developments in the main market indicators

Money market

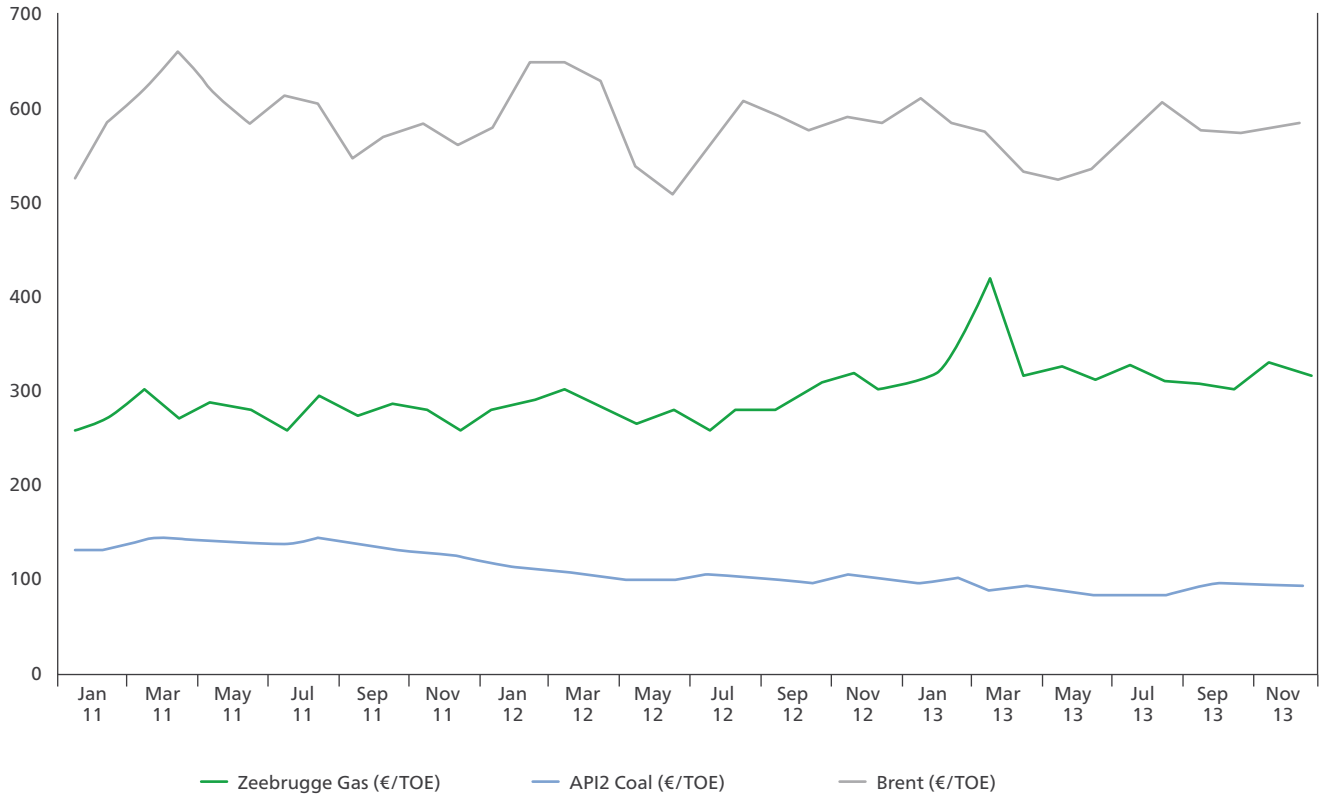


International commodity prices

In 2013, despite the continuing weakness of macroeconomic conditions, world oil consumption continued to grow rapidly, rising by 1.3% compared with 2012 (+1.1% between 2011 and 2012), compared with an annual average of 0.8% in the 2008-2011 period. The rise was driven primarily by growing demand in the developing economies of non-OECD countries (+1.2 million barrels/day), while demand in the OECD countries was virtually unchanged compared with 2012.

The supply of oil expanded by about 1% in 2013, although this was less than the sharp rise seen in 2012. A major driver of the expansion was output in North America, which grew by 8%, continuing the trend that began in 2009 and bringing American supply back to its levels of the early 1990s. Excluding the increase in oil production in North America and the small fall in Europe and Africa, the output of non-OPEC countries has remained essentially unchanged since 2010.

Commodity prices



Despite some signs of a partial easing of tensions in the Middle East, in 2013 the price of oil remained high at close to $110/barrel. The recent agreement between six major world powers and Iran, which commits the Middle Eastern country to shelve its efforts to enrich uranium beyond 5%, could lead a review of the embargo on its petroleum products in the next few months. However, the market did react to the news in any way, appearing more focused on short-term developments in fundamentals: although data on stocks show that the US market is well supplied, Libyan output continues to suffer from the disruptions caused by its delicate domestic situation. The recovery in oil prices also led to increases in the prices of refined products. Both European and North American prices for diesel and gasoline rose by between 1% and 3%.

Finally, the appreciation of the euro against the dollar (+3% compared with 2012) caused oil prices expressed in euros to fall.

Developments in 2013 underscored the importance of coal in the international energy mix, with an increase in world consumption in all OECD countries except North America, where

coal was substituted by low-cost gas in electricity generation.
The average price of coal for delivery at the Amsterdam-Rotterdam-Antwerp hub (CIM ARA CIF) fell below its levels in 2012, at $82/metric ton in 2013, about $10 less than the previous year, continuing the downward trend under way since the peaks registered in 2010. The first signs of economic recovery in Europe and the positive outlook for developments in 2014 are sparking an increase, albeit a modest one, in prices. The market remains very weak, mainly because of the sharp competition with the gas in the United States and fears that over the medium term the emerging countries will not be able to sustain growth rates in line with those observed since the 2000s.

Despite world economic developments, the growth in gas consumption in 2013 was basically in line with the trends seen over the last decade, with no major differences between the advanced economies and the emerging countries. The increase in demand was accompanied by an expansion of production in all three OECD macro areas.
In the Italian gas market, the combination of weak demand (especially for thermal generation) and the slight increase in prices in Northern Europe in 2013 caused the Italian spot price to converge towards that on European exchanges. The spot price of natural gas at the Zeebrugge hub in Europe rose from €25/MWh in 2012 to €27/MWh in 2013, an increase of 8%, thus reducing the price differential with the Italian virtual gas trading point from €3/MWh to €1/MWh.
The indexing of gas prices to those of petroleum products remains an important factor in European contracts, although the strength of the link has been reduced in recent years with the steady weakening of demand, producing what can be increasingly characterized as a buyer's market.

Electricity markets

Electricity demand

Developments in electricity demand

GWh

	2013	2012	Change
Italy	**317,144**	**328,220**	**-3.4%**
Spain	246,206	251,850	-2.2%
Portugal	49,057	50,495	-2.9%
France	494,986	489,520	1.1%
Greece	46,451	50,290	-7.6%
Bulgaria	32,192	32,463	-0.8%
Romania (1)	36,665	39,202	-6.5%
Brazil	565,065	546,595	3.4%
Chile (2)	49,343	47,340	4.2%
Colombia	60,885	59,435	2.4%
Peru	39,789	37,321	6.6%
USA (3)	3,689,294	3,686,777	0.1%

(1) At September 30, 2013 and 2012.
(2) Figure for the SIC – *Sistema Interconectado Central*.
(3) Net of grid losses.
Source: Enel based on TSO figures.

In Europe electricity demand decreased in the Mediterranean countries, primarily due to the slowdown in industrial consumption. More specifically, in Italy (-3.4%), Spain (-2.2%), Greece (-7.6%) and Portugal (-2.9%) the negative performance of the industrial sector and the macroeconomic uncertainty had a decisive impact on the level of electricity demand. In the rest of Europe, electricity demand in 2013 expanded in France (+1.1%). Demand continued to rise rapidly in Latin America, with significant increases in Colombia (+2.4%) and Brazil (+3.4%) and even larger gains in Chile (+4.2%) and Peru (+6.6%).

Electricity prices

Electricity prices

	Average baseload price 2013 (€/MWh)	Change in baseload price 2013-2012	Average peakload price 2013 (€/MWh)	Change in peakload price 2013-2012
Italy	**63.0**	**-17.0%**	**70.3**	**-17.6%**
Spain	44.3	-6.3%	50.7	-3.7%
Brazil	91.5	38.5%	207.0	20.2%
Chile	116.0	-23.4%	221.6	-16.3%
Colombia	71.5	43.0%	165.4	45.9%

Developments in prices in the main markets

Eurocents/kWh

	H1 2013	H1 2012	Change
Final market (residential): (1)			
Italy	15.0	14.5	3.4%
France	10.1	9.9	2.0%
Portugal	12.1	11.1	9.0%
Romania	8.9	8.0	11.3%
Spain	17.5	17.7	4.5%
Final market (industrial): (2)			
Italy	11.2	11.9	-5.9%
France	7.7	8.1	-4.9%
Portugal	10.2	10.5	-2.9%
Romania	9.0	8.3	8.4%
Spain	11.7	11.6	0.9%

(1) Half-year price net of taxes – annual consumption of between 2,500 kWh and 5,000 kWh.
(2) Half-year price net of taxes – annual consumption of between 500 MWh and 2,000 MWh.
Source: Eurostat.

Electricity price developments in Italy

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	2013				2012			
Power Exchange - PUN IPEX (€/MWh)	63.8	57.4	65.5	65.1	81.4	73.5	81.5	65.6
Average residential user with annual consumption of 2,700 kWh (eurocents/kWh):								
Price including taxes	19.1	18.9	19.2	19.0	17.3	19.1	19.1	19.4

Source: Energy Markets Operator; Authority for Electricity and Gas.

In Italy, the average uniform national sales price of electricity on the Power Exchange fell by 17.0% compared with 2012. The average annual price (including taxes) for residential users set by the Authority for Electricity and Gas rose by 15.6% in 2013, mainly owing to the increase in the A3 rate component covering costs for incentives for renewable generation.

Italy

Domestic electricity generation and demand

Millions of kWh

	2013	2012	Change	
Net electricity generation:				
- thermal	182,528	207,331	(24,803)	-12.0%
- hydroelectric	52,515	43,260	9,255	21.4%
- wind	14,886	13,333	1,553	11.6%
- geothermal	5,305	5,251	54	1.0%
- photovoltaic	22,146	18,631	3,515	18.9%
Total net electricity generation	**277,380**	**287,806**	**(10,426)**	**-3.6%**
Net electricity imports	42,153	43,103	(950)	-2.2%
Electricity delivered to the network	**319,533**	**330,909**	**(11,376)**	**-3.4%**
Consumption for pumping	(2,389)	(2,689)	300	11.2%
Electricity demand	**317,144**	**328,220**	**(11,076)**	**-3.4%**

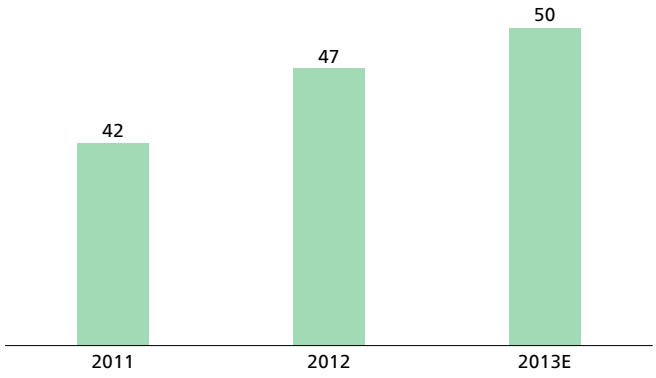
Source: Terna - *Rete Elettrica Nazionale* (monthly report – December 2013).

Domestic *electricity demand* in 2013 decreased by 3.4% compared with 2012, to 317,144 million kWh. Of total electricity demand, 86.7% was met by net domestic electricity generation for consumption (86.9% in 2012) with the remaining 13.3% being met by net electricity imports (13.1% in 2012).

Net electricity imports in 2013 declined by 950 million kWh, mainly as a result of the fall in demand and overcapacity on the domestic market.

Net electricity generation in 2013 decreased by 3.6% or 10,426 million kWh to 277,380 million kWh. More specifically, in an environment of depressed electricity demand, the increase in hydroelectric generation (9,255 million kWh), mainly attributable to improved water availability conditions, and the rise on other renewables generation (photovoltaic generation up 3,515 million kWh and wind generation up 1,553 million kWh) as a result of the expansion in installed capacity in the country, led to a reduction in thermal generation of 24,803 million kWh.

As regards sector trends, in 2013 the installed renewable generation capacity in Italy is estimated to have expanded by about 3 GW compared with 2012, rising to about 50 GW, as shown in the following chart.



Source: ESO. Based on EER data for 2013.
Note: excluding pure pumping systems.

Regulatory and rate issues

With Directive 2009/28/EC of the European Parliament and of the Council of April 23, 2009, the European Union approved the European climate and energy package, known as the "20-20-20" strategy, requiring that by 2020 Member States:

> reduce their greenhouse gas emissions by 20% (binding target);
> raise the share of total EU energy consumption produced from renewable resources to 20% (binding target);
> achieve a 20% improvement in energy efficiency (non-binding target).

According to Article 4, paragraph 1 of the Directive, all the Member States are required to set binding national targets to achieve these objectives. Italy, specifically, is required to cover 17% of its final energy consumption using renewable resources.

At present, in Italy, progress on achieving the 20-20-20 target for the electricity sector, set out in the National Action Plan (NAP) of July 2010, is eight years ahead of schedule.

Recent information on the progress made in achieving the renewable energy resource development targets can be found in the "The new National Energy Strategy for a more competitive and sustainable environment" (NES) report, issued on October 16, 2012 for public consultation (which closed on November 30, 2012).

The NES sets out four key targets for the energy sector:

1. significantly narrowing the gap in energy costs for consumers and businesses, including aligning prices and costs to those of Europe;
2. achieving and surpassing the environmental targets for decarbonization as defined in the European 2020 climate and energy package;
3. continuing to improve the security and independence of Italy's energy supplies;
4. fostering sustainable economic growth by developing the energy sector.

The regulatory framework for supporting renewable energy in Italy consists of a variety of remuneration mechanisms.

With regard to wind, hydroelectric, geothermal and biomass technology, the incentive system envisages:

> for plants that enter service by the end of 2012, as provided for by Legislative Decree 28/2011, the green certificates mechanism applies and such certificates shall be valid through 2015. Green certificates are negotiable instruments issued by the Energy Services Operator (ESO) in proportion to the energy generated by a plant certified as powered by renewable resources. Plants that hold a generation license and that enter service by April 30, 2013 (June 30, 2013 for plants fueled by biodegradable waste) may take part in the green certificate system with a 3% reduction per month starting from January 2013;

> for plants that enter service after January 1, 2013, as provided for by the ministerial decree concerning incentives for renewable energy resources (July 6, 2012), a Dutch auction process or feed-in tariffs will apply, depending on the installed capacity and the technology employed.

The above incentive mechanisms will terminate upon reaching an indicative cumulative annual cost of €5.8 billion. At December 31, 2013, the cumulative annual cost was around €4.56 billion.

With regard to solar technology, the incentive system envisages:

> for plants that entered service prior to August 27, 2012, the First (for plants entering service between September 19, 2005 and April 12, 2007), the Second (between April 13, 2007 and December 31, 2010), [4] the Third (between January 1, 2011 and May 31, 2011) and the Fourth (between June 1, 2011 and August 26, 2012) Energy Accounts apply based on a feed-in premium system (a cumulative incentive rate over the hourly zonal price);
> for plants that enter service after August 27, 2012, the Fifth Energy Account (ministerial decree of July 5, 2012) applies. It provides for, among other things, the shift from a feed-in premium system to a feed-in tariff system (comprehensive rate), to which a bonus rate for self-consumption may be added. The incentive mechanism will terminate 30 days after reaching the indicative cumulative annual cost ceiling of €6.7 billion.

On June 6, 2013, the indicative cumulative annual cost ceiling of €6.7 billion for photovoltaic incentives was reached. Accordingly, on July 6, 2013, the Fifth Energy Account terminated.

Resolution no. 281/2012/R/efr of the Authority introduced a far-reaching change in the rules governing dispatching services for generation plants powered by non-schedulable renewable resources.

More specifically, starting from January 1, 2013 it extended to existing plants the use of the imbalancing payments envisaged for plants that do not use non-schedulable renewable resources, net of an exemption of 20% of the amended and corrected binding delivery schedule for the first six months and one of 10% starting from July 1, 2013. The resolution also eliminated the bonus for correct scheduling.

The resolution was challenged before the Regional Administrative Court of Lombardy, which voided it. The Authority appealed the decision with the Council of State, asking that it suspend the ruling by the court of first instance. The Council denied the request for the injunction.

At the hearing of March 11, 2014, the suit was taken by the court for decision. The ruling is pending.

Pending resolution of the court proceedings, the Authority published Resolution no. 426/2013/R/eel, establishing application of the exemption of 20% as from January 1, 2013 and continuing until the Council of State issues its judgment. However, in order to avoid adjustment payments, it required Terna SpA and GSE SpA to execute the provisions only for generation as from October 2013, suspending application for the period January 1, 2013-September 30, 2013 until the dispute has been settled.

Robin Tax

Law 98 of August 9, 2013 ratified Decree Law 69 of June 21, 2013 containing urgent measures for economic recovery. Among the various provisions, Article 5 provides for the extension of the requirement to pay the Robin Tax to companies with revenues of more than €3 million and taxable income of more than €300,000.

Previously, only companies with revenues of more than €10 million and taxable income of more than €1 million were subject to the levy.

Note that Decree Law 138/2011 had provided for an increase in the Robin Tax to 10.5% only for the 2011-2013 period, so unless new legislative action is taken, as from 2014 the rate will return to 6.5%.

Net metering

The Authority has published Resolution no. 614/2013, setting the criteria for updating the ceiling on the restitution of general system costs in the case of renewable energy plants that use the net metering system, with effect as from 2014. The provisions only apply to non-programmable renewable energy plants with a capacity of more than 20 kW.

More specifically, the resolution specifies the values for calculating the annual limit – CUSfogs – and the monthly limit – CUSfmogs – for photovoltaic plants receiving and not receiving incentives and for hydroelectric, wind and biomass plants that benefit/do not benefit from green certificates (with values that exceed those set out in the earlier consultation document DCO 488/13).

(4) Law 129 of August 13, 2010, (the so-called "Save Alcoa" Law) extended the period of application of the Third Energy Account to June 30, 2011 for plants installed by December 31, 2010.

The Authority set the ceilings (from which the average electricity price/green certificate withdrawal price for the hours between 8 a.m. and 8 p.m. in the calendar year is subtracted) for the different generation technologies at:

> €174/MWh for photovoltaic without incentives;
> €234 for wind with incentives and €234 for that without incentives;
> €284 for hydro with incentives (€284 without incentives);
> €209 for biomass with or without incentives.

For photovoltaic plants with incentives and for other categories, the value was set at zero.

By March 31 of each year, the Authority will calculate and publish the values for the above ceilings for the previous year. In addition, the Authority will update the values on the basis of an analysis of average investment and operating costs as well as the total revenues of the plants eligible to benefit from the net metering system. It will also take account of the overall impact of general system charges on electricity bills, extending them to plants with a capacity of up to 20 kW if necessary.

Guaranteed minimum prices

Following the issue of consultation document DCO 486/13, the Authority published Resolution no. 618/13 "concerning the specification of the minimum guaranteed prices for renewable energy plants with a capacity of up to 1 MW that are eligible for dedicated withdrawal", reducing those minimum guaranteed prices. More specifically, the Authority:

> raised from 8% to 10% the surcharge permitted to take account of fluctuations from the average value used as a reference in the study;
> established that the minimum prices will only be applied up to an output of 1.5 million kWh (rather than the 2 million kWh provided for previously), with the exception of liquid and solid biomass and biogas from anaerobic fermenters;
> extended the minimum prices to include electricity sold on power exchanges, not only that sold to the ESO (thereby including plants that do not participate in the direct withdrawal system), requiring the execution between the generator and the ESO of an agreement exclusively for the purpose of the payment of the minimum guaranteed price.

The new values will apply as from January 1, 2014, and are uniform for each energy source, with the exception of hydroelectric power, for which four brackets have been established. Minimum guaranteed prices were also addressed in the "Destination Italy" decree, which establishes that as from January 1, 2014 the minimum guaranteed prices shall be equal to the zonal hourly price for each plant receiving incentives (with certain exceptions), as discussed in greater detail in the following section.

The "Destination Italy" decree

The "Destination Italy" decree was published in the *Gazzetta Ufficiale* of December 23, 2013, no. 145. The decree contained "urgent measures to launch the 'Destination Italy' Plan, to contain electricity and gas prices, to reduce automobile civil liability premiums, to expand the international presence, development and digitalization of Italian companies, and measures for the implementation of public works and Expo 2015". The decree was ratified with amendments with Law 9 of 21 February 2014.

The main provisions of the decree are as follows:

1. as from January 1, 2014 the minimum guaranteed prices shall be equal to the zonal hourly price for each incentivized plant, with the exception of photovoltaic plants with a nominal capacity of up to 100 kW and hydroelectric plants with a capacity of up to 500 kW;
2. plants that are eligible for green certificates, the comprehensive rate or premium rates may either:
   a) continue to receive the incentives for the remaining period of their term: in that case, for 10 years as from the end of the eligibility period for incentives, any facilities built on the same site will not be eligible for further incentive mechanisms, including direct withdrawal and net metering; or
   b) opt for an adjusted incentive: generators may receive an incentive reduced by a specific percentage for each type of plant (to be determined with a ministerial decree from the Ministry for Economic Development to be issued within 60 days of the entry into force of the decree) to be applied over the term of the incentive period, which shall be equal to the remaining term of the incentive period to which they are entitled at that date, plus an additional 7 years.

   The ministerial decree specifying the percentage reductions must also establish the remaining term of the incentive period below which the penalty also does not apply to plants that do not opt for the adjusted incentive. That period may not expire before December 31, 2014, and will differ for each resource.

   The provisions in section 2 above do not apply to CIP 6 plants or to new plants receiving incentives pursuant to the Renewable Energy Decree, with the exception of those eligible for the transitional system referred to in Article 30 of that decree (plants that were eligible for green certificates having entered service by April 30, 2013).

Spain

Electricity generation and demand in the peninsular market

Millions of kWh

	2013	2012	Change	
Gross electricity generation – ordinary regime:				
- thermal	64,882	93,314	(28,432)	-30.5%
- nuclear	56,827	61,470	(4,643)	-7.6%
- hydroelectric	33,970	19,455	14,515	74.6%
Total gross electricity generation – ordinary regime	**155,679**	**174,239**	**(18,560)**	**-10.7%**
Consumption for auxiliary services	(6,337)	(7,889)	1,552	19.7%
Electricity generation – special regime	110,823	102,293	8,530	8.3%
Net electricity generation	**260,165**	**268,643**	**(8,478)**	**-3.2%**
Net electricity exports (1)	(8,001)	(11,770)	3,769	32.0%
Consumption for pumping	(5,958)	(5,023)	(935)	-18.6%
Electricity demand	**246,206**	**251,850**	**(5,644)**	**-2.2%**

(1) Includes the balance of trade with the extra-peninsular system.
Source: *Red Eléctrica de España* (*Balance eléctrico diario Peninsular* – December 2013 report). Volumes for 2012 are updated to October 2, 2013.

Electricity demand in the peninsular market in 2013 declined by 2.2% compared with 2012 to 246,206 million kWh. Demand was entirely met by net domestic generation for consumption.
Net electricity exports in 2013 fell by 32.0% compared with 2012.
Net electricity generation in 2013 decreased by 3.2% or 8,478 million kWh. Developments in the electricity market, and consequently in electricity generation, were entirely analogous to those in Italy, with a sharp decline in conventional thermal generation (-30.5%) and nuclear output (-7.6%), essentially due to higher hydroelectric generation (74.6%), owing to improved water conditions compared with the previous year, and higher output under the special regime (8.3%), as well as lower market demand.

Electricity generation and demand in the extra-peninsular market

Millions of kWh

	2013	2012	Change	
Gross electricity generation – ordinary regime:				
- thermal	13,175	14,399	(1,224)	-8.5%
Total gross electricity generation – ordinary regime	**13,175**	**14,399**	**(1,224)**	**-8.5%**
Consumption for auxiliary services	(784)	(850)	66	7.8%
Electricity generation – special regime	1,050	1,021	29	2.8%
Net electricity generation	**13,441**	**14,570**	**(1,129)**	**-7.7%**
Net electricity imports	1,269	570	699	122.6%
Electricity demand	**14,710**	**15,140**	**(430)**	**-2.8%**

Source: *Red Eléctrica de España* (*Balance eléctrico diario Extrapeninsulares* – December 2013 report).

Electricity demand in the extra-peninsular market in 2013 decreased by 2.8% compared with 2012 to 14,710 million kWh. Demand was almost entirely met by net domestic generation for consumption.

Net electricity imports in 2013 amounted to 1,269 million kWh and regarded trade with the Iberian peninsula.

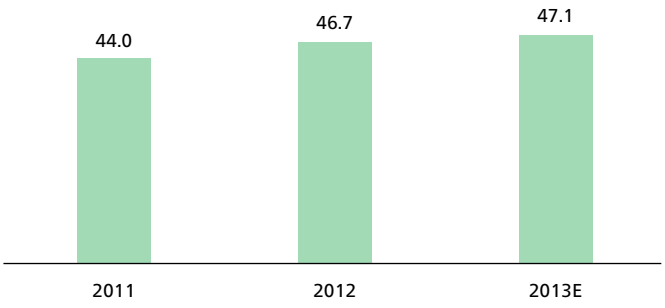
Net electricity generation in 2013 fell by 7.7% or 1,129 million kWh as a result of lower thermal generation (-8.5%), which was only partially offset by greater output under the special regime.

In Spain, the renewables sector has grown substantially in recent years, increasing its share of total consumption of primary energy.

On November 11, 2011, the Spanish government approved the new "Renewable Energy Plan" for 2011-2020 ("REP 2011-2020"), which sets out the development plan for the renewable energy sector. The REP 2011-2020 establishes specific measures to implement in order to achieve the target established with Directive 2009/28/EC for 20% of total energy consumption from renewable energy resources by 2020, the deadline by which the government expects to reach 64 GW of installed capacity, mainly through the growth of wind and solar power. The document also sets specific capacity and output targets for each technology:

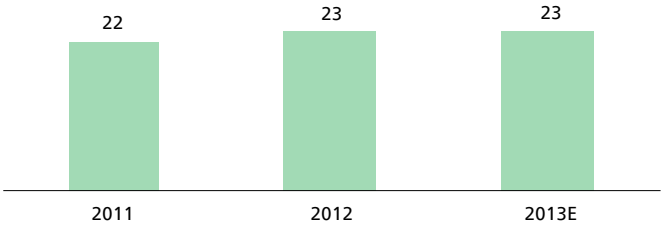
> wind: 35.7 GW of capacity by 2020;
> hydroelectric: 13.9 GW of capacity by 2020;
> geothermal: 0.05 GW of capacity by 2020;
> solar (photovoltaic and CSP – Concentrated Solar Power): 12 GW of capacity by 2020;
> marine: 0.1 GW of capacity by 2020;
> biomass (solid biomass, waste and biogas): 1.9 GW of capacity by 2020.

The installed capacity of renewable resource generation plants was virtually unchanged in 2013 compared with the previous year, at about 47 GW, as detailed in the following chart.



Source: REE. Based on EER and EPIA data for 2013.
Note: excluding pure pumping systems.

With specific regard to the wind sector, the Spanish market is the second largest in Europe (after Germany), with about 23 GW of installed capacity as of 2013, most of which in the region of Castilla y León. The installed wind power base was largely unchanged and as of 2013 accounted for about 48% of total installed renewables capacity.



Source: REE. Based on EER data for 2013.

Regulatory and rate issues

In 2012 and 2013 the development of new renewables plants in Spain involved the construction of wind farms and solar thermal plants previously entered in the "pre-registration" system but not yet in service.

The "pre-register" was introduced with the publication of the resolution of the Secretary of State for Energy of November 19, 2009, which specified the rules for the submission of projects for entry in the register (as provided by Royal Decree Law 6 of April 30, 2009). Such registration is necessary to access the rates set out in Royal Decree 661/2007.

Energy policy in both 2012 and 2013 was focused on the need to solve the rate deficit problem. To this end, Royal Decree Law 1/2012 suspended the "pre-registration" process and eliminated subsidies for new renewable energy installations that were not entered in the register before the date the decree entered force.

Law 15 of December 27, 2012, containing "fiscal measures for energy sustainability", entered force on January 1, 2013. The main measures included a tax of 7% on electricity generated with any technology and the introduction of a royalty of 22% for the use of water for electricity generation (reduced by 90% for plants with a capacity of less than 50 MW).

On July 5, 2013, Enel Green Power España filed a petition against *Orden* IET/221/2013 implementing Royal Decree Law 2/2013 (containing urgent measures for the electrical system and the financial industry), which *de facto* reduced incentives for the renewable energy sector. Enel Green Power España complained that the Royal Decree was unconstitutional and violated European law.

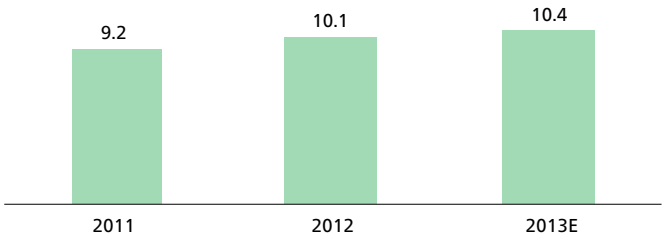
Royal Decree Law 9/2013 was approved on July 12, 2013 as part of the reform of the electricity industry. The legislation eliminated the feed-in tariff and established that electricity generated from renewable resources would be remunerated at the market price, although if the market price is not

sufficient to ensure "reasonable profitability" an additional amount per MW would be paid. The additional remuneration will be determined on the basis of standard operating expenses and investment levels of an efficient, well-managed enterprise and for clusters of plants. In February 2014 draft secondary legislation was announced, containing the reference parameters and the new remuneration rates. Following the period for comments from stakeholders and after publication of the report of the *Comisión Nacional de los Mercados y la Competencia*, the legislation is scheduled to be approved by the end of March 2014.

For more information, please see the discussion in the Significant Events section "Regulatory changes introduced in Spain with Royal Decree Law 9/2013".

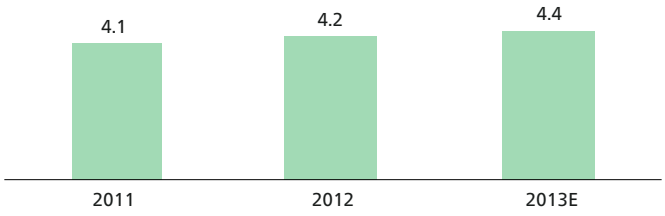
Portugal

Portugal has adopted a strategy centered on the development of renewable energy resources, supporting the sector with a range of financial and tax measures. According to the "*Plano Nacional de Ação para as energias renováveis ao abrigo da Directiva 2009/28/CE*", installed capacity is forecast to rise to about 19 GW by 2020, with the hydroelectric and wind sectors making the largest contribution to growth. In 2013, Portugal had a total installed capacity of about 10 GW, up some 4% on 2012.



Source: REN, Enerdata. Based on EER and EPIA data for 2013.
Note: excluding pure pumping systems.

The wind sector made the largest contribution to the growth in installed renewables generation capacity, accounting for about 42% of the total in 2013.



Source: REN, Enerdata. Based on EER data for 2013.

Regulatory and rate issues

There are currently two main tariff systems that apply to wind plants, both of which use a feed-in-tariff mechanism.

More specifically:

> Royal Decree 339-C/2001. The incentive mechanism is a feed-in tariff updated on a monthly basis and varies depending on the plant load factor (the greater the load factor, the smaller the subsidy). In addition, on February 28, 2013, a decree was published that provides for an extension of 5-7 years of the duration of the incentives (following their ordinary expiry) against payment of €5,000 or €5,800 per MW for the years from 2013 to 2020 inclusive;

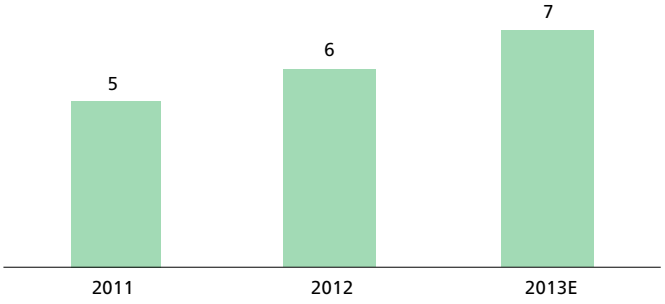
> Royal Decree 33A/2005. The decree also provides for a feed-in-tariff mechanism updated on a monthly basis. Plants participate in a Dutch auction in order to access the incentives.

Greece

In compliance with the objectives agreed with the transposition of EU regulations, Greece has focused on developing renewable electricity generation. With Law 3851/2010 "Accelerating the development of Renewable Energy Sources to deal with climate change and other regulations addressing issues under the authority of the Ministry of Environment, Energy and Climate Change", Greece has set itself a target of increasing the current share of clean energy to about 40% of total electricity output by 2020. To achieve the target, Greece plans an efficient mix of tax, financial and technical measures, including a revision of the feed-in-tariff system, a simplification of licensing procedures and the elimination of barriers to implementing renewables projects at the local level.

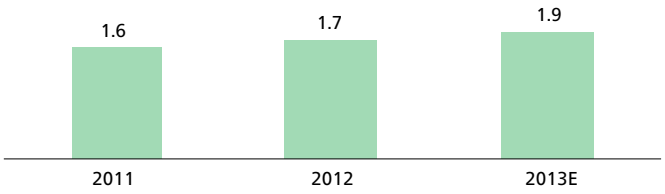
In the "National Renewable Energy Action Plan in the scope of Directive 2009/28/EC", setting out measures for the implementation of Directive 2009/28/EC, Greece has projected a total installed capacity for renewable generation of 13 GW by 2020, with wind and solar power expected to make the largest contribution.

In recent years, installed renewables capacity has expanded in Greece, reaching about 7 GW in 2013, up 19% compared with 2012.



Source: Lagie, Enerdata. Based on EER and EPIA data for 2013.
Note: excluding pure pumping systems.

The wind sector has grown fairly steadily, reaching about 1.9 GW in 2013, up about 12% on 2012.



Source: Lagie, Enerdata. Based on EER data for 2013.

Regulatory and rate issues

The Greek incentive system uses a feed-in tariff differentiated by renewable energy resource. Rates for all sources are adjusted annually by 25% of the change in the Greek consumer price index (CPI), in accordance with the change made in November 2013, which equalized the percentage for all generation technologies (previously, the rate for photovoltaic power was adjusted by 25% of the CPI, while other sources were adjusted at 50% of the CPI). The incentives are awarded through a 20-year contract for all resources, with the exception of roof-mounted photovoltaic systems with a capacity of less than 10 kW, which benefit from a 25-year contract. Resources that do not use local or European investment support systems receive a rate premium of 15-20%, with the exception of solar power.

In May 2013, Law 4153/13 modified the tax on the revenues of existing renewable energy plants originally introduced in November 2012 (equal to 10% for all renewable energy technologies with the exception of photovoltaic plants, for which it was set at 25-30%). The tax is temporary (July 2012-July 2014) but will very likely be extended for an additional year. The levy was increased for photovoltaic plants from 30% to 37-42% and from 27% to 34-40%, depending on the commercial operation date of the plant.

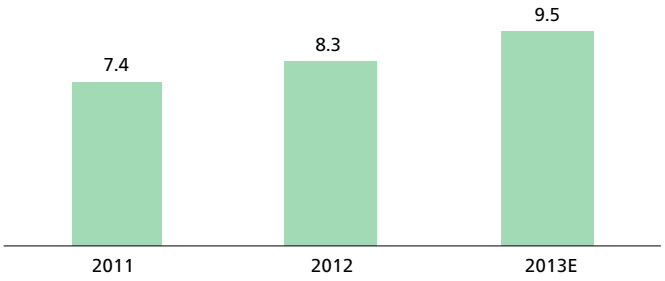
The same law also specified new conditions for receiving permits for new renewables plants and new calculation methods for determining the tax for financing renewable energy; set new feed-in tariffs in force as from June 1, 2013; and suspended the issue of permits for connecting photovoltaic plants and PPAs until the end of 2013 (this was extended until December 2014 with Law 4223/2013).

Administrative suits have been filed seeking the voidance of the withholdings specifically made to tax renewable energy resources under Law 4093/2012 and the reimbursement of the amounts unlawfully retained by the Greek government for that purpose in the period from July 2012 to May 2013 (in the total amount of €8 million).

Romania

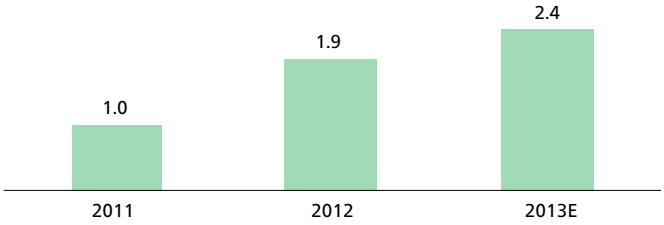
Romania has used the green certificates mechanism to foster the development of renewable energy in recent years. Under its National Renewable Energy Plan to implement Directive 2009/28/EC, the Romanian government plans to reach a total of about 12.6 GW of renewable generation capacity by 2020, an installed base that will cover 38.2% of the country's gross electricity consumption.

Installed renewable generation capacity expanded by an estimated 14% in 2013, reaching 9.5 GW, as detailed in the following chart.



Source: Enerdata, GWEC. Based on EER and EPIA data for 2013.
Note: excluding pure pumping systems.

The growth is mainly attributable to wind power: in 2013 alone, installed wind capacity expanded by 24%, rising to more than 2 GW. That capacity is mainly located in the region of Dobrogea, an area which borders the Black Sea, with an especially favorable geographical morphology, as it is a flat region with a low population density.



Source: Enerdata, GWEC. Based on EER data for 2013.

Regulatory and rate issues

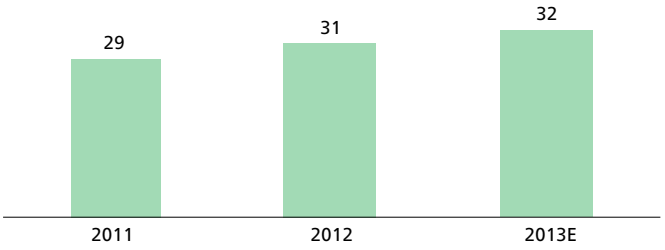
The main form of incentive in Romania for all renewable energy resources is the green certificates system. The only exception regards hydroelectric plants with a capacity of more than 10 MW, which are not eligible for any incentive mechanism. Sellers are required to purchase a specified share of renewable energy each year through the purchase of green certificates on the basis of annual targets set by law for the share of gross generation from renewables. Each year, the Romanian regulator publishes the mandatory share, recalculated to balance supply and demand. The value of the green certificates varies on the basis of coefficients that differ by generation technology. More specifically, these are 2 green certificates per MWh of generation from biomass, geothermal and wind until 2017 (after 2017, 1 green certificate), 6 green certificates per MWh of generation from photovoltaic, and 3 green certificates per MWh of generation from hydroelectric for new plants. The price of the green certificates is determined by law within a specified range (cap & floor). Sellers are subject to penalties in the event of non-compliance.

In June 2013, the Romanian government approved measure EGO 57/2013 (Emergency Government Ordinance no. 57) temporarily modifying the green certificate system. The measures (which received final approval on December 17, 2013) include the temporary suspension (from July 1, 2013 to March 31, 2017) of trade in part of the green certificates due to renewables generators (1 green certificate per MWh for wind and mini-hydro and 2 green certificates per MWh for photovoltaic). Trading in the deferred green certificates could gradually resume after April 1, 2017 for photovoltaic and mini-hydro and after January 1, 2018 for wind, continuing until December 2020.

On December 16, 2013 Resolution no. 994/2013 was published. It reduced the number of green certificates for new plants as from January 1, 2014. More specifically, the new values are 1.5 certificates per MWh of wind generation until 2017 (after 2017, 0.75 green certificates), 3 certificates per MWh of photovoltaic output and 2.3 certificates per MWh of hydroelectric generation.

France

In France, the *Plan d'action national en faveur des énergies renouvelables* implements the provisions of Article 4 of Directive 2009/28/EC, providing for the country to reach 62 GW of installed renewable energy capacity by 2020, with hydroelectric and wind generation to account for more than 85% of that target.
In 2013, estimated installed capacity amounted to 32 GW, up 4% compared with the previous year.



Source: RTE. Based on IEA, EER and EPIA data for 2013.
Note: excluding pure pumping systems.

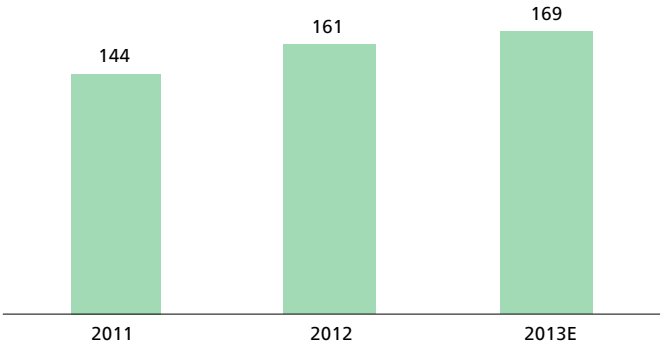
Regulatory and rate issues

Generation from hydroelectric, on-shore and off-shore wind, biomass, biogas, photovoltaic and geothermal plants is promoted in France with a feed-in tariff mechanism differentiated by resource, using long-term contracts with a term of 15 years (geothermal, on-shore wind and biomass) or 20 years (off-shore wind, photovoltaic and hydroelectric) that are inflation adjusted. Unlike other sources, photovoltaic power has a more complex incentive mechanism, as rates are adjusted on a quarterly basis using a coefficient that measures the level of demand for new concessions in the previous quarter. In order to ensure achievement of the planned targets by energy source (*Programmation Pluriannuelle des Investissements*), the French government has promoted the use of auction mechanisms for the development of ground-based photovoltaic plants with a capacity of more than 100 kW and off-shore wind plants. The French system also provides for the deployment of other forms of support on an annual basis depending on the resources available in the budget, with mechanisms such as accelerated depreciation and tax deductions of up to 33% for investments in the overseas departments.

United States

In the United States, renewable energy use is supported by specific federal and State-level measures and is evolving continuously. Renewable Portfolio Standards – under which a specified percentage of electricity must be generated from renewable resources – are in wide use, having been adopted by 29 States plus the District of Columbia.

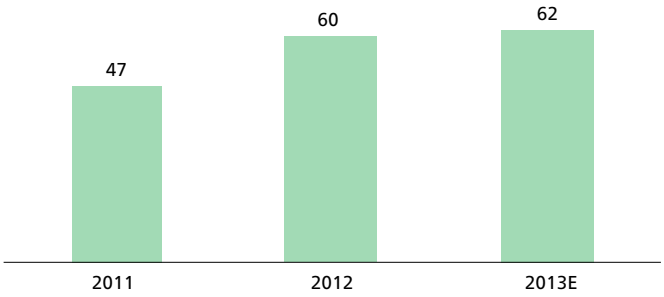
According to the World Energy Outlook 2013, renewable energy generation capacity will expand sharply, rising to 261 GW in 2020. (5) The greatest contributions to the growth will come from photovoltaics and wind power.
As of 2013, the United States has a total installed renewables capacity of about 169 GW, up about 5% on the previous year.



Source: EIA (Hydro), IEA (Biomass), AWEA (Wind), Seia (Solar), BNEF (Geo). Based on IEA, EPIA and BNEF data for 2013.
Note: excluding pure pumping systems.

(5) Including pure pumping systems.

Wind power is a leading renewable resource in the United States, representing more than a third of total installed renewables capacity. In absolute terms, wind capacity rose from 60 GW in 2012 to 62 GW in 2013.



Source: AWEA. Based on BNEF data for 2013.

The growth in wind capacity was accompanied by a parallel expansion in its geographical reach. According to Global Wind Energy Outlook 2012, the number of States that already have installed wind capacity was 38 in 2011, 31 of which increased their capacity in the same year. The most active are Texas, California, Kansas, Oklahoma and Illinois.

Regulatory and rate issues

The United States has a two-level renewables incentive system:

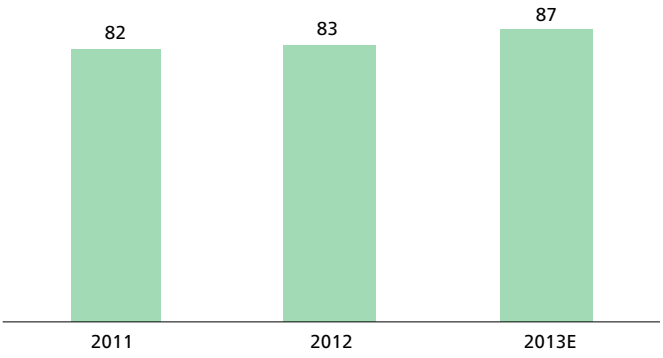
> at the federal level, the main type of support is represented by tax incentives for production and investment (the Production Tax Credit and the Investment Tax Credit). The American Taxpayer Relief Act, signed on January 2, 2013, extended the life of the Production Tax Credit for wind plants by one year and changed the termination dates for the Production Tax Credit for all other technologies: plants no longer must enter service by the termination date in order to qualify but rather must begin construction by December 31, 2013. In May and September 2013, the Internal Revenue Service published guidelines with more detailed operational specifications of the requirements for the definition of "begin construction" for the purposes of qualifying for the Production Tax Credit. The termination date of the tax credit for solar power was left unchanged, with plants having to enter service by December 31, 2016;

> at the State level, in addition to specific State tax incentives, the main approach is the Renewable Portfolio Standard (RPS) mechanism, consisting of mandatory percentages of generation from renewables for utilities, with targets differing from State to State. Most States have adopted systems of tradable certificates.

Canada

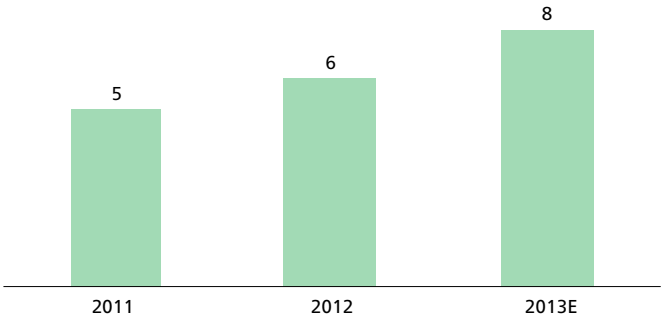
Canada is one of the world leaders in installed renewable generation capacity, thanks largely to the contribution of hydroelectric power. The development of renewables has been spurred mainly by a series of voluntary and binding targets adopted by a number of provinces (Manitoba, New Brunswick, Ontario, Québec and Nova Scotia). In addition, the provinces of Québec and Alberta are adopting regulations governing greenhouse gas emissions.

In 2013, the installed base of renewable generation capacity grew by about 4 GW, to about 87 GW, of which nearly 90% in the form of hydroelectric power.



Source: Enerdata, GWEC. Based on EPIA, IEA and BNEF data for 2013.
Note: excluding pure pumping systems.

The resource whose installed capacity grew the most in 2013 was wind power, with capacity rising to about 8 GW last year. The province with the most new installed wind capacity in 2013 was Québec.



Source: Enerdata, GWEC. Based on BNEF data for 2013.

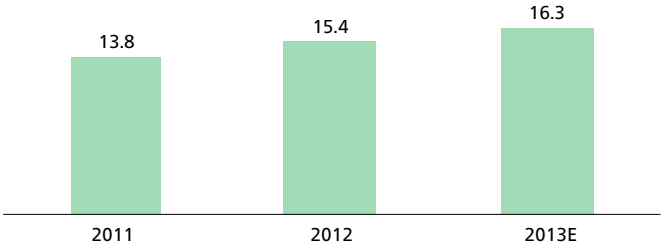
Regulatory and rate issues

There are currently no renewable energy incentive mechanisms in place at the federal level. However, new federal regulations designed to reduce greenhouse gas emissions were published in September 2012. More specifically, the rules establish performance standards for new coal-fired plants, which will enter force in July 2015.

Furthermore, there is also a national-level target for reducing greenhouse gas emissions by 17% of their 2005 level by 2020. With regard to the renewable generation, a number of provinces have set binding or voluntary targets and each adopts different approaches in supporting the development of energy resources.

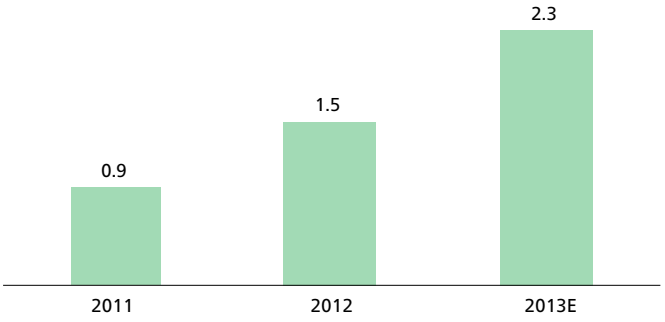
Mexico

The Mexican government has recently taken steps to further promote the development of a regulatory framework to support renewables. On June 3, 2013, the Mexican government published the National Climate Change Strategy, which sets a target of reducing greenhouse gas emissions from their 2000 level by 30% by 2020 and by 50% by 2050, incorporating renewable resources into the energy matrix, implementing energy efficiency measures and transitioning to smart cities.
Installed renewable generation capacity expanded by about 6% in 2013 from 2012, to about 16 GW.



Source: CRE, SENER, Enerdata, GWEC. Based on CFE data for 2013.
Note: excluding pure pumping systems.

Wind power made the greatest contribution to the overall increase in installed renewables capacity in the last year. In 2013, the installed base of wind capacity amounted to about 2.3 GW, as detailed in the following chart.



Source: CRE, SENER, Enerdata, GWEC. Based on CFE data for 2013.

Regulatory and rate issues

The renewables promotion law (LAERFTE) was published in 2008 to govern the regulatory framework for the transition of the country towards clean energy technologies. Private investors participate as independent power producers who sell all their output to the *Comisión Federal de Energía* using auction mechanisms, self-suppliers or small-scale producers (with an installed capacity of less than 30 MW) who sell their output at rates governed by the *Comisión Federal de Energía*.

On June 7, 2013, the Mexican government published an amendment to the LAERFTE that redefines the standards used for hydroelectric plants to qualify as renewable resource plants. Large hydro plants (>30 MW) may now qualify as such if the ratio of generation capacity to the area of the reservoir containment wall is greater than 10 W/m^2, thereby gaining access to renewable energy incentives, such as the Energy Bank, lower transport costs, tax incentives and other benefits.

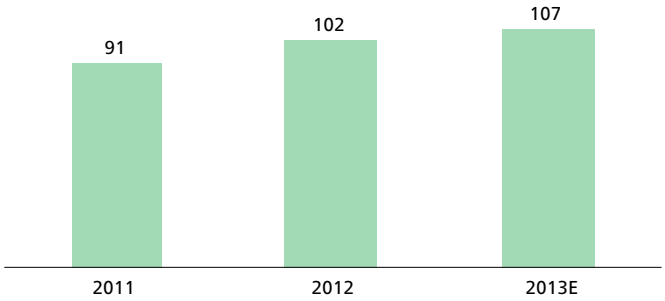
Finally on December 20, 2013, the anticipated energy reform measures were published, with provisions intended to reorganize the energy and oil industries. The reform, which envisages the participation of private-sector operators in sectors that had previously been restricted to the State, will be completed during 2014 with the publication of the implementing decrees, including one governing the new regulatory framework for facilitating the development of geothermal power.

Brazil

Brazil is the Latin American country with the greatest installed renewable generation capacity. As of 2012, according to the Global Wind Energy Outlook 2012, the supply of renewable energy in Brazil remains highly concentrated in the hydroelectric segment (80% of the total), although wind power and biomass are expanding rapidly.

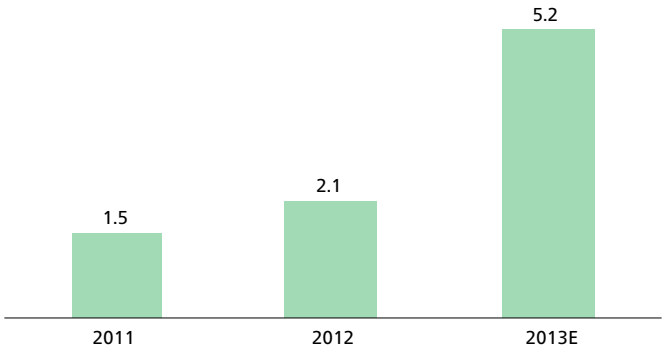
According to the World Energy Outlook 2013, installed renewable generation capacity in Brazil will expand sharply, rising to 137 GW in 2020. (6) The largest contributions to growth are expected to come from hydroelectric power (historically the most developed segment) and wind power (which forecasts see growing exponentially in the coming years).

As of 2013, installed renewables capacity was an estimated 107 GW, up 5% on the previous year.



Source: ANEEL, EPE. Based on ANEEL and EER data for 2013.
Note: excluding pure pumping systems.

Installed wind capacity amounted to about 5.2 GW in 2013, an increase of no less than 149% on 2012. At the same time, wind's share of total renewables capacity rose from 2.0% in 2012 to 4.8% in 2013.



Source: ANEEL, EPE. Based on ANEEL data for 2013.

(6) Including pure pumping systems.

Regulatory and rate issues

The incentive system for renewable energy in Brazil was created in 2002 with the implementation of a feed-in mechanism (PROINFA), and was then harmonized with the sales system for conventional power using competitive auctions. The auctions are divided between new plants and existing plants and comprise:

> *Leilão Fontes Alternativas*, in which all technologies compete;
> *Leilão Energia de Reserva,* in which a single technology competes. These auctions are normally organized to increase reserve capacity and/or promote the development of certain technologies (such as renewables).

At present, the auctions are divided into A-1 (normally for existing plants), A-3 and A-5 auctions on the basis of the generator's obligation to supply the energy awarded after one, three or five years. The winning bidders are granted long-term contracts whose term varies by resource: 15 years for thermal biomass plants, 20 years for wind plants and 30 years for hydroelectric plants.

The Brazilian auction mechanism is used for all renewable resources, with the exception of hydroelectric plants with a capacity of more than 30 MW.

On March 6, 2013, the National Council for Energy Policy published Decision no. 3/2013 with amendments of the algorithm used for calculating the exchange price (PLD). Pending the implementation of the new model, as from August 1, 2013, the resolution introduces a transitional model providing for two separate prices in the wholesale market (PLD1 and PLD2).

On July 10, 2013, the Ministry of Energy set December 13 as the date for the next auction of A-5 energy, with supply starting as from January 2018, while on August 15, the Ministry of Energy set November 18 as the date for the next auction of A-3 energy, with supply starting as from January 2016.

The winning bidders are granted long-term contracts whose term varies from 20 to 30 years depending on the technology. Solar projects will be eligible to participate for the first time.

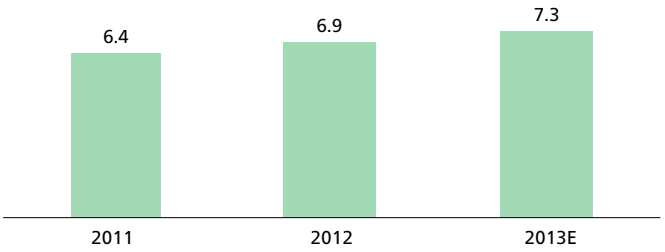
Finally, on October 30, 2013, the State of Pernambuco set December 20 as the date for the first auction reserved for solar power only. The winning bidders will be awarded long-term sales contracts with a term of 20 years, with supply starting as from May 1, 2015.

Chile

Unlike many Latin American countries, Chile does not have an abundance of fossil fuel resources and primarily meets domestic energy with imports. At the same time, however, Chile has major renewable energy potential in a range of technologies, including hydroelectric, wind, solar and geothermal. Nevertheless, according to estimates in the Global Wind Energy Outlook 2012, as of 2012 these resources account for less than 1% of the existing energy mix.

In February 2012, the Chilean government published the "National Energy Strategy 2012-2030", setting out ambitious goals for energy efficiency with the objective of reducing national energy demand by 12% by 2020, while at the same time expanding renewable energy.

As the following chart shows, as of 2013 Chile had an installed renewable generation capacity of about 7 GW, an increase of 6% on the previous year.



Source: Enerdata, EPIA, ENRC. Based on CNE data for 2013.
Note: excluding pure pumping systems.

Regulatory and rate issues

Chile has used a green certificates mechanism introduced in 2010 to foster the development of renewable energy.
Chile has a system mandating achievement of specified renewable energy targets for those who withdraw power for sale to distributors or end users. The law sets a level of 5% of all power under contract for renewables after August 31, 2007. Between 2010 and 2014, the proportion of electricity from renewables will remain at 5%, before rising by 0.5 points a year to reach a share of 10% by 2024. The current mechanism establishes penalties for failure to achieve the mandatory share.
As part of the process of revising the long-term renewable energy targets, on September 3, 2013, the Senate approved Law 20257 supporting renewable energy. It establishes that a certain percentage of total contractual electricity supplied to the electrical system shall be generated from renewable resources. More specifically, for contracts signed between 2007 and 2013, the target is 10% by 2024, while for contracts signed after 2013 the target is 20% by 2025. On October 14, President Piñera signed the law as enacted by the Senate, thereby transforming the new targets into law.

In addition, on March 8, 2013, *Decreto Supremo* no. 114 of the Ministry of Energy was published in Chile's official journal. The decree governs a number of aspects of Law 19657 concerning geothermal power. The decree establishes a number of departures from the provisions of the previous Decree no. 32, with improvements in a number of aspects, including the granting of "exclusive rights" in obtaining a production concession once exploration activities have been completed, creating greater legal certainty and protection for investors.

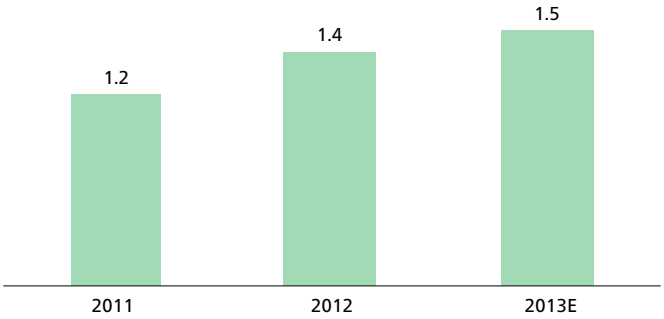
Central America

Continental Central America is a region consisting of seven countries with different currencies, legal systems, structures of their electrical industries and markets and regulatory frameworks.
In 1997 the SIEPAC project was launched to create a regional electricity market through the integration of the seven Central American markets, with the intention of ensuring electricity supply and increasing energy efficiency in the area.

On June 1, 2013, the regional regulator (CRIE) announced the official launch of the Regional Electricity Market, with the termination of the transitional system in place since March 2013. The implementation of regional regulations marks the first step towards the consolidation of the rules governing cross-border trade in electricity among 6 countries in Central America (Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama).

Panama

Although Panama is not a leading energy producer or consumer, it plays an important role in energy trading and transit thanks to its control of the Panama Canal and the Trans-Panama oil pipeline. At the same time, the share of renewable energy generation is high, thanks above all to the substantial amount of installed hydroelectric capacity the country has.
As the following chart shows, installed capacity in 2013 rose somewhat, reaching 1.5 GW, up about 9% on the previous year.



Source: CEPAL, ASEP, Enerdata. Based on ASEP data for 2013.
Note: excluding pure pumping systems.

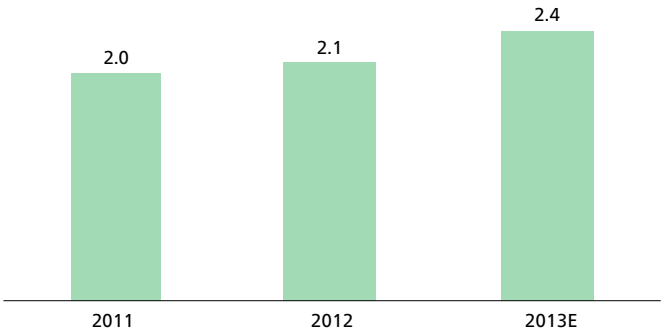
Regulatory and rate issues

Renewable energy is primarily sold through public auctions organized by distributors and bilateral power purchase agreements reached on the free market.
Wind power enjoys preferential treatment in auctions and an accelerated permitting process.

On June 12, 2013, in line with an energy policy directed at diversifying the energy mix, the Panamanian government ratified Law 605, which establishes tax incentives to support the development of solar power. The new incentives provide for an exemption from import tax, tax credits (5% of capital expenditure) and the option of acceleration depreciation.

Costa Rica

Costa Rica is one of the most interesting Central American countries in terms of installed renewables capacity, primarily owing to its hydroelectric resources. Renewable resources play a key role in electricity generation, accounting for nearly 85% of output. Installed renewable generation capacity in 2013 rose by about 12% compared with 2012, to stand at 2.4 GW.



Source: CEPAL, ICE, Enerdata. Based on ICE data for 2013.
Note: excluding pure pumping systems.

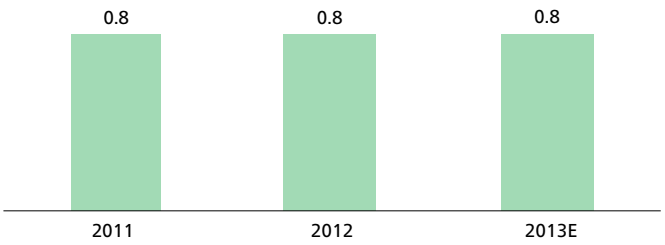
Regulatory and rate issues

Renewable energy is primarily sold through independent power producers (≤20 MW) at rates set by the regulator (ARESEP) and public BOT auctions (≤50 MW) setting prices for long-term power purchase agreements with ICE.
Law 7447 establishes tax incentives, including exemption from the import tax on materials and equipment for renewables plants.

On September 10, 2013, President Chinchilla approved Decree 62-2012 formalizing the creation of a voluntary carbon trading system. The market, which uses a cap and trade mechanism linked to reforestation and energy efficiency projects, should begin operations in 2014.

El Salvador

According to estimates made by the *Consejo Nacional de Energía* (CNE), generation from renewable resources in El Salvador could reach 6,787 GWh in 2015, primarily from hydroelectric power (30%). As shown in the following chart, installed capacity has remained essentially unchanged over the last three years, at 0.8 GW.



Source: CEPAL, SIGET, Enerdata. Based on SIGET data for 2013.
Note: excluding pure pumping systems.

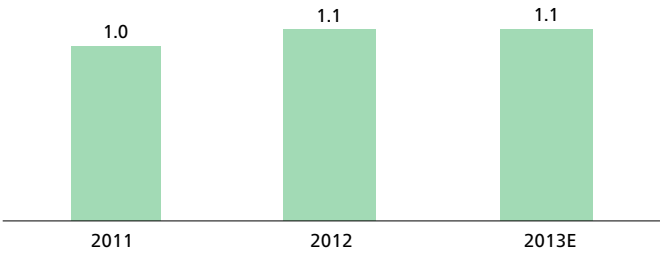
Regulatory and rate issues

Renewable energy is primarily sold through public auctions organized by distributors/traders and bilateral power purchase agreements on the free market.
The country has a system of tax incentives, including a 10-year exemption from taxes on imports of materials and equipment for renewables plants.

On August 22, 2013, Congress approved Decree 460 setting out the rules governing the award of concessions for small-scale projects. From the entry into force of the decree, the legislature, and no longer the regulator, will have the authority to approve concessions for mini-hydro and geothermal projects with an installed capacity of up to 5 MW.

Guatemala

Guatemala, one of the most highly populated countries in Central America with more than 15 million inhabitants, has a growing demand for energy and makes considerable use of renewable resources (notably hydroelectric and biomass) in its energy mix.
In 2013, installed renewables capacity remained stable at about 1 GW, of which about 90% is hydroelectric capacity.
Under the Energy Policy 2013-2027, the country has set a target for renewables generation of 80% by 2027.



Source: based on CEPAL data.
Note: excluding pure pumping systems.

Regulatory and rate issues

Renewable energy is primarily sold through public auctions organized by distributors/traders and bilateral power purchase agreements on the free market.

The country also has a system of tax incentives, including a 10-year exemption from income tax and an exemption from taxes in the import of materials and equipment for renewables plants.

How we operate

Creating shared value

By its very nature Enel Green Power contributes to sustainable development: renewables are an important tool for enhancing the competitiveness of economies and for ensuring the security of the supply of energy resources, while protecting the environment.

In 2013 alone, the production of electricity from water, sun, wind and geothermal energy allowed Enel Green Power to avoid generating more than 16 million metric tons of CO_2, an improvement of 16% over 2012.

However, Enel Green Power's approach to sustainability is not limited to affirming its intrinsically "green" nature, but rather it seeks to promote a strategy that integrates sustainability into business processes and throughout the value chain.

To achieve this, in 2013 Enel Green Power took targeted action to place the culture of sustainability at the heart of its corporate processes in order to consolidate a business model focused on the creation of shared value and the rational use of resources. A participatory approach, involving all of Enel Green Power's departments, was taken in defining the "Creating Shared Value" model that Enel Green Power seeks to follow and in establishing a plan of short-, medium- and long-term actions to ensure full integration of sustainability in the various segments of the value chain. This process is leading Enel Green Power to change its perspective on how it operates, guiding the company to manage its activities more carefully and maintain an increasingly sustainable presence in the areas in which it operates.

Governance and ethics

Principles of conduct

Enel Green Power bases its operations on a number of key ethical principles that underpin the business culture and the standard of behavior required of all those who work with the Group. These principles are set out in several documents applicable to the entire Enel Group that Enel Green Power has approved and has adopted since its formation:

- the Code of Ethics identifies "business ethics" principles and the related standards of conduct that the Group has adopted for itself and with which it requires all employees to comply in order to avoid the risk of unethical behavior: from fighting corruption to fairness in the marketplace, from protecting the environment to safeguarding workers;
- the Compliance Model (Legislative Decree 231/2001) integrates the behavioral rules found in the Code of Ethics and aims to prevent the commission of a series of crimes indicated in the Decree, among them corruption (including private bribery starting from 2013). The principles set out in the Model have been extended to the Group's foreign subsidiaries through the adoption of internal guidelines;
- the Zero Tolerance of Corruption (ZTC) Plan reinforces the Group's commitment to combatting corruption, previously stated in the Code of Ethics and the Compliance Model. In addition to affirming the need for the Group to respect the principles of honesty, transparency and fairness, the document also sets out measures for fighting corruption that are to be adopted in dealings with various counterparties: partners and subsidiaries, suppliers and consultants. The main objective of the ZTC Plan is to seek out and encourage actions designed to foster a culture of legality through educational initiatives and by developing a sense of responsibility among Group personnel.

Furthermore, in 2013, Enel Green Power accepted and adopted the new Human Rights Policy of the Enel Group, which strengthens and sets out in detail the commitments already approved in the other principles and codes of conduct in respect of labor practices and relationships with communities and society.

Management of reports of violations

Enel Green Power's stakeholders may report to the Company, through a variety of channels, any information on alleged violations, conduct or practices that are not in line with the principles and rules of behavior sanctioned by the Code of Ethics and the Compliance Model. Enel Green Power's Audit Function, with the support of the affected corporate functions, analyzes the violations and performs the necessary investigations to ascertain whether the reported violations actually occurred. The identity of persons reporting the violations is always kept confidential in handling reports.

A summary is prepared of each report of a violation received, describing the subject matter, the analysis performed, the results of this analysis and any actions taken or to be taken in response to the report. Enel Green Power's Control and Risk Committee is required to become involved in the most significant cases.

There were four reports of alleged violations of the Code of Ethics lodged in 2013, all of which were examined, but no violation was found to have occurred.

Ethics training

In order to ensure that the Group's regulatory instruments are disseminated and properly understood by its employees, Enel Green Power provides training on these topics. Specifically, courses on the principles set out in the Code of Ethics and on topics of importance for the Compliance Model are provided under the umbrella of the training initiatives and campaigns launched by the Enel Group and provide online compulsory training and comprehension testing with the aim of fostering a widespread understanding of the contents.

In addition to special training initiatives for specific professional families, the issues addressed in the Code of Ethics, the Compliance Model, the Zero Tolerance for Corruption Plan and the Human Rights Policy are also addressed in training programs designed for newly hired employees.

The drive to innovation

In 2013 Enel Green Power spent about €16 million on innovation for development and operational testing of innovative technologies. One quarter of this amount was allocated to medium/long-term research, aiming for a total commitment of more than €50 million by 2016.

Innovation is a key part of the Group's pursuit of sustainable growth. During the year, Enel Green Power focused on three strategies:

> *Improving Performance*, aimed at improving the performance of all the technologies that Enel Green Power has traditionally used, increasing their availability, thanks to the use of two or more generational technologies and the employment of electrochemical energy storage systems;
> *Integration of Renewable Power in Anthropized Environments*, focusing on the use of renewable resources in anthropized environments, thanks to the use of smaller-scale, low visual impact machines, such as advanced wind generators and small-scale thermodynamic solar power systems, as well as architectural integration;
> *Use of New Renewable Resources*, experimenting with systems that are able to use renewable resources that are presently not being exploited, particularly wave energy.

Partnership and collaboration

Enel Green Power considers innovation to be always open to new ideas, debate and experimentation. Inspired by this "open innovation" approach, Enel Green Power has turned to the academic world, to established industrial companies and to start-ups that are capable of contributing to overcoming the technological challenges that Enel Green Power faces by sharing their ideas and technologies and, where possible, through co-investment, and continually integrating the contribution and experience of the other Enel Group companies in this process. Specifically, the Group is involved in:

> *partnerships with institutions and research centers.* During the year, the relationship begun in 2012 with TIS - Innovation Park and the Innovation Department of the Autonomous Province of Bolzano was strengthened. This partnership aims to encourage the development, testing and dissemination of innovative technologies, such as biomass and mini-wind, throughout the province. Another project is the Fulbright Best (Business Exchange and Student Training) program, a program sponsored by the US Embassy to Rome and targeted at young researchers in a variety of fields, including energy and green technologies. In addition, the Group has a partnership with ItaliaCamp, an Italian association formed three years ago by a group of young people ranging in age from 25 to 35 years with the goal of promoting innovation through collaboration between Italian and foreign universities and Italian institutions and firms;
> *technological partnerships with firms and start-ups.* One of the Group's most important technological partnerships is that with 40South Energy in the field of wave energy. Through the partnership, Enel Green Power was able to place the R115 marine wave energy converter, developed by 40South Energy, into operation off the shore of Punta Righini (Tuscany). The machine generates 100 kWe by exploiting wave energy and offers a high degree of reliability in operation, since maintenance can be performed entirely under the water, and it is fully integrated into the environment;
> *internal collaboration within the Enel Group.* Enel Green Power is involved in numerous projects undertaken in synergy with other Group companies:
  - *Corporate venturing*: this is the case of Enel Lab, an initiative involving all the major Group companies that offers young entrepreneurs its services as an investor and promoter of excellence, selecting and supporting the best Italian start-ups. Enel Green Power was an active participant in the initiative throughout the year, assisting I-EM, one of the winners of the first edition of the Enel Lab competition. The company offers ICT solutions for managing distributed generation, energy efficiency and smart grids. In addition, I-EM has developed professional meteorological and energy forecasting solutions for firms that manage renewable energy plants in order to better integrate them in the network;
  - *Research & Development*: Enel Green Power works with the Engineering and Research Division in managing medium/long-term strategic projects that have significant direct impact on Enel Green Power's activities, from the study of new technologies, such as Dye Sensitized Solar Cells (DSSC) and Luminescence Solar Concentrator (LSC), to the quest for innovative solutions in the areas of safety and computer security.

In 2013, Enel Green Power's Innovation Function received and analyzed over 50 innovative projects each month, submitted by those within the Enel Group and from outside the Group. Consistent with its "open innovation" approach, Enel Green Power remains open to contributions from anyone and plans to introduce procedures for expanding the ability to listen to those who would like to actively participate in building a sustainable future. Furthermore, in 2013, a crowdsourcing project was launched through the Enel Green Power website to provide a forum for those seeking to share innovative ideas and proposals.

Integrated approach to health, safety and the environment

The Enel Green Power Group seeks to systematically approach, in order to continually improve, its management of safety, health and environmental matters, both through direct and indirect action.

In the wake of this commitment, the Group has in place an Integrated Health, Safety and Environment Management System that complies with international standards BS OHSAS 18001:2007 and UNI EN ISO 14001:2004. This management system has been adopted in all organizational and geographical areas and is certified (in accordance with the above standards) with a 100% coverage level.

The Integrated Management System aims to achieve the following objectives:

> integrate occupational health and safety and environmental protection issues into our usual decision-making and management activities;
> adopt technologies and practices that offer ongoing improvement in occupational health and safety conditions and internal and external environmental conditions;
> take all necessary action to eliminate risks to occupational health and safety that could lead to accidents or injuries to people, and to avoid or reduce pollution by preventing accidents, monitoring materials used, waste generated and compliance with established operating procedures;
> develop, through adequate information and training programs, the skills of the employees who perform different activities, under normal conditions and in situations of danger or emergency, in order to raise awareness concerning their role and their potential, as regards both the prevention of risks in the field of health and safety, and the achievement of environmental performance objectives and results;
> promote and support an open dialogue with residents, organizations and local governments on the impact of the Group's activities on communities and the environment in order to encourage protection and enhancement programs aimed at improving internal and external health and safety.

The Safety, Environment & Quality Function operates through a Parent Company-level department that establishes guidelines, policies and procedures and that centrally coordinates activities, and through geographically-based Safety, Environment & Quality units to implement programs and initiatives and to monitor performance within the entire range of activities.

Occupational health and safety

In 2013, Enel Green Power spent €59.8 million on health and safety measures, corresponding to a cost of €17,252 per employee.

No serious [7] or fatal injuries occurred during the year involving either Enel Green Power personnel or the employees of contractors. There were, however, 15 non-serious injuries (7 employees of Enel Green Power and 8 employees of contractors). These results have led us to place even greater emphasis on achieving the goal of "zero injuries", one that Enel Green Power shares with the entire Enel Group. Therefore, in 2014, risk assessment, prevention and monitoring remain of primary importance for the Group, as do programs aimed at heightening the awareness of Group and contractor employees and promoting a culture of safety at all levels.

Assessment, management and verification

The local Safety, Environment & Quality units assess the risks to the health and safety of workers at each plant and engaged in each activity. The dangers posed to workers, including suppliers and guests, are examined and evaluated under various normal and abnormal conditions (such as accident or emergency situations that are reasonably foreseeable based on events that have occurred at the local site or at other similar facilities) and to determine whether any changes to the organization of labor are needed (reorganization, changes in work methods, etc.).

(7) A "serious injury" is an injury for which the initial prognosis for recovery is greater than 30 lost work days.

Based upon the specific risks, prevention and protection measures are identified, personal protection devices to be used are determined, the priority areas for intervention are established and the measures for ensuring improvement in safety levels over time are planned.

In order to verify the performance of the Integrated Health, Safety and Environmental Management System for the entire Enel Green Power Group and the appropriateness of the actions taken by the local units on specific matters, an Internal Audit Plan is prepared on a three-year basis, with the involvement of all the Group's plants and production sites. Internal Audit Plans are prepared at the local level each year to address their specific circumstances.

Safety training and awareness

Enel Green Power considers the promotion of a culture of safety to be its main tool for prevention. The goal of achieving zero injuries, one shared with the Enel Group, is built upon raising awareness in the area of safety and, therefore, understanding the risks and how to avoid them.

Therefore, Enel Green Power has designed and launched a series of programs and activities aimed at raising the awareness of its employees and those of its contractors through the adoption of safe practices in all its activities. In 2013 specifically, all of its contractors and subcontractors took part in the safety awareness programs.

One deserving attention is the One Safety program, an organized and systematic observation of the behavior of the employees of Enel Green Power and its contractors, using checklists that vary by technology but that are standardized for the entire Enel Group. The goal of the observations is to reinforce proper behavior and discourage risky behavior. The strength of the One Safety project is that it involves sharing the reasoning and results of the observations with those observed, taking a "non-punitive" approach and thereby creating a sense of collaboration and promoting awareness of occupational risks and how to prevent them at all levels.

Taking the One Safety program one step further and operating alongside it is the Personalized One Safety program, introduced by Enel Green Power in April 2013. The program centers around periodic workshops in which, through the use of an engaging film and guided, structured discussion, the participants develop actions plans for specific operating, cultural or technological conditions. This methodology has been shared with contractors in order to encourage them to adopt a true and thorough culture of safety using specific action plans aimed at continually improving performance.

Another key tool for disseminating the culture of safety among staff is the training provided through the Safety Academy, designed to develop a number of specific skills (techniques, as well as providing motivation and information) among Safety professional family members, and raising awareness about individual characteristics that influence professional conduct, so as to help them develop a proactive, confident approach to their jobs.

New recruits to be assigned to technical/operational areas are put through the Six Months in Safety program during their first six months of employment, which incorporates a classroom-based safety training program with periods of on-the-job training with prevention and protection service staff.

Sharing information and best practices

The reporting of injuries and other accidents (such as "near miss" events and accidents while commuting) is the foundation for ongoing analysis and study of events and their causes, the starting point for defining numerous initiatives for circulating information and sharing best practices in order to prevent the repetition of such events.

For each event that occurs, a report is distributed at all levels and in all the countries in which the Enel Green Power Group operates describing in detail the accident or any situation that has significance for safety. This report is not intended to just spread important information but also to share possible common solutions, reinforcing the synergies existing between the various countries and applying similar preventative and corrective measures following accidents that have occurred in various areas.

Contractors and subcontractors that work at Enel Green Power worksites and plants share these descriptions of events, the causes and solutions, through periodic meetings at all levels (central and unit level) that are key for disseminating the culture of safety and for expanding the partnership undertaken by Enel Green Power Group. During the periodic meetings, explanations are given of the Safety Standards developed by Enel Green Power for the various types of activities and technologies and the best practices identified by the Enel Green Power Group and by the Enel Group are shared.

The effectiveness of each individual prevention initiative is measured in terminal/qualitative terms through leading or upstream KPIs (e.g. number of One Safety observations during

the period, personalized improvement plans under Personalized One Safety, etc.), and in terms of the prevention results themselves by monitoring injury and accident trends using downstream KPIs (e.g. number of near misses during a given period, Injury Frequency Rate, etc.).

Also in an effort to prevent injuries by raising awareness of risky behavior, the Enel Green Power Group has disseminated policies and rules of conduct, such as the "Stop Work Policy", which grants each "Enel citizen" the right/duty to intervene and stop work if he perceives unassessed and uncontrolled risks, or the "Five Golden Rules" information campaign, relating to the 10 most common risks encountered within the Enel Green Power Group and the Enel Group in general (e.g. electricity-related risk, falls from heights, etc.). For each of these 10 risks, five data sheets setting out the five "golden rules" to be followed to prevent the risk from becoming an accident are produced and distributed throughout all the Enel Green Power Group sites.

Culture of safety at all levels

In order to disseminate and share the culture of safety, not just among workers engaged in operational activity, but among all Group employees and all those who come into contact with Enel Green Power in whatever way, numerous internal and external initiatives have been carried out to share the goals and key messages about safety.

For example, each year during International Health and Safety Week meetings are held throughout the world on health and safety topics, events for workers and their families, meetings with contractors and awareness-raising initiatives for everyone. Safety also plays a leading role in the Cascade meetings, a process that starts with the uppermost management and trickles down to the operational units to disseminate messages on Safety and sharing best practices identified within the entire Group.

Periodic meetings are held at the unit level in which the situation and the performance achieved are examined and the trends in the Health and Safety indicators are discussed in order to introduce ongoing improvements in safety conditions.

The Group also places special emphasis on involving managers, who play a key role in promoting the Health and Safety culture within the organization. For example, managers at various organizational levels take part in Safety Walks, or inspections, of Enel Green Power sites to demonstrate their focus on and commitment to matters of Health and Safety and to encourage the Safety culture firsthand, verifying that safe practices have been adopted and that equipment and systems are in good condition.

Finally, regular meetings are held with workers' representatives and union officials to share views on general topics and on Health and Safety practices.

Environment

The most significant environmental effects of Enel Green Power's activities vary based upon the type of plant and the technology used:

- wind plants alter the landscape, creating a visual impact, and could interfere with the flight paths of birds;
- hydroelectric plants, which draw water from rivers or lakes, sometimes over a distance of many kilometers, cause changes in the flow of water that can affect fish in those waters;
- in addition to altering the landscape, the most significant environmental impact of geothermal plants involves the emission of air-borne pollutants, odors and noise;
- the use of photovoltaic panels does not carry any risk or have an impact on health and the environment. The only factor that could be considered significant is their impact on the landscape and their utilization of land that could otherwise be put to other uses;
- the environmental impact of biomass plants is mainly connected with emissions and procurement.

Consistent with the Health, Safety and Environment Policy, Enel Green Power's goal is to protect the environment in all phases of the process of development, construction and management of renewable power plants.

The Group considers the possible effects of future plants on the environment in developing new infrastructure projects by performing Environmental Impact Assessments (EIAs), required in the context of authorization processes. The EIAs are carried out in accordance with the laws of the various countries. Based on the results of the analysis, the Group identifies technical devices that can be used to mitigate the effects as early as the design phase or assesses, in conjunction with local authorities, appropriate "compensatory" interventions (for example, biodiversity development projects

that enhance the distinctive characteristics of the local environment).

By contrast, certain types of impact are avoided at the outset by making choices of a strategic nature, for example in the area of procurement. Examples include the requirements of Green Procurement (see the section "Supplier management") or the predominance of the local supply chain in the generation of energy from biomass, in which Enel Green Power maps out the supply with agricultural, farming, agro-industrial and forestry suppliers so as to simultaneously create a resource pool for the plant and develop stable and long-term alternate revenue opportunities for local farms.

During the construction phase, which is the stage that has the greatest impact on the environment, Enel Green Power is committed to identifying a larger number of possible actions for preventing and softening the impact of the construction sites, and, especially, cooperating with the local contractors who work at the sites.

For this reason, the Group has prepared an Environmental impact prevention and mitigation plan, which establishes measures for protecting the environment regarding things such as atmospheric emissions, waste, discharge, noise, etc. and that sets clear management criteria for contractors. The Plan's objective is to establish mechanisms for monitoring and controlling environmental performance within construction sites through which improvement programs can be developed in partnership with suppliers and contractors, as well as training and awareness actions and more effective coordination mechanisms.

The attention paid to the management of environmental impacts remains high, even during plant operation, through the Environmental Management System in place in all the Group's sites. In this area, improvement programs are developed in Italy and abroad in which specific actions for managing and mitigating all significant impacts, from containing and reducing atmospheric emissions to waste management, from protecting water resources to handling environmental emergencies, are identified.

More specifically, on December 18, 2013, the subsidiary Enel Green Power Hellas (EGPH) won the "Waste Management – Initiatives in Renewable Energy Sources" category of the 2014 Environmental Awards, which rewarded the good practices adopted by companies and other organizations in safeguarding the environment and ensuring sustainability. EGPH's win is tied to the integrated waste management system the company has implemented, which introduced a number of key innovations in the construction of temporary waste storage sites (so called "green points") and in the development of advanced procedures.

Protecting biodiversity

Enel Green Power's impact on biodiversity is among the most significant of its impacts, particularly for its wind, solar and hydro plants. That is why biodiversity is among the key factors considered in assessing the effects prior to plant development.

For wind plants specifically, special pre-development monitoring is performed, lasting for at least one year, of bird and bat populations, in order to assess the specific characteristics of the site and to evaluate the compatibility of the plant with the presence of protected species and/or migration routes, including by applying collision risk models. These observations, in the most sensitive areas, are carried out up through the plant operation phase in order to optimize sustainable plant management processes.

Properly siting photovoltaic plants is key to making these infrastructures compatible with the environment. Locating photovoltaic plants in degraded areas, such as abandoned quarries, exhausted landfills, contaminated sites, etc. also encourages the environmental reclamation of these areas, contributing to creating protected and controlled conditions, which also has a positive impact on restoring biodiversity.

The impact of hydroelectric plants (including that of run-of-the-river plants) on diversity is mitigated by carefully designing the project and adopting special monitoring and/operating procedures. More specifically, from a design standpoint, it is preferable, where possible, to build underground intake and outflow channels and conduits (to protect animals on land and amphibians) and install protective structures over intake channels. The impact on biodiversity is also lessened by constructing fish ladders/lifts and by releasing minimum flow rates into the watercourse.

Prior to building the plant, special monitoring is performed, where appropriate, to assess the quality of the waters and the ecological condition of the river by applying index methods (Extended Biotic Index – EBI and Fluvial Functional Index - FFI), along with checking the chemical and physical characteristics of the waters.

Protecting biodiversity is a strategic objective of Enel Group's environmental policy, which sets out a Group Strategic Plan. Enel Green Power complies with this by carrying out a number of projects in Italy and abroad that support the conservation of ecosystems and natural habitats in the areas in which it operates, not only as an industrial player, but also as a local entity that is active at a social, cultural and environmental level. These projects regard plants and their areas of influence and consist of preventive and corrective techniques, social and

environmental studies, monitoring campaigns, research and improvement projects and compensating measures (details on the biodiversity protection projects can be found on the website: www.enelgreenpower.com).

Our people

In 2013, Enel Green Power consolidated the development and focus on an organizational strategy called "Transnational Organization", which develops and supports a multiple and varied internal organizational view and approach within an environment that is closely integrated, but at the same time flexible, across which interdependent, international resources and expertise are distributed, maintaining a central oversight that ensures that structures and processes cut across segments and are standardized.

In 2013 Enel Green Power extended its development strategy to countries targeted for new investment. This development was furthered by an evolving organization in support of achievement of the Group's strategic objectives.

Therefore, the Group has pursued the following goals:

- the search for efficiency and synergies in the global integration process;
- managing opportunities by taking advantage of multinational flexibility;
- development of innovation, learning and adaptation;
- encouraging responsibility at the local level;
- developing the business in new countries.

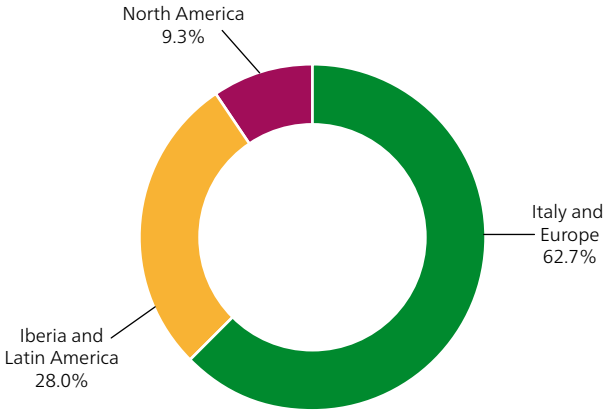
The Group's international scale was once again in 2013 a key factor in the composition of its workforce. The favorable growth of Enel Green Power in emerging countries, particularly in Latin America, contributed to increasing the size of the Group's workforce in line with the growth of the business: at December 31, 2013, the Enel Green Power Group's workforce numbers 3,599 employees, expanded by 2.5%, of whom 2,054 in Italy and 1,545 abroad. The greatest increase reported in Iberia and Latin America, in which workforce expanded by 9.3%.

In the international environment in which Enel Green Power operates, considerable emphasis is placed on the movement of personnel, encouraged and supported at various levels in order to achieve professional development of human resources, cultural integration and continual improvement in handling diversity.

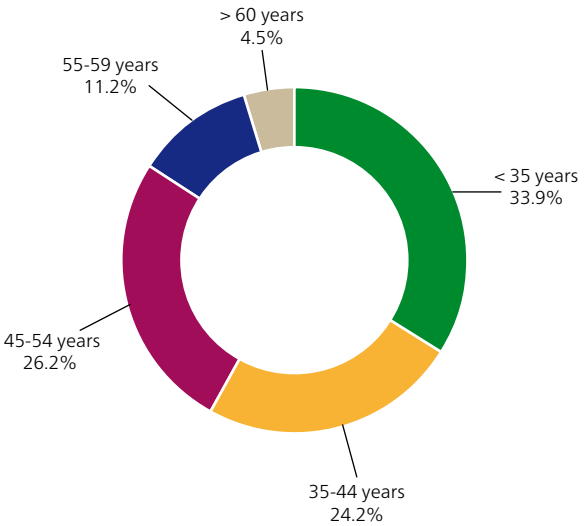
In 2013, Enel Green Power also established criteria for managing long-term movement, procedures for applying them and the treatment of staff. The process of identifying personnel who are suitable for transfer programs includes verifying that the person meets the requirements for the position and evaluating the personal aspirations and motivations of the candidates. At the end of 2013, 57 employees were on long-term international assignment.

The average age of Enel Green Power's workforce was 42 years, with 33.9% of staff under 35 years of age, while women represent the 18.7% of total workforce.

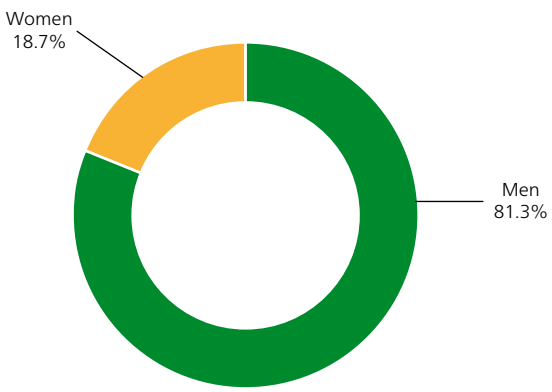
Geographical breakdown of workforce



Breakdown by employee age



Breakdown by employee gender



Development and training

Numerous initiatives aimed at supporting and promoting the professional development of Enel Green Power were undertaken in 2013. The most important include:

> identification of middle managers holding key positions (Relevant People Project) and launch of a special management model applicable to them. The project focused on the Iberia and Latin America Area in 2013 and is to be extended to other countries in 2014. This model is designed to provide a compensation structure that is competitive with the markets in which such staff work, to strengthen individual development, to recognize personal aspiration and motivations and to encourage their participation in Group communication and strategy consideration processes. There were 100 employees involved in the project in 2013;

> definition of individual development plans for High Potential employees, aimed to encouraging the professional growth and enhancement of managerial skills of those identified as employees with high potential;

> extension of the Performance Review process to all Enel Green Power staff in Italy and abroad. For the first time, engineers in all geographical areas were included in the process;

> extension of the "360°" evaluation process performed by department heads, direct supervisors and peers for managers and top managers, expanding the number of persons evaluated from 30 to 117;

> completing the Global Professional System project, begun in 2012, with the goal of creating global "catalogues" of the professional roles within Enel Green Power based upon the technical and professional expertise within the Company. The objective is to define a shared language for the professional development of resources within the organization, aligning hiring, assessment, training and movement processes within the Group.

In 2013, almost 95,000 hours of training were provided for a total of 28 training hours per employee. The initiatives were aimed at promoting internal and global integration of departments, improving the process of sharing and standardizing technical and managerial best practices, improving staff language skills and assisting in aligning practices with the Leadership Model adopted by the Enel Group. The main management training programs were as follows:

> Top Team Training, for Enel Green Power's Top Management to stimulate conversation within the team so that they share in the future evolution of Enel Green Power, to define short/medium-term action plans and to consolidate expertise in human resources management;

> Project Management Culture, for certain Engineering & Construction department staff (project managers, project engineers and construction managers) in order to create a uniform, shared project management culture and develop a common language for procedures for managing complex projects;

> Workshop E&C - Next scenarios, aimed at first- and second-line employees of the Engineering & Construction department with the goal of sharing the department's strengths and problems and of defining new "work models";

> Procurement Journey, aimed at first- and second-line employees of the Procurement department with the goal of developing action plans for the main areas of activity of the department and to strengthen the process of communicating and sharing objectives within an international team;

> Post-Performance Review courses to encourage practices in line with the Enel Leadership Model.

Finally, the WhY Generation Project was launched in an effort to listen to and gather information on the needs and expectations that the youngest employees have towards the Company in order to implement practical initiatives that respond to these needs. The project involves conducting an online survey to be followed by holding focus groups to further explore the main issues uncovered.

Industrial relations

In 2013, as part of the One Company project (the process, currently under way, for redefining the Enel Group's operational model), the rules and procedures for interaction between the central and national structures in order to handle union-related issues in a coordinated manner were defined, consistent with

the contents of the Enel Group's "Industrial Relations Model".
The Model calls for the formation of a trade union body representing all of the Enel Group's workers to be called the "Global Works Council", and bilateral, union-company committees (so-called "Multilateral Committees"), specialized by subject matter, whose task is to incorporate the One Company principle in trade unions relations.
The Multilateral Committees crafted three recommendations in 2013 on the subjects of "Equal Opportunities and Diversity", "Global knowledge sharing and skills empowerment" and "Health and Safety Standards application".
The issue of gender diversity and equal conditions for women to access career opportunities, in particular, is the subject of intense discussion between the unions and the company. In 2013, the Multilateral Committee on Equal Opportunities, formed in Italy under the provisions of the Enel Industrial Relations Model, focused its efforts on the issue of reconciling work and family life.
In November 2013, an analogous Multilateral Committee on Equal Opportunities and Diversity, which operates at the global level, made a recommendation, approved by the Global Works Council and presented to management, on implementing equal opportunity and non-discrimination principles in all phases of managing the labor relationship (hiring, career, etc.), on the adoption of initiatives against any kind of violence or harassment in the workplace, and on the promotion of actions aimed at fostering a better balance between family and work obligations.

Responsible relations with the community

Enel Green Power's approach to relations with local communities is characterized by maximum transparency and the desire to establish and build a dialogue over time in order to find synergic and shared solutions.

With international operations and an ever-growing presence in emerging countries, continuous interaction with local stakeholders is a key pillar of our business growth and development strategy: by listening to and analyzing the needs of the countries in which it operates, Enel Green Power's goal is to maximize the value that is shared, proactively seeking out solutions to local needs thereby anticipating future needs and avoiding potential conflicts. The Group is committed to effectively contributing to socio-economic development through initiatives modeled on the needs and potential of the territory. In line with this approach, Enel Green Power promotes community involvement throughout the entire process of developing and managing projects. From the earliest phases of project development, the Group follows a process of identifying local actors and their short and long-term needs. Through regular meetings with interest groups, associations, local authorities and entrepreneurs, interviews with the community, special working groups and meetings with residents, Enel Green Power seeks to establish an ongoing dialogue with stakeholders, enabling it to assess the needs and find real answers. Careful attention is also given to respecting and protecting the rights of indigenous peoples who live in areas affected by Group projects and activities, with whom a process of consultation is initiated in line with the highest international standards, such as Convention 169 of the International Labor Organization.

Examples of this approach are programs such "EGP listens to you" in Mexico – local committees (in which the Company, local institutions and the community participate) conduct interviews and surveys in the territory to gather requests and proposals from which to select the projects to be carried out in the area – or the working group with the communities in Alto Loa to assess the environmental impact of the Cerro Pabellón geothermal plant in Chile, or periodic studies, such as the bi-annual analysis performed in Greece to monitor the progress and results of existing projects.

The ideas that emerged from interacting with local stakeholders are the foundation for building long-lasting partnerships that follow projects throughout their life cycle, from development through operation. This is the case of Palo Viejo in Guatemala, where the partnership with the local community resulted in the creation of a 20-year cooperation and corporate responsibility plan aimed at guiding investments and development programs in the territory.

Collaboration with non-governmental organizations, companies, workers and managers rooted in the territory, is also deemed to be essential to optimizing a close relationship with communities. For example, in Chile, Peru, Colombia and the North American countries, Enel Green Power works closely with NGOs and specialized development partners, both in listening to and assessing local needs and in planning socio-economic support and development initiatives. In Greece, France and Brazil, local workers play a role in connecting Enel Green Power with the territory, putting forth the requests of their home communities and taking part, in some cases as spokespersons and providing testimonials, in events organized by the Company to increase its visibility in the area and to promote communication with residents.

Properly implementing periodic plans, monitoring actions carried out and the adapting ongoing projects in correspondence to the natural evolution of community needs are priorities in all countries in which Enel Green Power operates.

Main projects and initiatives

Creating shared value, promoting sustainable development and contributing to improving the social conditions of local populations are the inherent goals of Enel Green Power's business model and international vocation. The Group's philosophy of action in these areas is based on giving priority to systematic development, which provides new tools for action to the populations involved, facilitating long-term change.

This approach is embodied, first of all, in the carrying out of crossover projects involving issues related to the Company's core business, such as access to energy. The partnership with the NGO Barefoot College in India, which falls under the umbrella of the broader Enel Group Enabling Electricity program, is an example in this field of the creation of real, measurable value through a project that began in 2012. In 2013, a further 17 semi-literate women from poor, remote villages without access to electricity in Mexico, Panama, Colombia and Brazil were included in the project. This is in addition to the 16 women previously trained in Peru, Chile, El Salvador and Guatemala. The women spent six months in northern India at the

Barefoot College to learn how to install and maintain small photovoltaic systems and thereby become solar engineers. They then returned to their villages, bringing with them light, development and work in their home communities thanks to photovoltaic kits provided by Enel Green Power. The project, since its start in 2012, has involved 36 communities, with the partnership of 10 local NGOs, offering access to energy to over 1,000 rural households, thanks to the autonomous installation of as many solar kits.

On June 5, 2013, on the occasion of World Environment Day, Enel Green Power presented the documentary "Bring the Sun Home" at the *Casa del Cinema* in Rome. The film, which was directed by Chiara Andrich and Giovanni Pellegrini, winners of the Enel Green Power New Energy – Sole Luna Festival award, received major recognition and was selected to participate, in August 2013, at the Locarno Film Festival.

Also in 2013, Enel Green Power promoted, in partnership with local NGOs, initiatives for economic development, enhancement of the environment and the territory, education and vocational training, socio-economic support for the most vulnerable segments of the population and infrastructure improvement.

In Chile, the development program begun in 2008 in partnership with the NGO Agraria is a particularly striking example of support for local entrepreneurship in line with the characteristics and potential of the territory. The program aims to assist in the agricultural development seven indigenous Mapuche communities by building greenhouses, providing the ongoing support of agricultural experts and establishing a fund for purchasing seeds. The project is now gradually evolving towards providing support for the sale of local products (including through the channel of major retailers) and makes merit-based scholarships available to students in the territory.

Also as part of the support to local enterprises, in 2013 a training program was launched for the Artisan Cooperative of Cafarnaum (Bahia) in Brazil through a partnership with Mauá Institute. The program seeks to help the cooperative improve the quality of its members' products and to teach the artisans a number of key business concepts (for example, methods for calculating prices, managing inventory, improving sales techniques, etc.). In Greece, actions are aimed at supporting the tourism sector on the island of Evia by disseminating local traditions and products.

In addition to carrying out specific projects aimed at boosting the local economy, Enel Green Power contributes through its presence in supporting the entrepreneurial fabric of the territories where it operates thanks to satellite businesses generated by its activities. Through the selection of regional and local contractors and subcontractors, whenever possible, and the hiring of local staff, the Group directly and indirectly affects the economies of the areas in which it operates.

Among the innovative projects carried out in this field, special mention should be made of the partnership with Legacoop to develop a model of cooperation between the territory, producers and plant operators to create value through a network of small biomass plants that use the agricultural by-products of Legacoop's members. The initial results of this initiative, currently limited to Italy, which has a high potential for impact through the creation of integrated local supply chains, are expected to be reported in 2014.

In the field of education and training Enel Green Power is involved in several programs to provide financial support to local students (such as in Costa Rica) and vocational training projects. These initiatives are also designed in a manner that is as synergistic as possible with the development of business in the territory in order to foster future career opportunities within Enel Green Power or with farms that are part of its supply chain.

For example, in Brazil, in the communities surrounding the Cristal plant, Enel Green Power has sponsored courses on construction techniques for 60 young people who at the end of the program will be able to find employment in the construction industry or set up small construction firms operating locally and regionally. Likewise, in North America, Enel Green Power has, for many years, provided scholarships to students in the communities surrounding its plants to undertake energy-related studies at universities.

Numerous initiatives are aimed at promoting the culture of renewable energy, energy efficiency and a conscious use of energy. In many countries, for example, World Environment Day events are held to teach children about renewable technologies. The Enel Group project "Play Energy" (in which Enel Green Power has participated in 6 countries) has the same goal. It is a competition for primary and secondary schools that invites students, families and teachers on an educational and fun journey through energy-related issues, using classroom learning, guided tours of plants, quizzes and themed activities. Another program aimed at children of employees is the "We are Energy" contest, designed to teach children about energy, resources and sustainability. In 2013, 283 children, all children of Enel Green Power employees, took part in the competition. The 21 winners attended the "We are Energy" international summer camp.

The issue of education about renewable energy is also the focus of other initiatives, aimed not just at children, but also at households and residents. For example, the TrenoVerde initia-

tive, a traveling exhibition on smart cities, sustainable mobility and innovation, was held once again in Italy in 2013, travelling to eight cities in collaboration with the State Railways and Ministry for the Environment. Each year Enel Green Power participates in the Enel Group's Open Plants initiative, offering guided tours of its plants to raise awareness about how different technologies work. In 2013, more than 150,000 visitors took part. Finally, in 2013, to celebrate the 100th anniversary of the first geothermal power plant, a global conference on geothermal energy was held in Larderello (Tuscany) and the first National Museum of Geothermal Power was officially inaugurated to take visitors on a journey in discovery of the history of geothermal power from Etruscan and Roman times to the present.

Enel Green Power carries out projects providing support for the weaker social classes, as well as makes contributions to recreational activities or infrastructure works in most of the countries in which it operates.

The main projects in 2013

Winter road maintenance in the South of Evia Island
Greece

PlayEnergy
Competition aimed at primary and secondary schools and involving students, families and teachers in an educational-recreational program on energy issues
Brazil | Chile | Costa Rica
Guatemala | Italy | Panama

We are Energy
Competition for the children of employees on energy, resources and sustainability
Brazil | Costa Rica | France | Greece
Guatemala | Italy | Mexico | Panama
Spain | United States | Chile

Open Power Stations
Guided tours to power stations aimed at making known the operation of various technologies
Italy

Green train
Itinerant exhibition on the subject of smart cities, sustainable mobility and innovation
Italy

Territorial infrastructure support projects
Romania

Environmental Day
Training for children on renewable technology
Greece | Romania

Visits to the Enel Green Power plants to promote the use of renewable energy
Portugal

Educational activities for kids on renewable energy
Spain

INFRASTRUCTURE
OPERATIONS

EDUCATION
AND TRAINING

ENERGY
CULTURE

SOCIO-CULTURAL
INITIATIVES

Professional training project in the Curva dos Ventos complex
Brazil

Supply of rucksacks and school kits for high-performing students
Guatemala

Energy for sports
Program to increase the sports activities of teenagers
Costa Rica

Professional training project in the Cristal complex
Brazil

Scholarship for students in the Mapuche community
Chile

Workshop for children on climate change
Spain

EGP Community Corporate volunteering program
Costa Rica

Creation of a Local Community Fund for the Prairie Rose Wind Project
United States

Program for adequate nutrition of the student population
Costa Rica

Scholarships for the continuation of studies
Costa Rica

Support for local cultural and sporting activities
Romania

Organisation of a Triathlon race in the Karistos area
Greece

Enabling Electricity-Barefoot College
Training and capacity building program for women in isolated communities to become solar technicians

Brazil | Colombia | Peru | El Salvador
Guatemala | Mexico | Panama | Chile

Selection of local workers and suppliers

Greece

Selection of local workers and suppliers for the wind parks of Angosturas and Madroñales

Spain

Rural electrification plan for the Fortuna community

Panama

Support for the "Cooperativa de Artesãos de Cafarnaum" in Bahia

Brazil

"Agraria" project for agricultural development of the indigenous Mapuche communities

Chile

Program to support breeding activities in the Oaxaca area

Mexico

Program for the support and training of local fishermen

Peru

Agreement with the government of Guerrero to strengthen the local economy and the infrastructure network

Mexico

Support for the tourist sector in the south of the Island of Evia

Greece

Support for the local workforce and supply chain

Romania

Co-operation with Legacoop to develop an innovative business model on biomass

Italy

"Sembra" project, breeding development plan in the Upper Loa area

Chile

"Sembra" agricultural development project for the indigenous communities in the North of the Country

Chile

PROTECTION
OF THE ENVIRONMENT AND ENHANCEMENT OF THE LOCAL TERRITORY

ECONOMIC DEVELOPMENT
AND SUPPORT FOR LOCAL BUSINESSES

SOCIAL
SUPPORT

Nature and Territory Project
Events to enhance local culture and traditions

Italy | Portugal

Sponsorship of the Hutchinson Zoo

United States

Environmental co-operation plan with the Fundación Patrimonio Natural de Castilla y León

Spain

Conservation of the Fortuna nature reserve and support for local agricultural development

Panama

Social Management Committee
Local committee managing social projects, funds and infrastructure programs

Guatemala | Panama

Environmental co-operation with the Associação de Conservação do Habitat do lobo ibérico

Portugal

Water decontamination project

Chile

Supplier management

The Enel Group has established a qualification system for suppliers which makes it possible to carefully evaluate companies seeking to participate in procurement procedures. The qualification process requires, in accordance with the regulations in force, the submission of a series of documents (self-certification of meeting the general requirements, financial statements, certifications, etc.) and compliance with the principles expressed in the Code of Ethics, Zero Tolerance of Corruption Plan and Compliance Model, specifically referencing the absence of any potential conflict of interest.

The qualification system represents:

> a guarantee for Enel Green Power, since it constitutes an up-to-date list of companies known to be reliable (legal, financial, technical/organizational, ethical and safety) to draw from;

> an opportunity for suppliers to be invited to take part in purchasing tenders held by the Group within the merchandise category for which they have qualified and based on the ranking assigned.

To bring the qualification system more closely in line with the Group's sustainability policies, one of the factors that has been long evaluated is the supplier's respect for the environment. Specifically, one of the requirements for qualification in merchandise categories that have an impact on the environment is that the supplier has implemented an environmental management system that conforms to ISO 14000. This requirement will be gradually extended to all major sectors.

Enel Green Power also adopted a Green Procurement plan that establishes specific environmental requirements for merchandise categories, envisaging the procurement of products and services that are more environmentally conscious than others used for the same purpose. This attention to environmental protection is also reflected in the choices made before engaging in activities, for example, avoiding the use of photovoltaic panels containing toxic substances such as cadmium telluride, and after completion, for example, taking into account the dismantling of the photovoltaic panels as part of their processes. In 2013, green procurement and contracting accounted for over 50% of Group procurement in Italy.

For all the merchandise categories of work to be contracted out, suppliers are evaluated with reference to the Security Index, which takes into consideration the organizational structure of the supplier responsible for ensuring compliance with the relative regulations and providing oversight.

To ensure that human rights are protected, one of the basic principles to which Enel adheres and which Group suppliers in Italy and abroad are required to follow, Enel notifies its suppliers that they must refer to the principles stated in the Code of Ethics, Zero Tolerance of Corruption Plan and the Compliance Model in conducting their business and in managing relationships, and it also provides that sellers be motivated by the same values in managing their activities and relationships with their own partners.

The Group has also prepared specific contractual clauses concerning respect for human rights that are to be included in all supply, tender and service contracts. These clauses prohibit the use of child and forced labor, provide for the freedom to form a union and of association, forbid discrimination and call for respect of safety obligations and environmental protection.

In order to verify whether suppliers and contractors are in compliance with specific ethical and social requirements, Enel reserves the right to perform inspections of their productive sites and offices.

Overview of the Group's performance and financial position

Definition of performance indicators

In accordance with Recommendation CESR/05-178b published on November 3, 2005, the criteria used to calculate these indicators are described below.

Total revenues including commodity risk management: calculated as the sum of "Revenues" and "Net income/(charges) from commodity risk management".

Gross operating margin: an operating performance indicator, calculated as "Operating income" plus "Depreciation, amortization and impairment losses", net of the capitalized portion.

Net non-current assets: calculated as the difference between "Non-current assets" and "Non-current liabilities" with the exception of:

> "Deferred tax assets";
> "Long-term financial receivables" 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:

> "Securities" and other items of "Other financial receivables" reported under "Current financial assets";
> "Cash and cash equivalents";
> "Short-term loans" and "Current portion of long-term loans".

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

Net capital employed: calculated as the algebraic sum of "Net non-current assets" and "Net current assets", provisions not considered previously, "Deferred tax assets", "Deferred tax liabilities" and "Net assets held for sale".

Net financial debt: a financial structure indicator, determined by "Long-term loans", the current portion of such loans, "Short-term loans", less "Cash and cash equivalents" and "Current financial assets" and "Non-current financial assets" not previously considered in other balance sheet indicators.
More generally, the net financial debt of the Enel Green Power Group is calculated in conformity with paragraph 127 of Recommendation CESR/05-054b implementing Regulation (EC) no. 809/2004 and in line with the CONSOB instructions of July 26, 2007, for the definition of the net financial position, deducting financial receivables and long-term securities.

Definition of selected sustainability indicators

The sustainability indicators reported here are those considered of greatest relevance to monitoring the Group's performance with regard to the main areas of corporate ethics, environmental sustainability and social sustainability.
The following are the criteria used to construct the indicators based on estimates:
CO_2 emissions avoided: these are calculated by multiplying the electricity generated from each renewable resource by the specific average emissions of CO_2 produced by the fossil fuel thermal generation of the plants of the Enel Group in the various regions (in the absence of Group plants in a given area, the national average specific emissions drawn from the Enerdata database were used; http://services.enerdata.eu). Total emissions avoided are calculated as the sum of the emissions avoided in each region.

Workforce of contracting companies: the figure is calculated on the basis of the hours worked by the employees of contractors in areas owned by Enel Green Power (measured by checking the time of entry and exit of those employees to and from the premises), which are converted into full-time equivalents using conversion factors based on average hours worked at the country level.

Days worked by employees of contractors and subcontractors: the figure is calculated on the basis of the hours by the employees of contractors in areas owned by Enel Green Power (measured by checking the entry of those employees onto the premises), which are converted into days on the basis of average daily working hours.

Main changes in the scope of consolidation

The scope of consolidation changed between 2012 and 2013 as a result of the following main transactions.

2012

> Acquisition, on January 13, 2012, of an additional 49% of Rocky Ridge Wind Project, which was already a subsidiary (and consolidated on a line-by-line basis) as a result of ownership of 51% of the company;
> acquisition, on June 27, 2012, of an additional 50% of the companies of the Kafireas Group, previously included in the Greek wind project pipeline "Elica 2" and accounted for using the equity method in view of the stake held (30%); following the acquisition, the companies are consolidated on a line-by-line basis;
> acquisition, on June 28, 2012, of 100% of Stipa Nayaá, a Mexican company operating in the wind generation sector;
> acquisition, on October 12, 2012, of an additional 58% of Trade Wind Energy, a company in which the Group previously held a stake of 42%; following the acquisition, the company is consolidated on a line-by-line basis rather than accounted for using the equity method;
> acquisition, on December 21, 2012, of 99.9% of Eólica Zopiloapan, a Mexican company operating in the wind generation sector.

As from the 4th Quarter of 2012, as the conditions provided for under IFRS 5 for classification under assets/liabilities held for sale no longer applied, the assets of the subsidiary Enel Green Power España were reclassified to the appropriate items of the balance sheet.

2013

> Acquisition, on March 22, 2013, of 100% of Parque Eólico Talinay Oriente, a Chilean wind power company;
> acquisition, on March 26, 2013, of 50% of PowerCrop, a company operating in the biomass generation sector in Italy; in view of the joint control exercised with another operator, the company is consolidated on a proportionate basis;
> disposal, on April 8, 2013, of 51% of Buffalo Wind Project, a US wind power company;
> acquisition, on May 22, 2013, through the exercise of the associated options, of an additional 26% of the US wind power companies Chisholm View LLC and Prairie Rose LLC, which had been accounted for using the equity method in consideration of the stake previously held (49%). Following the new acquisition, the companies are consolidated on a line-by-line basis;
> disposal, on July 1, 2013, of Enel.si Srl, a wholly-owned subsidiary, to Enel Energia SpA. In view of the disposal, Enel.si was deconsolidated as from July 1, 2013, while the results achieved by the company up to the disposal date and the gain on the disposal were reported under discontinued operations;
> acquisition, on November 8, 2013, of Origin Wind Energy LLC, the owner of a wind power development project in the United States;
> acquisition, in December 2013, of 100% of 8 companies owning that number of wind development projects in the United States;

> minor acquisitions in 2013 included a controlling stake in the French company La Vallier (already merged into Enel Green Power France), the Mexican company Dominica and the Italian company Finale Emilia.

As from the 4th Quarter of 2013, in accordance with the provisions of IFRS 5 governing classification under assets and liabilities held for sale, the assets and liabilities of the Portuguese investees operating in the cogeneration sector and the value of the investment in the French company WP France 3 were reclassified to the appropriate items of the balance sheet.

Group performance

The following table reports the reclassified income statement for 2013 with comparative restated figures for 2012.

Millions of euro

	2013	2012 restated	Change
Total revenues including commodity risk management	**2,778**	**2,476**	**302**
Total costs	**991**	**850**	**141**
GROSS OPERATING MARGIN	**1,787**	**1,626**	**161**
Depreciation, amortization and impairment losses	722	696	26
OPERATING INCOME	**1,065**	**930**	**135**
Financial income	79	132	(53)
Financial expense	(347)	(360)	13
Net financial income/(expense)	**(268)**	**(228)**	**(40)**
Share of income/(expense) from equity investments accounted for using the equity method	64	47	17
INCOME BEFORE TAXES	**861**	**749**	**112**
Income taxes	324	284	40
Net income from continuing operations	537	465	72
Net income from discontinued operations [1]	61	-	61
NET INCOME	**598**	**465**	**133**
- Pertaining to shareholders of the Parent Company	528	387	141
- Pertaining to non-controlling interests	70	78	(8)

(1) The net income from discontinued operations pertains entirely to shareholders of the Parent Company.

Revenues

Millions of euro

	2013	2012 restated	Change
Revenues from electricity sales	1,743	1,642	101
Revenues from green certificates and other incentives	864	666	198
Net income/(charges) from commodity risk management	21	(8)	29
Revenues from electricity sales including commodity risk management	**2,628**	**2,300**	**328**
Other revenues	150	176	(26)
Total revenues including commodity risk management	**2,778**	**2,476**	**302**

Total revenues including commodity risk management for the Group amounted to €2,778 million, an increase of €302 million compared with 2012 restated (+12.2%), the combined effect of an increase of €328 million in revenues from the sale of electricity (equal to €2,628 million in 2013) and a reduction of €26 million in revenues (equal to €150 million in 2013), as well as adverse exchange rate differences amounting to €31 million.

The increase in revenues from the sale of electricity, including the increase in incentives (equal to €198 million), primarily reflects higher production in Italy and Europe (€170 million), North America (€90 million) and Iberia and Latin America (€68 million). Revenues in Spain reflect the estimated impact of the regulatory change introduced with Royal Decree Law 9/2013.

Revenues from green certificates and other incentives, which amounted to €864 million, rose by €198 million compared with the previous year, mainly in Italy and Europe (€154 million) and North America (€42 million) as a result of an increase in generation qualifying for incentives and the declining trend in prices on the Power Exchange in Italy, which caused the incentive to increase as a result.

Other revenues include the impact of the disposal of the controlling stake of 51% in Buffalo Dunes, which led to the recognition of a total of €40 million, of which €20 million in respect of the gain on the interest sold and €20 million from the consequent remeasurement at fair value of the 49% still held. Compared with 2012 restated, the item declined by €26 million, mainly attributable to North America, which in 2012 reflected the derecognition of the debt for the success fee for the acquisition of the Caney River (€31 million), the remeasurement at fair value of the assets and liabilities of Trade Wind Energy (€21 million) and the disposal of property, plant and equipment (€10 million).

Costs

Millions of euro

	2013	2012 restated	Change
Electricity and materials	265	239	26
Personnel	247	273	(26)
Services	444	413	31
Other operating expenses	138	87	51
Capitalized costs	(103)	(162)	59
Total	**991**	**850**	**141**

Costs totaled €991 million, an increase of €141 million compared with 2012 restated (+16.6%), due to an increase in costs for electricity and materials, services and other operating expenses, only partly offset by a decline in personnel costs and exchange rate losses of €13 million.

The increase in costs for *electricity and materials* (€26 million, +10.9%) mainly reflects the effect of greater net purchases of electricity and fuels (€52 million), mainly in Panama and Chile, and purchases of materials (€18 million), taking account of the capitalized portion. The latter factor, however, was more than offset by lower capitalized costs for materials (€48 million).

The decline in the cost of *personnel* (€26 million, -9.5%) is mainly due to the effect of the recognition in 2012 of charges for the transition-to-retirement plan for certain employees in Italy, equal to €39 million, partly offset by the rise in ordinary personnel costs in step with the expansion in the average workforce.

The increase in costs for *services* (€31 million, +7.5%) mainly reflects the rise in fees for the right to use transport capacity (€13 million), water diversion fees (€8 million) and the cost for technical consulting on plants as a result of the expansion in installed capacity (€3 million).

In addition to the increase in installed capacity, the rise in *other operating expenses* (€51 million, +58.6%) is attributable to the introduction of a tax on renewables generation in Spain and Greece (€42 million).

The **gross operating margin** came to €1,787 million, an increase of €161 million (+9.9%) on 2012 restated. The rise was mainly achieved in Italy and Europe (€112 million) and North America (€49 million).

The Italy and Europe area posted a gross operating margin of €1,044 million, up €112 million compared with 2012 restated (€932 million), the effect of the increase in revenues and the effect of the recognition in the previous year of charges for

the transition-to-retirement plan, effects that were partially offset by higher costs, mainly due to the introduction of the tax on renewables generation in Greece and to the expansion of installed capacity.

The Iberia and Latin America area registered a gross operating margin of €497 million, in line with the previous year, taking account of exchange rate losses of €10 million. The rise in revenues, achieved thanks to an increase in generation despite the rate reduction introduced in Spain with Royal Decree Law 9/2013, was entirely offset by greater costs for the purchase of electricity and fuels (€41 million), mainly in Panama, Chile and Iberia, and the introduction of a tax on renewables generation in Spain (€26 million).

The North America had a gross operating margin of €246 million, up €49 million (taking account of exchange rate losses of €8 million) compared with 2012 (€197 million), the effect of the rise in revenues, only partly offset by the increase in operating expenses associated with the expansion of installed capacity.

Other items of the income statement

Depreciation, amortization and impairment losses amounted to €722 million, an increase of €26 million compared with the previous year (+3.7%), mainly as a result of the recognition of depreciation on the new installed capacity.

Net financial expense came to €268 million, an increase of €40 million compared with the previous year (+17.5%), mainly associated with the rise in average net financial debt and the increase in interest rates associated with the lengthening of the average maturity of the debt.

The **share of income/(expense) from equity investments accounted for using the equity method** came to €64 million, an increase of €17 million compared with the previous year (+36.2%) mainly due to the rise in the net income posted by associates in North America (€11 million) and Iberia (€9 million).

Income taxes totaled €324 million, an increase of €40 million compared with the previous year (+14.1%). The effective tax rate was 38%, in line with the previous year.

Net income from discontinued operations - *€61 million*

Millions of euro

	2013	2012	Change
Total revenues including commodity risk management	70	215	(145)
Total costs	69	202	(133)
Gross operating margin	**1**	**13**	**(12)**
Depreciation, amortization and impairment losses	8	10	(2)
OPERATING INCOME	**(7)**	**3**	**(10)**
Net financial income/(expense)	-	(2)	2
Income taxes	-	1	(1)
Result for the period net of capital gains	**(7)**	**-**	**(7)**
Capital gain from disposal of assets	68	-	68
Net income from discontinued operations	**61**	**-**	**61**

Following the disposal of Enel.si with effect from July 1, 2013, that company was deconsolidated from the same date. The results of the company up to the disposal date and the gain achieved with the sale of its equity were classified under discontinued operations.

In the performance figures for 2012, reported here for comparative purposes, the results achieved by Enel.si have been reported as discontinued operations to provide a more consistent representation.

The price paid by Enel Energia for all of Enel.si amounted to €92 million (subject to an estimated price adjustment at the effective date of the transfer of the holding in the amount of

€11 million), which was calculated on the basis of the enterprise value at December 31, 2012 restated (equal to about €76 million) and the company's net financial position at the same date (net liquidity of about €16 million). The price was paid in a single installment on the date the transfer of the holding took effect.

The capital gain realized with the sale of Enel.si, equal to €68 million including the impact of the estimated price adjustment of about €11 million, was reported under discontinued operations in the income statement in view of the fact that the transaction, while carried out between two Enel Group entities, was justified by economically substantive motivations. The price adjustment will become definitive only after verification of the value of a number of specific items, scheduled for June 30, 2014, as provided for in the sale agreement.

The following table reports the cash flow generated by the sale of Enel.si, considered as discontinued operations, which totaled €80 million.

Millions of euro

	December 2013
Net non-current assets	**(2)**
Trade receivables	(44)
Inventories	(9)
Trade payables	55
Other net current assets	-
Net current assets	**2**
Provisions	**2**
Net financial debt	**10**
Net assets sold	**12**
Sale price	92
Cash and cash equivalents	(1)
Cash flow before price adjustment	**91**
Price adjustment with Enel Energia [1]	(11)
Net cash flow	**80**

(1) Price adjustment estimated in accordance with the terms of the sale agreement signed on June 17, 2013, of which €6 million has been paid.

Earnings per share

Earnings per share have been calculated on the basis of the average number of ordinary shares, which did not change with respect to the previous year. No diluting effects have to be considered in calculating diluted earnings per share, which therefore are equal to basic earnings per share.

	at Dec. 31, 2013	at Dec. 31, 2012
Net income for the period pertaining to shareholders of the Parent Company (millions of euro)	528	387
Weighted average number of ordinary shares	5,000,000,000	5,000,000,000
Basic and diluted earnings per share (euro)	0.11	0.08
Basic and diluted earnings per share from continuing operations (euro)	0.10	0.08
Basic and diluted earnings per share from discontinued operations (euro)	0.01	0.00

Analysis of the Group's financial position

The following table reports the reclassified balance sheet at December 31, 2013, with comparative figures at December 31, 2012 restated.

Millions of euro

	at Dec. 31, 2013	at Dec. 31, 2012 restated	Change
Net non-current assets			
Property, plant and equipment	11,851	10,878	973
Intangible assets	1,328	1,340	(12)
Goodwill	882	889	(7)
Equity investments accounted for using the equity method	508	533	(25)
Net non-current financial assets/(liabilities)	(1)	(8)	7
Net other non-current assets/(liabilities)	(38)	(54)	16
Total	**14,530**	**13,578**	**952**
Net current assets			
Inventories	93	64	29
Trade receivables	364	500	(136)
Net tax receivables/(payables)	133	174	(41)
Net current financial assets/(liabilities)	(89)	(82)	(7)
Trade payables	(753)	(1,070)	317
Net other current assets/(liabilities)	(38)	(115)	77
Total	**(290)**	**(529)**	**239**
Gross capital employed	**14,240**	**13,049**	**1,191**
Provisions			
Post-employment and other employee benefits	(48)	(89)	41
Provisions for risks and charges	(132)	(103)	(29)
Net deferred taxes	(376)	(290)	(86)
Total	**(556)**	**(482)**	**(74)**
Net assets held for sale	**25**	**-**	**25**
Net capital employed	**13,709**	**12,567**	**1,142**
Shareholders' equity	**8,263**	**7,953**	**310**
Net financial debt	**5,446**	**4,614**	**832**

Property, plant and equipment amounted to €11,851 million, an increase of €973 million compared with December 31, 2012 restated, essentially attributable to capital expenditure during the year (€1,206 million, including €64 million for the Buffalo Dunes project), the change in the scope of consolidation (€549 million, net of €64 million associated with the disposal of the controlling stake in Buffalo Dunes), depreciation, amortization and impairment losses (€623 million) and exchange rate losses (€220 million).

Capital expenditure in 2013 mainly regarded the wind sector in Latin America (€539 million), North America (€131 million), Italy and Europe (€39 million) and Iberia (€35 million), the geothermal sector in Italy (€174 million) and North America (€51 million), the solar sector in Romania (€54 million) and Italy (€44 million) and the hydroelectric sector in Italy (€57 million) and Latin America (€40 million).

The change in the scope of consolidation mainly regards the full consolidation of the Chisholm View and Prairie Rose projects in the United States (€499 million), previously accounted for using the equity method, the acquisition of the Chilean company Talinay (€127 million) and the Italian companies PowerCrop and Finale Emilia (€17 million).

Intangible assets amounted to €1,328 million, a decrease of €12 million compared with December 31, 2012 restated, mainly due to amortization and impairment losses (€93 million) and the change in the method of consolidation used for the Buffalo Dunes project following the loss of control (€28 million), only partly offset by investments for the year (€43 million) and the impact of the provisional determination of the fair value of the assets acquired and liabilities assumed in respect of a number of projects in North America (€49 million)

and the definitive determination of that fair value for a number of subsidiaries in Greece and Spain (€24 million).

Goodwill amounted to €882 million, a decrease of €7 million compared with December 31, 2012 restated, mainly attributable to exchange rate losses (€16 million) and the definitive determination of the fair value of the assets acquired and liabilities assumed of a number of subsidiaries in Italy and Europe (€9 million) and Iberia (€4 million). These factors were partially offset by the change in the scope of consolidation following acquisitions in Italy and Europe (€18 million) and in Mexico (€4 million).

Equity investments accounted for using the equity method amounted to €508 million, a decrease of €25 million compared with December 31, 2012 restated, mainly attributable to the change in the method of consolidation used for Chisholm View and Prairie Rose following the acquisition of control, which at December 31, 2012 had been carried at a total amount of €108 million, and the collection of dividends (€44 million). These factors were partly offset by the recognition of the holding of Buffalo Dunes (€69 million) and the recognition of net income achieved in 2013 (€64 million).

Net current assets were a negative €290 million at December 31, 2013 (compared with a negative €529 million at December 31, 2012 restated), a positive change of €239 million due mainly to the following:

- the increase in "*inventories*" (€29 million), associated with the increase in the stocks held by Italian companies (€40 million), mainly of green certificates, partially offset by the change in the scope of operations associated with the retail business (€21 million at December 31, 2012 restated);
- the decrease in *"trade payables"* (€181 million), due to a decrease in operating investments during the year and the change in the scope of operations with the disposal of the retail business (€40 million);
- the decrease in *"net tax receivables/(payables)"* (€41 million) thanks mainly to the partial recovery of VAT credits on investments in Romania (€55 million);
- the increase in *other net current assets/(liabilities)* (€77 million), mainly attributable to advances to suppliers (€60 million).

Provisions posted a net increase of €74 million due mainly to an increase in "Net deferred taxes" (€86 million).

Post-employment and other employee benefits decreased by €41 million as a result of the reversal of the liability recognized in respect of the transition-to-retirement plan for certain employees (see the section "Restatement of comparative figures at December 31, 2012"). The change reflects the termination of the transition-to-retirement plan after no employees opted to participate and the fact that a significant number of those entitled to participate in that plan instead have opted to participate in the mechanism provided for under Article 4 of Law 92/2012 (the Fornero Act), as the latter offers better financial and organizational conditions.

The increase in "Provisions for risks and charges" reflects the recognition of €40 million in respect of the termination program (under Article 4 of the Fornero Act), partly offset by the decrease of €11 million in other provisions for risks and charges.

Net assets held for sale amounted to €25 million. They include the net assets of the subsidiaries of Enel Green Power España (€13 million) and Enel Green Power France (€12 million), which in view of management decisions meet the requirements of IFRS 5 for their classification as asset held for sale.

Net capital employed at December 31, 2013 amounted to €13,709 million and is funded by shareholders' equity attributable to shareholders of the Parent Company and non-controlling interests of €8,263 million and net financial debt of €5,446 million. The debt-to-equity ratio was 0.7 (0.6 at December 31, 2012 restated).

Analysis of the financial structure

Net financial debt

Millions of euro

	at Dec. 31, 2013	at Dec. 31, 2012 restated	Change
Long-term debt			
Bank loans	2,168	1,645	523
Other loans	629	481	148
Due to related parties	2,480	2,491	(11)
Long-term debt	**5,277**	**4,617**	**660**
Long-term financial receivables	(327)	(269)	(58)
Net long-term debt	**4,950**	**4,348**	**602**
Short-term debt			
Short-term portion of long-term bank debt	133	112	21
Drawings on revolving credit facilities	3	-	3
Other short-term bank debt	20	70	(50)
Short-term bank debt	**156**	**182**	**(26)**
Bonds - short-term portion	-	19	(19)
Other loans and amounts due to related parties - short-term portion	87	71	16
Other short-term financial payables and payables due to related parties	816	748	68
Other short-term debt and amounts due to related parties	**903**	**838**	**65**
Other short-term financial receivables	(207)	(382)	175
Cash with banks and short-term securities	(356)	(372)	16
Cash and cash equivalents and short-term financial receivables	**(563)**	**(754)**	**191**
Net short-term financial debt	**496**	**266**	**230**
NET FINANCIAL DEBT	**5,446**	**4,614**	**832**
Financial debt of "Net assets held for sale"	(9)	-	(9)

Net financial debt came to €5,446 million, up €832 million (+18.0%), with an increase of €602 million in net long-term debt (+13.8%) and €230 million in net short-term debt (+86.5%).

Under *net long-term debt*, the increase in bank loans (€523 million) was mainly due to new loans obtained generally to meet the funding requirements for projects in Chile and Mexico (€399 million), and the Citibank loans for projects in Brazil, North America, Romania and Chile (€170 million), while the rise in other loans (€148 million) reflects the inclusion of companies with debts in respect of tax partnerships in North America in the scope of consolidation (€267 million), partly offset by repayments of existing loans in the amount of €114 million.

Under *net short-term debt*, the decline in other short-term financial receivables (€175 million) regards the use of deposits on the intercompany current account held with the Dutch finance company of the Enel Group (€199 million), partly offset by smaller increases in other resources.

Cash flows

Millions of euro

	2013	2012 restated	Change
Cash and cash equivalents at the beginning of the period	**333**	**349**	**(16)**
Cash flows generated by operating activities	699	1,059	(360)
- of which discontinued operations	*5*	*(3)*	*8*
Cash flows used in investing activities	(1,128)	(1,416)	288
- of which discontinued operations	*85*	*-*	*85*
Cash flows generated by financing activities	454	343	111
- of which discontinued operations	*7*	*5*	*2*
Effect of exchange rate changes on cash and cash equivalents	(5)	(2)	(3)
Cash and cash equivalents at the end of the period [(1)]	**353**	**333**	**20**

(1) Of which cash and cash equivalents of "Assets held for sale" equal to €10 million at December 31, 2013. For more information, please see note 27.

Cash flows generated by operating activities for 2013 were a positive €699 million, down €360 million compared with the previous year (a positive €1,059 million). This reflected a gross operating margin, net of non-monetary items, totaling €1,758 million (up €144 million compared with 2012 restated) and cash requirements associated with net current assets of €1,059 million (up €504 million compared with 2012 restated). The greater use of cash related to the change in net current assets for the two years under review was due mainly to the increase in payments of trade payables in early 2013 pertaining to operating investments in the 4th Quarter of 2012.

Cash flows used in investing activities in 2013 amounted to €1,128 million, down €288 million compared with the previous year (€1,416 million). Cash flows used for investing activities in 2013 mainly regarded operational investments of €1,249 million (€1,257 million in 2012), partly offset by the disinvestment from the Buffalo Dunes project (€64 million) following the disposal of a controlling interest, and financial investments for the acquisition of the interest in the Chilean company Talinay (€81 million), a number of projects in North America (€69 million) and the disposal of Enel.si (€85 million, including €6 million in respect of the price adjustment paid in 2013).

Considering cash flows from financing activities of €454 million, the combined effect of the various cash flows in 2013 produced an increase in cash and cash equivalents of €20 million, net of exchange rate losses of €5 million.

Analysis of sustainability indicators

Governance and ethics

We report the following main indicators concerning the composition of the Board of Directors, which has been in office since April 24, 2013.

Number

	2013	2012	Change
Women on the Board of Directors	3	1	2
Independent directors	6	6	-

With the most recent appointments, the number of women on the Board has risen from 1 to 3, while the number of independent directors pursuant to the Corporate Governance Code for listed companies has not changed.

Number

	2013	2012	Change
Reports received of alleged violations of the Code of Ethics	4	6	(2)
Violations confirmed	-	1	(1)

As regards controls concerning the application of the Code of Ethics, 4 reports of alleged violations of the Code were submitted through the various reporting channels available to internal and external stakeholders. Those reports were investigated by the Audit Department of Enel Green Power with the support of the company departments involved and no misconduct was found.

The drive for innovation

Millions of euro

	2013	2012	Change
Spending on technological innovation	16.4	10.4	6.0

Spending on technological innovation, aimed at the development and operational testing of innovative technologies in areas of improving the performance of existing technology, experimenting with new technology and the integration of renewable energy in urban environments, amounted to €16.4 million, comprising expenses and investments, an increase of €6 million compared with 2012.

Environment

Percentages

	2013	2012	Change
ISO 14001 compliance	100.0	84.0	16.0

A major result was achieved in 2013 in environmental management, which at Enel Green Power is integrated with managing workplace safety: with the UNI EN ISO 14001 certification of the management system of Enel Green Power North America the certification of the entire geographical and organizational structure of the Group was completed.

Thousands of metric tons

	2013	2012	Change
CO_2 emissions avoided	**16,464.2**	**14,091.3**	**2,372.9**
Hydro	5,817.9	5,364.8	453.1
Geo	2,816.1	2,780.3	35.8
Wind	7,570.7	5,663.1	1,907.6
Biomass and biodegradable fraction of waste	70.1	172.0	(101.9)
Photovoltaic	189.4	111.1	78.3

The volume of CO_2 emissions avoided is an indicator of the environmental benefits of the mix of the resources used in production processes and the efficiency of the stages of their employment through to end uses. The following table reports CO_2 emissions avoided thanks to the generation of electricity from renewable resources in place of the alternative of thermal generation powered by fossil fuels. In 2013 emissions avoided increased by 16.8%, in line with the rise in generation.

Metric tons

	2013	2012	Change
Net emissions of greenhouse gases	100,975	298,170	(197,195)
Net emissions of NO_x	436	1,168	(732)

g/kWh eq. net

	2013	2012	Change
Specific emissions of greenhouse gases	194.2	264.7	(70.5)
Net specific emissions of NO_x	0.8	1.0	(0.2)

The emissions produced by Enel Green Power, largely associated with the production of electricity from cogeneration and biomass, declined in 2013 due to the substantial decrease in cogeneration compared with 2012.

Metric tons

	2013	2012	Change
Emissions of H_2S	6,367	8,964	(2,597)

g/kWh

	2013	2012	Change
Net specific emissions of H_2S from geothermal production	1.1	1.6	(0.5)

Emissions of hydrogen sulfide (H_2S), a typical feature of geothermal activities, decreased by 29% compared with 2012 despite the increase in generation. This was the result of the gradual installation at Group plants of the AMIS emissions abatement system, patented by Enel Green Power (Abatement of Mercury and Hyrodent Sulfide), which had begun in 2003. Of the Group's 32 geothermal plants that produce such emissions, 26 are now equipped with AMIS systems (3 of which installed in 2013). The system is expected to be installed at all Enel Green Power plants by June 2015.

Metric tons

	2013	2012	Change
Total waste produced	**40,408.5**	**48,697.3**	**(8,288.8)**
Hazardous waste	**7,758.1**	**2,861.4**	**4,896.7**
Recycled (including energy recovery)	1,107.3	975.2	132.1
Treated	6,650.8	1,886.2	4,764.6
Non-hazardous waste	**32,650.4**	**45,835.9**	**(13,185.5)**
Recycled (including energy recovery)	15,082.7	26,905.0	(11,822.3)
Treated	17,567.7	18,930.9	(1,363.2)

Percentages

	2013	2012	Change
% waste recycled	40.1	57.3	-17.2

Thousands of cubic meters

	2013	2012	Change
Water use	38.6	38.7	(0.1)
surface water (wetlands, lakes, rivers)	-	-	-
sub-surface water (wells)	38.5	37.8	0.7
public water supply	0.1	0.9	(0.8)

Waste decreased by 17% compared with 2012. The increase in the production of hazardous waste is connected with numerous extraordinary maintenance projects carried out in 2013, some of which associated with plant refurbishing works and work on water collection tanks and geothermal mud. Water use was in line with 2012.

Workplace safety

Millions of euro

	2013	2012	Change
Total safety expenditure	59.8	80.0	(20.2)

Euros

	2013	2012	Change
Safety expenditure per employee	17,252.0	23,282.5	(6,030.5)

Enel Green Power's major commitment to workplace safety was reflected in safety expenditure of €59.8 million in 2013. This effort comprised training and information, communication, health monitoring, purchasing and management of personal safety equipment, medical units, studies and research. Total spending was lower than in 2012, as that year was affected by large infrastructure investments connected with the opening of new work sites.

Number

	2013	2012	Change
Workplace accidents involving employees	**7**	**6**	**1**
- of which serious	-	-	-
- of which fatal	-	-	-

Number

	2013	2012	Change
Workplace accidents involving employees of contractors	**8**	**8**	**-**
- of which serious	-	1	(1)
- of which fatal	-	-	-

Indicator

	2013	2012	Change
Lost-Time Injuries Frequency Rate			
Employees	0.21	0.19	0.02
Employees of contractors	0.15	0.18	-0.03

Indicator

	2013	2012	Change
Lost Day Rate			
Employees	9.3	7.0	2.3
Employees of contractors	2.4	2.9	-0.5

The entire Enel Green Power Group registered no serious or fatal accidents involving either Group employees or the personnel of contractors.
Employee accident rates – the Lost-Time Injuries Frequency Rate and the Lost-Day Rate – reflected these developments, increasing compared with 2012. By contrast, the lack of serious accidents involving the personnel of contractors represented an improvement on the previous year (when there was 1 serious accident) and produced a decline in the associated indicators.

Our people

At December 31, 2013 the Enel Green Power Group had 3,599 employees, an increase of 2.5% compared with 2012.

Number

	2013	2012	Change
Workforce by geographical area	**3,599**	**3,512**	**87**
Italy and Europe	2,255	2,233	22
Iberia and Latin America	1,007	921	86
North America	337	358	(21)

Number

	Workforce at Dec. 31, 2012	Hires	Terminations	Enel Group transfers	Change in scope	**Workforce at Dec. 31, 2013**
Italy and Europe	2,130	134	(85)	49	27	**2,255**
Iberia and Latin America	921	203	(117)	-	-	**1,007**
North America	358	46	(67)	-	-	**337**
Retail	103	-	-	-	(103)	**-**
Total	**3,512**	**383**	**(269)**	**49**	**(76)**	**3,599**

Percentages

	2013	2012	Change
Turnover rate	7.5	7.1	0.4

Number

	2013	2012	Change
Workforce by contract type	**3,599**	**3,512**	**87**
Permanent contracts	3,407	3,068	339
Fixed-term contracts	45	315	(270)
Labor force integration contracts/trainee contracts	147	129	18

Percentages

	2013	2012	Change
Proportion of fixed-term contracts	5.3	12.7	(7.4)

The rise was even larger in the Iberia and Latin America area (+9.3%), consistent with the expansion of business, with the concentration of investments in the emerging countries. By contrast the North America area experienced a slight contraction, owing to the sale of the Canadian cogeneration plant at St-Félicien. Changes in personnel during 2013 also reflected the disposal of retail operations (Enel.si) to Enel Energia.

The Group's recruitment policy emphasizes long-term employment contracts: 94.7% of employees are on permanent contracts, while fixed-term contracts involve only 5.3% of the workforce (a decline compared with 2012).

Number

	2013	2012	Change
Workforce by age bracket	**3,599**	**3,512**	**87**
Less than 35	1,220	1,154	66
From 35 to 44	871	828	43
From 45 to 54	944	991	(47)
From 55 to 59	404	409	(5)
More than 60	160	130	30

Years

	2013	2012	Change
Average age	42.0	42.0	-

Number

	2013	2012	Change
Employees by gender	**3,599**	**3,512**	**87**
Men	2,926	2,859	67
Women	673	653	20

Percentages

	2013	2012	Change
Women in middle or senior management positions, percentage of total such positions	21.0	20.0	1.0

On the diversity front, the age composition of our workforce reveals a large preponderance of employees under the age of 44, with about 34% of the total under 35. Women account for 18.7% of the total workforce, up 3.1% compared with 2012, and women hold 21% of all middle or senior management positions.

Thousands of hours

	2013	2012	Change
Total training hours	94.8	91.6	3.2

Per capita hours

	2013	2012	Change
Training hours per employee	28.0	27.2	0.8

The figures on training show an increase of 3.4% in total hours of training delivered in 2013, with a consequent increase in *per capita* training to 28 hours per year.

Supplier management

Number

	2013	2012	Change
Suppliers with new contract during the year	7,395	7,639	(244)
Active qualified supplier relationships	3,516	3,323	193

Qualified suppliers numbered 3,516 at December 31, 2013, up 5.8% compared with 2012. The figure reflects Enel Green Power's commitment to gradually extending the qualification system to an ever greater number of product segments.

Millions of euro

	2013	2012	Change
Purchases of materials and services	**1,728.6**	**1,172.0**	**556.6**
Supplies	827.1	458.8	368.3
Works	378.4	194.5	183.9
Services	523.0	518.7	4.3

FTEs

	2013	2012	Change
Workforce of contractors	5,292	4,634	658

Number

	2013	2012	Change
Days worked by employees of contractors and subcontractors	**1,375,985**	**1,145,254**	**230,731**
in construction	903,684	797,940	105,744
in operations	143,819	104,194	39,625
in maintenance	328,482	243,120	85,362

Total purchasing rose significantly compared with 2012 (+47.5%), especially with regard to supplies and works. The expansion was also reflected in the number of people involved in the supply chain in 2013, including contractors working at Enel Green Power plants (up 14.1%) and the total number of contractor days involved in construction, operations and maintenance.

Performance and financial position by segment

On March 8, 2010 the Enel Green Power Group implemented an organizational structure that, among other things, structures the Group into geographical areas:

> Italy and Europe;
> Iberia and Latin America;
> North America.

In addition, there is an area dedicated to Enel.si, called the Retail area, with independent responsibilities for the Italy and Europe area. It is classified here under discontinued operations as from June 30, 2013 following its sale to Enel Energia, as discussed elsewhere.

The criteria used to identify the operating segments in which the Group works are drawn, among other things, from the way in which top management periodically reviews the results of the Group for the purpose of taking decisions on how to allocate resources to the segments and for assessing the results themselves.

More specifically, the following tables set out the operating segments in which the Group operates in Italy and abroad and the indicators used by Group management in analyzing segment results for the year ended December 31, 2013 and for the year ended December 31, 2012 restated.

Beginning with 2014, the geographical segments will be reorganized in order to reflect the new organizational structure of the Group, approved by the Board of Directors in February 25, 2014, which folds the Iberia area, previously included in Iberia and Latin America, into the Italy and Europe area, in order to better reflect the actual strategic decisions of Enel Green Power with a view to enhancing efficiency. The new segments will be represented as follows:

> Italy and Europe;
> Latin America;
> North America.

For each segment, this section reports the disclosures provided for in CONSOB Recommendation no. 0061493 of July 18, 2013, concerning operators in the renewable energy industry.

Results by segment

2013

Millions of euro	Continuing operations					Discontinued operations	
	Italy and Europe	Iberia and Latin America	North America	Eliminations and adjustments	**Total**	Retail [1]	**TOTAL**
Total revenues from third parties including commodity risk management	1,551	864	363	-	2,778	138	**2,916**
Revenues from other segments	60	7	-	(67)	-	-	**-**
Total revenues including commodity risk management	**1,611**	**871**	**363**	**(67)**	**2,778**	**138**	**2,916**
Gross operating margin	**1,044**	**497**	**246**	**-**	**1,787**	**69**	**1,856**
Depreciation, amortization and impairment losses	381	234	107	-	722	8	**730**
Operating income	**663**	**263**	**139**	**-**	**1,065**	**61**	**1,126**
Capital expenditure [2]	**395**	**652**	**202**	**-**	**1,249**	**-**	**1,249**

(1) Including gain from disposal of assets.
(2) Excludes value of grants received in Greece for plants on which construction has not yet begun.

2012

Millions of euro	Continuing operations					Discontinued operations	
	Italy and Europe	Iberia and Latin America	North America	Eliminations and adjustments	**Total**	Retail	**TOTAL**
Total revenues from third parties including commodity risk management	1,384	792	300	-	2,476	212	**2,688**
Revenues from other segments	49	5	-	(54)	-	-	**-**
Total revenues including commodity risk management	**1,433**	**797**	**300**	**(54)**	**2,476**	**212**	**2,688**
Gross operating margin	**932**	**497**	**197**	**-**	**1,626**	**13**	**1,639**
Depreciation, amortization and impairment losses	390	225	81	-	696	10	**706**
Operating income	**542**	**272**	**116**	**-**	**930**	**3**	**933**
Capital expenditure	**773**	**339**	**145**	**-**	**1,257**	**-**	**1,257**

Change

Millions of euro	Continuing operations					Discontinued operations	
	Italy and Europe	Iberia and Latin America	North America	Eliminations and adjustments	**Total**	Retail	**TOTAL**
Total revenues from third parties including commodity risk management	167	72	63	-	302	(74)	**228**
Revenues from other segments	11	2	-	(13)	-	-	**-**
Total revenues including commodity risk management	**178**	**74**	**63**	**(13)**	**302**	**(74)**	**228**
Gross operating margin	**112**	**-**	**49**	**-**	**161**	**56**	**217**
Depreciation, amortization and impairment losses	(9)	9	26	-	26	(2)	**24**
Operating income	**121**	**(9)**	**23**	**-**	**135**	**58**	**193**
Capital expenditure	**(378)**	**313**	**57**	**-**	**(8)**	**-**	**(8)**

Italy and Europe

Operations

Net installed capacity and net electricity generation

	Net installed capacity (MW)			**Number of plants**		
	2013	2012	Change	**2013**	2012	Change
Hydroelectric	1,532	1,533	(1)	293	293	-
Geothermal	723	722	1	33	33	-
Wind	1,646	1,621	25	79	77	2
Solar	227	122	105	77	51	26
Total	**4,128**	**3,998**	**130**	**482**	**454**	**28**
of which:						
- Italy	*3,067*	*3,042*	*25*	*405*	*401*	*4*
- Romania	*534*	*498*	*36*	*13*	*9*	*4*
- Greece	*299*	*250*	*49*	*50*	*32*	*18*
- France	*186*	*166*	*20*	*12*	*10*	*2*
- Bulgaria	*42*	*42*	-	*2*	*2*	-

Net installed capacity increased by 130 MW (+3.3%) compared with December 31, 2012, mainly in the solar segment (105 MW), especially in Greece (48 MW), Romania (36 MW) and Italy (21 MW), and in wind power (25 MW), notably in France (20 MW) and Italy (4 MW).

	Electricity generation (GWh)			Average installed capacity (MW)		
	2013	2012	Change	**2013**	2012	Change
Hydroelectric	6,607	5,305	1,302	1,532	1,531	1
Geothermal	5,301	5,235	66	723	722	1
Wind	3,213	2,495	718	1,639	1,371	268
Solar	222	115	107	191	97	94
Total	**15,343**	**13,150**	**2,193**	**4,085**	**3,721**	**364**
of which:						
- Italy	*13,249*	*11,637*	*1,612*	*3,067*	*3,010*	*57*
- Romania	*1,081*	*589*	*492*	*510*	*277*	*233*
- Greece	*565*	*477*	*88*	*287*	*226*	*61*
- France	*362*	*364*	*(2)*	*179*	*166*	*13*
- Bulgaria	*86*	*83*	*3*	*42*	*42*	*-*

The expansion of output in the hydroelectric segment, with virtually no change in installed capacity, reflects improved water conditions in Italy compared with 2012. The rise in wind output reflects greater resource availability and the expansion of average installed capacity, taking account of the fact that in Romania in 2012 the new installed capacity entered service at the end of the year. In addition, solar output mainly increased in Greece and in Italy, in line with the rise in installed capacity.

Plants not yet in service

	Plants under construction						Plants authorized					
	MW			Number			MW			Number		
	2013	2012	Change	**2013**	2012	Change	**2013**	2012	Change	**2013**	2012	Change
Hydroelectric	-	-	-	-	1	(1)	1	-	1	6	-	6
Geothermal	38	1	37	2	2	-	-	38	(38)	-	2	(2)
Wind	30	12	18	2	3	(1)	-	4	(4)	-	1	(1)
Solar	3	48	(45)	1	18	(17)	-	55	(55)	-	6	(6)
Biomass	69	-	69	2	-	2	1	-	1	3	-	3
Total	**140**	**61**	**79**	**7**	**24**	**(17)**	**2**	**97**	**(95)**	**9**	**9**	**-**
of which:												
- Italy	*119*	*4*	*115*	*5*	*4*	*1*	*2*	*38*	*(36)*	*9*	*2*	*7*
- Romania	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*55*	*(55)*	*-*	*6*	*(6)*
- Greece	*-*	*49*	*(49)*	*-*	*19*	*(19)*	*-*	*-*	*-*	*-*	*-*	*-*
- France	*18*	*8*	*10*	*1*	*1*	*-*	*-*	*4*	*(4)*	*-*	*1*	*(1)*
- South Africa	*3*	*-*	*3*	*1*	*-*	*1*	*-*	*-*	*-*	*-*	*-*	*-*

The main plants under construction are located in Italy in the geothermal, biomass, wind and hydroelectric segments (mainly the Bagnore 4 geothermal project – 38 MW –, the Finale Emilia – 15 MW – and PowerCrop Macchiareddu – 54 MW – biomass projects, the San Vito dei Normanni wind project – 12 MW – and hydroelectric refurbishing projects) and in Europe in the wind segment in France (18 MW).

Performance and financial position

Millions of euro

	2013	2012	Change
Revenues from third parties including commodity risk management	1,551	1,384	167
Revenues from other segments	60	49	11
Total revenues including commodity risk management	**1,611**	**1,433**	**178**
Gross operating margin	**1,044**	**932**	**112**
Operating income	**663**	**542**	**121**
Employees at year end (no.) [1]	2,255	2,130	125
Operating capital expenditure [2]	395	773	(378)

(1) Including 127 in companies consolidated on a proportionate basis.
(2) Excludes value of grants received in Greece for plants on which construction has not yet begun.

Revenues from third parties including commodity risk management amounted to €1,551 million, an increase of €167 million compared with 2012 restated (+12%), mainly the effect of an increase in revenues from electricity sales (€171 million), largely in Italy (€92 million), thanks to the increase in output, which more than offset the decline in average prices, and in the rest of Europe (€75 million) mainly owing to the expansion in average installed wind capacity, which more than offset the decline in average prices in Romania.

The **gross operating margin** totaled €1,044 million, up €112 million compared with 2012 restated (+12%), the effect of the increase in revenues and the recognition in the previous year of charges in respect of the transition-to-retirement plan (€39 million), partially offset by an increase in costs due mainly to the introduction of a tax on renewables generation in Greece (€16 million) and the expansion of installed capacity.

Operating income, totaled €663 million, an increase of €121 million compared with 2012 restated. The rise is associated with the increase in the gross operating margin and a decrease in depreciation and amortization compared with 2012 restated. The increase in depreciation due to the expansion of net installed capacity was more than offset by the positive impact of the revision of the useful lives of assets to be relinquished free of charge following the enactment of Law 134/2012.

Employees at the end of the year

In the Italy and Europe area, the number of employees rose by 125 in 2013 compared with 2012 (+5.9%), notably in Italy, Greece and Romania.

Number

	2013	2012	Change
Italy and Europe	**2,255**	**2,130**	**125**
Italy	2,054	1,942	112
France	54	52	2
Greece	79	75	4
Romania	58	52	6
Bulgaria	7	7	-
Netherlands	3	2	1

Capital expenditure

Capital expenditure in 2013 amounted to €395 million (€773 million in 2012), of which €325 million in Italy (€390 million in 2012) and €70 million in the rest of Europe (€383 million in 2012).

Investments in Italy mainly regarded the construction of geothermal plants in the amount of €174 million (€187 million in 2012), hydroelectric plants in the amount of €57 million (€57 million in 2012), photovoltaic plants totaling €44 million (€59 million in 2012) and wind plants in the amount of €30 million (€66 million in 2012).

In the rest of Europe, capital expenditure primarily regarded the construction of plants in Romania, of which solar plants

totaling €54 million (€6 million in 2012) and wind plants in the amount of €29 million (€251 million in 2012), and wind plants in France in the amount of €15 million (€8 million in 2012). The amount reported does not include grants received in Greece for plants on which construction has not yet begun.

Significant events

The following significant events in the Italy and Europe area supplement those already reported in the main "Significant events in 2013" section.

Start-up of new photovoltaic plants in Greece, Italy and Romania

In January 2013, Enel Green Power Hellas started operations at 13 new photovoltaic facilities with an installed capacity of 42 MW. At the same time, with ESSE, the equally held joint venture with Sharp, Enel Green Power started operations at six new photovoltaic plants with an installed capacity of 15 MW.

In July 2013, Enel Green Power has connected two new photovoltaic plants to its network, located in Serre Persano, in the province of Salerno, home of Enel's first photovoltaic power plant. The two plants have a total installed capacity of 21 MW. The photovoltaic panels have been installed on a plot of Italian Army land assigned to Enel Green Power in November 2011 following a tender held by Difesa Servizi SpA, the in-house company of the Italian Defense Ministry established in 2011 with the aim of leveraging the value of military assets.

In the same month, Enel Green Power connected its first photovoltaic plants to the grid in Romania. The plants are called Berceni 1 and Berceni 2 and are located in the district of Prahova, with a total installed capacity of about 19 MW. Another two photovoltaic plants, denominated Colibaşi (6.5 MW) and Podari (10 MW), entered service in October and November 2013, respectively.

Enel Green Power and SECI Energia (Maccaferri) team up to develop plants fueled by biomass from the reconversion of sugar refineries

In March 2013, Enel Green Power and SECI Energia signed the final agreement for the purchase of 50% of PowerCrop, the Maccaferri Group company dedicated to converting the former Eridania sugar refineries to the production of energy from biomass.

To this end, in July Enel Green Power and SECI Energia presented the project to develop the "Macchiareddu Renewable Energy Hub" to reconvert the former Eridania Sadam's Villasor sugar refinery into an electrical power plant of about 50 MW.

Partnership between Enel Green Power and COPROB for new biomass plant in Finale Emilia

August 9, 2013 - Enel Green Power and COPROB, the leading sugar beet producer in the country, assisted by financial advisor Valore e Capitale Srl, an investment banking firm specialized in the renewable energy sector, signed a partnership agreement for the construction of a 12.5 MW power plant in Finale Emilia (in the province of Modena) that will be fuelled by agricultural biomass. The project will be pursued through Enel Green Power's acquisition of 70% of Domus Energia (now named Enel Green Power Finale Emilia), formerly a COPROB Group company.

Agreement with Legacoop for the development of a network of mini biomass plants

November 20, 2013 - Enel Green Power and Legacoop, an association of more than 15 thousand companies operating in all regions and all sectors in Italy, signed an agreement to assess the possibility of building and operating a network of mini biomass generation plants.

The understanding is intended to lead to the creation of a joint business model for the development of a network of small plants located around the entire country.

Iberia and Latin America

Operations

Net installed capacity and net electricity generation

	Net installed capacity (MW)			Number of plants		
	2013	2012	Change	**2013**	2012	Change
Hydroelectric	775	789	(14)	42	42	-
Wind	2,210	1,862	348	105	97	8
Cogeneration	51	77	(26)	17	17	-
Biomass	23	23	-	3	3	-
Solar	13	13	-	7	7	-
Total	**3,072**	**2,764**	**308**	**174**	**166**	**8**
of which:						
- Iberia	*1,908*	*1,864*	*44*	*132*	*129*	*3*
- Latin America	*1,164*	*900*	*264*	*42*	*36*	*6*
- Panama	*300*	*300*	*-*	*1*	*1*	*-*
- Mexico	*197*	*197*	*-*	*6*	*6*	*-*
- Guatemala	*163*	*163*	*-*	*5*	*5*	*-*
- Chile	*272*	*92*	*180*	*4*	*2*	*2*
- Brazil	*177*	*93*	*84*	*23*	*20*	*3*
- Costa Rica	*55*	*55*	*-*	*3*	*3*	*-*

The increase in net installed wind capacity is largely attributable to Chile (180 MW), Brazil (84 MW) and Iberia (44 MW). The decline in cogeneration capacity reflects planned decommissioning, while the reduction in hydroelectric capacity is attributable to the expiry of hydroelectric concessions in Iberia.

	Electricity generation (GWh)			Average installed capacity (MW)		
	2013	2012	Change	**2013**	2012	Change
Hydroelectric	3,254	3,598	(344)	783	767	16
Wind	5,114	3,998	1,116	2,002	1,723	279
Cogeneration	240	330	(90)	51	82	(31)
Biomass	115	113	2	23	23	-
Solar	27	26	1	13	13	-
Total	**8,750**	**8,065**	**685**	**2,872**	**2,608**	**264**
of which:						
- Iberia	*4,924*	*4,340*	*584*	*1,899*	*1,833*	*66*
- Latin America	*3,826*	*3,725*	*101*	*973*	*775*	*198*
- Panama	*1,220*	*1,666*	*(446)*	*300*	*300*	*-*
- Mexico	*650*	*365*	*285*	*197*	*93*	*104*
- Guatemala	*665*	*582*	*83*	*164*	*142*	*22*
- Chile	*623*	*411*	*212*	*164*	*92*	*72*
- Brazil	*501*	*512*	*(11)*	*93*	*93*	*-*
- Costa Rica	*167*	*189*	*(22)*	*55*	*55*	*-*

The increase in output is essentially attributable to the increase in wind generation in Iberia, Mexico and Chile and hydroelectric output in Guatemala and Chile, factors that more than offset the decline in hydroelectric output in Panama and in cogeneration in Iberia as a result of decommissioning.

Plants not yet in service

	Plants under construction						Plants authorized					
	MW			Number			MW			Number		
	2013	2012	Change	**2013**	2012	Change	**2013**	2012	Change	**2013**	2012	Change
Hydroelectric	50	50	-	1	1	-	102	-	102	3	-	3
Wind	499	353	146	10	8	2	-	292	(292)	-	8	(8)
Solar	36	-	36	1	-	1	61	-	61	2	-	2
Total	**585**	**403**	**182**	**12**	**9**	**3**	**163**	**292**	**(129)**	**5**	**8**	**(3)**
of which:												
- Iberia	*-*	*83*	*(83)*	*-*	*3*	*(3)*	*-*	*-*	*-*	*-*	*-*	*-*
- Chile	*135*	*180*	*(45)*	*2*	*2*	*-*	*60*	*99*	*(39)*	*1*	*1*	*-*
- Mexico	*202*	*-*	*202*	*2*	*-*	*2*	*-*	*-*	*-*	*-*	*-*	*-*
- Costa Rica	*50*	*50*	*-*	*1*	*1*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
- Brazil	*198*	*90*	*108*	*7*	*3*	*4*	*103*	*193*	*(90)*	*4*	*7*	*(3)*

The main plants under construction and authorized are those in the wind segment in Brazil (Cristal, 60 MW, Leilao 2011, 138 MW) and the hydroelectric segment (Apiacás, 102 MW), in Chile in the wind sector (Taltal, 99 MW) and solar sector (Lalackama, 60 MW, Emelda, 36 MW), in Mexico in the wind sector (Sureste, 102 MW, Dominica, 100 MW) and hydroelectric power in Costa Rica (Chucas, 50 MW).

Performance and financial position

Millions of euro

	2013	2012	Change
Revenues from third parties including commodity risk management	864	792	72
Revenues from other segments	7	5	2
Total revenues including commodity risk management	**871**	**797**	**74**
Gross operating margin	**497**	**497**	**-**
Operating income	**263**	**272**	**(9)**
Employees at year end (no.) [(1)]	1,007	921	86
Operating capital expenditure	652	339	313

(1) Including 3 in companies consolidated on a proportionate basis.

Revenues from third parties including commodity risk management amounted to €864 million, up €72 million (taking account of exchange rate losses of €20 million), mainly due to an increase in revenues from the sale of electricity (€67 million), including revenues from incentives, largely attributable to the effect of increased volumes in Latin America (€54 million) and Iberia (€13 million). Revenues in Spain reflect the estimated impact of the regulatory changes introduced with Royal Decree Law 9/2013.

The **gross operating margin** came to €497 million, in line with the previous year (taking account of exchange rate losses of €10 million). The rise in revenues was entirely offset by the increase in operating expenses associated with the purchase of electricity and fuel (€41 million) in Panama, Chile and Iberia, as well as the introduction in Spain of a tax on renewables generation (€26 million).

Operating income totaled €263 million, down €9 million compared with 2012 (€272 million) as a result of an increase in depreciation, amortization and impairment losses (€5 million) recognized for a number of specific projects in Nicaragua and Spain.

Employees at the end of the year

The Iberia and Latin America area saw the number of employees rise by 86 or 9.3%. The increase is attributable to the substantial rise in the workforces in Mexico, Chile and Brazil, consistent with the expansion of operations in those countries.

Number

	2013	2012	Change
Iberia and Latin America	**1,007**	**921**	**86**
Spain	205	201	4
Portugal	51	58	(7)
Brazil	227	204	23
Chile	127	100	27
Colombia	3	1	2
Peru	4	2	2
Costa Rica	80	73	7
El Salvador	4	4	-
Guatemala	116	118	(2)
Mexico	98	59	39
Nicaragua	-	3	(3)
Panama	92	98	(6)

Capital expenditure

Capital expenditure in 2013 amounted to €652 million (€339 million in 2012). It is mainly accounted for by the construction of wind plants in Brazil in the amount of €308 million (€79 million in 2012), Chile in the amount of €149 million (€43 million in 2012), Mexico in the amount of €80 million (€16 million in 2012) and Iberia in the amount of €35 million (€122 million in 2012), as well as of hydroelectric plants in Costa Rica in the amount of €16 million (€14 million in 2012) and Guatemala in the amount of €2 million (€40 million in 2012).

Significant events

The following significant events in the Iberia and Latin America area supplement those already reported in the main "Significant events in 2013" section.

Loan agreements in Chile and Mexico

In March and in June 2013, the subsidiaries Enel Latin America (Chile) Ltda and Enel Green Power México Srl de Cv reached agreements with Banco Bilbao Vizcaya Argentaria Chile (BBVA) for two $100 million loans with a 5-year maturity to be used to cover part of their planned investments over the next few years in Chile and Mexico.

In August 2013, Enel Latin America (Chile) Ltda also finalized another $100 million loan with a 5-year maturity with Banco de Crédito e Inversiones. The investment plan for Chile will also be funded with another loan obtained by Enel Green Power SpA, through its subsidiary Enel Green Power International BV, from the Danish Export Credit Agency (EKF) and Citi. The 12-year loan has value of €100 million.

New wind plants in Chile and Spain

In April 2013 Enel Green Power won a public tender organized by the Chilean Ministry of National Assets to build a wind farm named Sierra Gorda Este, located in the region of Antofagasta. The company has been granted the exclusive right to develop, build and operate a wind project of up to 130 MW.

In August 2013, construction began on the Taltal plant, with a total capacity of 99 MW.

In May 2013, Enel Green Power España started operation of the new 13.5 MW Ampliación Sierra del Cortado wind plant, located at Almenar de Soria, in the region of Castilla y León.

Enel Green Power awarded 88 MW of wind capacity in public tender in Brazil

In August 2013, following the 2013 Brazilian Reserve Auction, Enel Green Power was awarded the right to enter into three 20-year electricity supply contracts with the Brazilian Chamber of Commercialization of Electric Energy (*Camara de Comercialização de Energia Elétrica* - CCEE) to deliver power produced by three wind projects with a total capacity of 88 MW.

Construction begun of the largest solar plant in Chile

In November 2013, Enel Green Power began construction at Diego de Almagro, in Chile, of the Company's first photovoltaic plant in that country, with installed capacity of 36 MW.

North America

Operations

Net installed capacity and net electricity generation

	Net installed capacity (MW)			Number of plants		
	2013	2012	Change	**2013**	2012	Change
Hydroelectric	317	313	4	63	62	1
Wind	1,266	832	434	27	25	2
Geothermal	72	47	25	3	2	1
Biomass	-	21	(21)	-	1	(1)
Solar	28	26	2	2	1	1
Total	**1,683**	**1,239**	**444**	**95**	**91**	**4**

Net installed capacity expanded by 444 MW compared with December 31, 2012. The growth is mainly attributable to the wind plants of Chisholm View (235 MW) and Prairie Rose (199 MW), control of which was acquired in the 2nd Quarter of 2013. In addition, installed geothermal capacity increased (25 MW) thanks to the entry into service of the Cove Fort plant, while installed biomass capacity decreased as a result of the sale of the Canadian company St-Félicien (21 MW).
In addition, in December the Buffalo Dunes plant (250 MW), developed under a partnership arrangement, came on line.

	Electricity generation (GWh)			Average installed capacity (MW)		
	2013	2012	Change	**2013**	2012	Change
Hydroelectric	1,060	933	127	315	313	2
Wind	3,842	2,492	1,350	1,108	749	359
Geothermal	280	257	23	48	47	1
Biomass	133	175	(42)	16	21	(5)
Solar	45	42	3	27	26	1
Total	**5,360**	**3,899**	**1,461**	**1,514**	**1,156**	**358**

The growth in output, more than 90% of which came in the wind sector, is mainly attributable to the acquisition of control of the Chisholm View and Prairie Rose wind plants in the 2nd Quarter of 2013.

Plants not yet in service

	Plants under construction						Plants authorized					
	MW			Number			MW			Number		
	2013	2012	Change	**2013**	2012	Change	**2013**	2012	Change	**2013**	2012	Change
Hydroelectric	-	-	-	-	-	-	-	-	-	-	-	-
Wind	150	-	150	1	-	1	-	-	-	-	-	-
Geothermal	-	25	(25)	-	2	(2)	-	-	-	-	-	-
Biomass	-	-	-	-	-	-	-	-	-	-	-	-
Solar	-	-	-	-	-	-	-	3	(3)	-	1	(1)
Total	**150**	**25**	**125**	**1**	**2**	**(1)**	**-**	**3**	**(3)**	**-**	**1**	**(1)**

The main wind plant under construction is the Origin facility (150 MW).

Performance and financial position

Millions of euro

	2013	2012	Change
Revenues from third parties including commodity risk management	363	300	63
Revenues from other segments	-	-	-
Total revenues including commodity risk management	**363**	**300**	**63**
Gross operating margin	**246**	**197**	**49**
Operating income	**139**	**116**	**23**
Employees at year end (no.)	337	358	(21)
Operating capital expenditure	202	145	57

Total revenues including commodity risk management amounted to €363 million, up €63 million (taking account of exchange rate losses of €12 million) on 2012 restated as a result of the rise in revenues from the sale of electricity (€46 million) and tax partnerships (€42 million), in line with the expansion in output and the decline in other revenues (€27 million).

Other revenues amounted to €44 million in 2013. They are largely accounted for by the effects of the disposal of a controlling interest of 51% in Buffalo Dunes for €67 million, comprising a development fee of €35 million and reimbursement of preliminary investments made during the negotiations in the amount of €32 million. Overall, the transaction involved the recognition of €40 million in other revenues, of which €20 million in respect of the gain on the interest sold and €20 million from the consequent remeasurement at fair value of the 49% still held.
Other revenues for the previous year, equal to €71 million, were mainly associated with the cancellation of the payable for the success fees recognized in the previous year for the acquisition of the Caney River project (€31 million) following agreements with the partners, the remeasurement at fair value of the assets and liabilities of Trade Wind Energy (€21 million), whose status with regard to control changed, and the disposal of property, plant and equipment (€10 million).

The **gross operating margin** amounted to €246 million, up €49 million on 2012 (taking account of exchange rate losses of €8 million), the net result of the rise in revenues and the increase in operating expenses associated with the expansion of installed capacity.

Operating income came to €139 million, up €23 million on 2012. The increase in the gross operating margin was partly offset by the rise of €26 million in depreciation, amortization and impairment losses associated with the increase in installed capacity.

Employees at the end of the year

Changes in the workforce in the North America area reflects the sale of the Canadian cogeneration plant at St-Félicien.

Number

	2013	2012	Change
North America	**337**	**358**	**(21)**
United States	329	320	9
Canada	8	38	(30)

Capital expenditure

Capital expenditure in 2013 amounted to €202 million (€145 million in 2012) and mainly regarded the construction of wind plants in the amount of €131 million (€110 million in 2012) and geothermal plants in the amount of €51 million (€27 million in 2012).

Following the exercise of the option to acquire an additional 26% of the companies, the Group increased its interests in Chisholm View LLC and Prairie Rose LLC from 49% (accounted for using the equity method) to 75% (consolidated line-by-line).

Significant events

The following significant events in the North America area supplement those already reported in the main "Significant events in 2013" section.

Enel Green Power North America among five operators in the geothermal industry selected as preferential suppliers by the US Army

May 9, 2013 - Enel Green Power North America is one of five companies selected to participate in tenders organized by the United States Army for the supply of energy (power purchase agreements) generated with geothermal technology.

Agreement for disposal of St-Félicien biomass plant

October 9, 2013 - Enel Green Power Canada Inc. reached an agreement for the disposal of its 21.4-MW biomass plant at St-Félicien.

Enel Green Power North America obtains OHSAS 18001 and ISO 14001 certifications

October 25, 2013 - Enel Green Power North America obtained independent certification of its management system under OHSAS 18001 from Occupational Health & Safety Advisory Services and ISO 14001 from International Organization for Standardization. With the certifications, Enel Green Power North America completes achievement of the Group target of obtaining certification of 100% of its plants.

Main risks and uncertainties

Price and market risks

Owing to the very nature of its business, the Group is exposed to the risk of changes in the market prices of electricity and in the regulatory framework.
In order to mitigate its exposure to price risk, the Group has developed a margin stabilization strategy that involves placing the electricity generated under contract in advance, using long-, medium- and short-term contracts in line with commercial practices in the countries in which the Group operates. The Group has also implemented formal policies and procedures that govern the sale of energy in the various markets in which the Group operates as well as the measurement of the residual commodity risk, the specification of a ceiling for maximum acceptable risk and the implementation of a hedging strategy using derivatives. The Group is only marginally exposed to changes in the prices of fuels.
As regards the risk of unexpected rule changes in regulated sectors that could impact results, the Group maintains constant relations with local government and regulatory bodies, adopting a transparent, collaborative and proactive approach to assessing and removing sources of instability in the regulatory context.

Volume risks

The volume of output can vary, both due to the natural variability of the sources used to produce power and to the possible unavailability of plants.
The technological and geographical diversification of the Group's generation assets helps mitigate the natural variability of the availability of hydroelectric, wind and solar energy resources, which as we know changes in relation to the weather conditions in which the plants are located. A significant share of geothermal output, which is not exposed to the variability of weather conditions, helps mitigate this volume risk.
The risk associated with possible breakdowns or accidents that temporarily compromise the operation of plants is mitigated using appropriate prevention and protection strategies, including preventive and predictive maintenance techniques and applying international best practices. The residual risk is managed using specific insurance policies to cover a broad range of operational risks, including financial losses due to lost production.

Financial risks

The Group is exposed to exchange rate risk associated with cash flows in respect of the sale of electricity on international markets, cash flows in respect of investments or other items in foreign currency and, to a marginal extent, debt denominated in currencies other than the functional currency of the respective countries.
In order to reduce the exchange rate risk associated with these exposures, the Group uses derivatives (especially forwards) as well as a policy to balance inward and outward cash flows in respect of assets and liabilities denominated in foreign currencies.
The source of exposure to interest rate risk for the Group is floating-rate debt. The Group's risk management policy has the dual objective of curbing borrowing costs and their volatility. More specifically, in order to reduce the amount of debt exposed to changes in interest rates, the Group uses derivatives (especially interest rate swaps).

Outlook

In 2013 Enel Green Power confirmed its leadership position in the renewable energy sector and achieved all of the strategic objectives announced to the financial community despite continuing market tensions and developments in regulatory affairs, especially in the European countries.

The year 2014 will be a challenging one for the Group, which will be called upon to contain the contraction in prices in the main European markets and respond effectively to the unfavorable economic measures adopted to counter the ongoing crisis. Enel Green Power has developed a strategic plan that provides for expanding its installed capacity primarily in the emerging economies, with a balance mix of generation technologies.

The Group's attention will be directed at markets with abundant renewable resources, stable regulatory frameworks and strong economic growth. In 2014, we will continue to seek new growth opportunities in countries with considerable potential for expansion in order to increase geographical diversification even further.

In addition to pursuing the objective of expanding capacity, the Group will also continue its efforts to rationalize operating expenses by operating its plants more directly and with greater efficiency. We will also continue to seek out economies of scale, especially in procurement.

The Group will also continue to work on research and development of innovative technologies, devoting full attention to environmental and safety issues.

Regulations governing non-EU subsidiaries

At the date of approval by the Board of Directors of the financial statements of Enel Green Power SpA for 2013 – March 7, 2014 – the Enel Green Power Group meets the conditions for the listing of shares of companies with control over companies established and regulated under the law of non-EU countries (hereinafter "non-EU subsidiaries") established by CONSOB with Article 36 of the Market Rules (approved with Resolution no. 16191 of October 29, 2007 as amended).

Specifically, we report that:

a) in application of the materiality criteria for the purposes of consolidation introduced in Article 36, paragraph 2, of the CONSOB Market Rules, 40 non-EU subsidiaries of the Enel Green Power Group have been identified to which the rules in question apply on the basis of the consolidated financial statements of the Enel Green Power Group at December 31, 2012.

   They are: 1) Enel Fortuna SA (Panama); 2) Enel Green Power North America Inc. (USA); 3) Essex Company (USA); 4) Enel Geothermal LLC (USA); 5) Enel Brasil Participações Ltda (Brazil); 6) Renovables de Guatemala SA (Guatemala); 7) Smoky Hills Wind Project II LLC (USA); 8) Texkan Wind LLC (USA); 9) Enel Green Power Canada Inc. (Canada); 10) Nevkan Renewables LLC (USA); 11) Enel Green Power Panama SA (formerly Enel Panama SA) (Panama); 12) Enel Green Power Chile Ltda (formerly Enel Latin America) (Chile); 13) Enel Stillwater LLC (USA); 14) Smoky Hills Wind Farm LLC (USA); 15) Empresa Eléctrica Panguipulli SA (Chile); 16) Hydro Development Group Inc. (USA); 17) Empresa Eléctrica Puyehue SA (Chile); 18) Geotérmica del Norte SA (Chile); 19) Snyder Wind Farm LLC (USA); 20) Enel Kansas LLC (USA); 21) Enel Nevkan Inc. (USA); 22) Enel Texkan Inc. (USA); 23) Chi Hydroelectric Company Inc. (Canada); 24) Enel Salt Wells LLC (USA); 25) Primavera Energia SA (Brazil); 26) Padoma Wind Power LLC (USA); 27) Isamu Ikeda Energia SA (Brazil); 28) Generadora de Occidente Ltda (Guatemala); 29) Enel Green Power México Srl de Cv (formerly Impulsora Nacional de Electricidad Srl de Cv) (Mexico); 30) Mexicana de Hidroelectricidad Mexhidro Srl de Cv (Mexico); 31) Enel Green Power Costa Rica SA (formerly Enel de Costa Rica SA) (Costa Rica); 32) Enel Green Power Latin America Ltda (formerly Energía Alerce Ltda) (Chile); 33) Enel Cove Fort LLC (USA); 34) Proveedora de Electricidad de Occidente Srl de Cv (Mexico); 35) Caney River Wind Project LLC (USA); 36) Rocky Caney Wind LLC (USA); 37) Rocky Ridge Wind Project LLC (USA); 38) Stipa Nayaá SA de Cv (Mexico); 39) PH Chucas SA (Costa Rica); and 40) EGP Stillwater Solar LLC (USA);

b) the balance sheet and income statement for the 2013 financial statements of the above companies included in the reporting package used for the purpose of preparing the consolidated financial statements of the Enel Green Power Group will be made available to the public by Enel Green Power SpA (pursuant to Article 36, paragraph 1a) of the CONSOB Market Rules) at least 15 days prior to the day scheduled for the Ordinary Shareholders' Meeting to be called to approve the 2013 financial statements of Enel Green Power SpA, together with the summary documents of the essential information from the most recent financial statements of subsidiaries and associates (pursuant to the provisions of Article 77, paragraph 2-*bis*, of the CONSOB Issuers Rules as approved in Resolution no. 11971 of May 14, 1999, as amended);

c) the articles of association and the composition and powers of the corporate bodies from all the above subsidiaries have been obtained by Enel Green Power SpA and are available in updated form to CONSOB where the latter should request such information for supervisory purposes (pursuant to Article 36, paragraph 1b) of the CONSOB Market Rules);

d) Enel Green Power SpA has verified that the above subsidiaries:

   (i) provide the auditor of the Parent Company, Enel Green Power SpA, with information necessary to perform annual and interim audits of Enel Green Power SpA (pursuant to Article 36, paragraph 1ci) of the CONSOB Market Rules);

   (ii) use an administrative and accounting system appropriate for regular reporting to the management and auditor of the Parent Company, Enel Green Power SpA, of income statement, balance sheet and financial data necessary for preparation of the consolidated financial statements of the Enel Green Power Group (pursuant to Article 36, paragraph 1cii) of the CONSOB Market Rules).

Regulations governing subsidiaries subject to the management and coordination of other companies

Enel Green Power SpA meets the conditions for admission to trading of the shares of subsidiaries subject to management and coordination by another listed company pursuant to Article 37, paragraph 1, of the Market Rules (approved with Resolution no. 16191 of October 29, 2007 as amended).

In particular, Enel Green Power SpA as a subsidiary subject to management and coordination by another company:

a) has fulfilled publication obligations pursuant to Article 2497-*bis* of the Italian Civil Code;
b) has independent decision-making powers in relations with customers and suppliers;
c) has a centralized treasury with Enel SpA that satisfies the interests of the Company, as it gives Enel Green Power greater capacity for planning, monitoring and covering liquidity requirements and, therefore, optimizes liquidity management and also makes it possible to access the services on competitive terms, drawing on the long, specialized experience of the Parent Company in providing such services and its effective capacity to access the banking and financial system, as verified by the Board of Auditors;
d) has a Control and Risk Committee, a Related Parties Committee and an Appointment and Compensation Committee, which are entirely composed of independent directors pursuant to Article 37, paragraph 1-*bis*, of the Market Rules. As a subsidiary subject to management and coordination by another listed Italian company, Enel Green Power SpA also has a Board of Directors composed of a majority of independent directors (again pursuant to Article 37 of the Market Rules).

Related parties

In December 2010 the Board of Directors of Enel Green Power SpA approved a procedure governing the authorization and execution of transactions with related parties by Enel Green Power SpA, either directly or through subsidiaries. The procedure (which can be found at http://www.enelgreenpower.com/en-GB/company/governance/related_parties/) sets out a series of rules designed to ensure the transparency and procedural and substantive propriety of transactions with related parties and was adopted in implementation of the provisions of Article 2391-*bis* of the Italian Civil Code and the implementing rules established by CONSOB.

More specifically, in 2013 transactions with related parties regarded, among others:

- the management of exposures to changes in interest rates and exchange rates;
- the provision of professional and other services;
- the management of shared services;
- transactions in electricity;
- transactions in green and white certificates.

In addition, during the year Enel Green Power opted to participate in the consolidated taxation mechanism of its controlling shareholder, Enel SpA.
Under the provisions of the uniform tax code (Presidential Decree 917/1986, Article 117 *et seq*.) concerning the consolidated taxation mechanism, Enel Green Power SpA renewed participation by the statutory deadline in the consolidated tax mechanism with Enel SpA (the controlling company) for the 2013-2015 period, consequently regulating all reciprocal obligations and responsibilities. Enel Green Power Partecipazioni Speciali Srl did not have to renew its participation as it joined the Group taxation mechanism in 2012 and the three-year period will expire in 2014.

During 2013, a number of transactions with related parties that qualified as ordinary transactions of "greater importance" with a related party were carried out by Enel Green Power SpA directly or through a subsidiary on terms equivalent to market or standard terms and conditions.
These transactions qualify for the exemption referred to in Article 13.3(c) of the "Regulation governing transactions with related parties" adopted by CONSOB with Resolution no. 17221 of March 12, 2010, as amended ("Related Parties Regulation") and the related procedure adopted by Enel Green Power SpA in implementation of the regulation. As such, those transactions are not subject to the publication requirements provided for transactions of greater importance with related parties under Article 5, paragraphs 1 to 7, of the Related Parties Regulation. Those transactions were in any case notified specifically to CONSOB in accordance with Article 13.3(c).

The following provides a summary of the main features of the transactions:

Transaction party: Enel Green Power SpA.
Transaction counterparty: Enel Trade SpA.
Nature of relationship: company subject to the common control of Enel SpA.
Nature of the transaction: a framework agreement for the sale of electricity for 2014, to be implemented through bilateral physical contracts, and a framework agreement for the sale of electricity for 2014 to be implemented through bilateral financial contracts.
Value: a maximum of €430 million and €600 million, respectively.

Transaction party: Enel Green Power International BV, a wholly-owned subsidiary of Enel Green Power SpA.
Transaction counterparty: Enel Finance International NV.
Nature of relationship: company subject to the common control of Enel SpA.
Nature and value of the transaction: a financing contract representing a long-term credit facility with a total value of €3 billion disbursable in two tranches. The terms of the loan are in line with terms and conditions obtainable on the debt market with the leading financial counterparties available. Following execution of the contract, the parties modified one of its provisions to extend the period of use of the first tranche of the loan by three months.

Transaction party: Enel Green Power SpA.
Transaction counterparty: Enel SpA.
Nature of relationship: Parent Company.
Nature of the transaction: a 15-year guarantee for a maximum of €210 million (105% of the principal value of the guaranteed loan) granted in favor of the European Investment Bank in the interest of Enel Green Power International BV.
Value of the transaction: the terms and conditions of the guarantee are in line with those generally granted by Enel Green

Power SpA to leading banks for transactions of a similar amount and maturity.

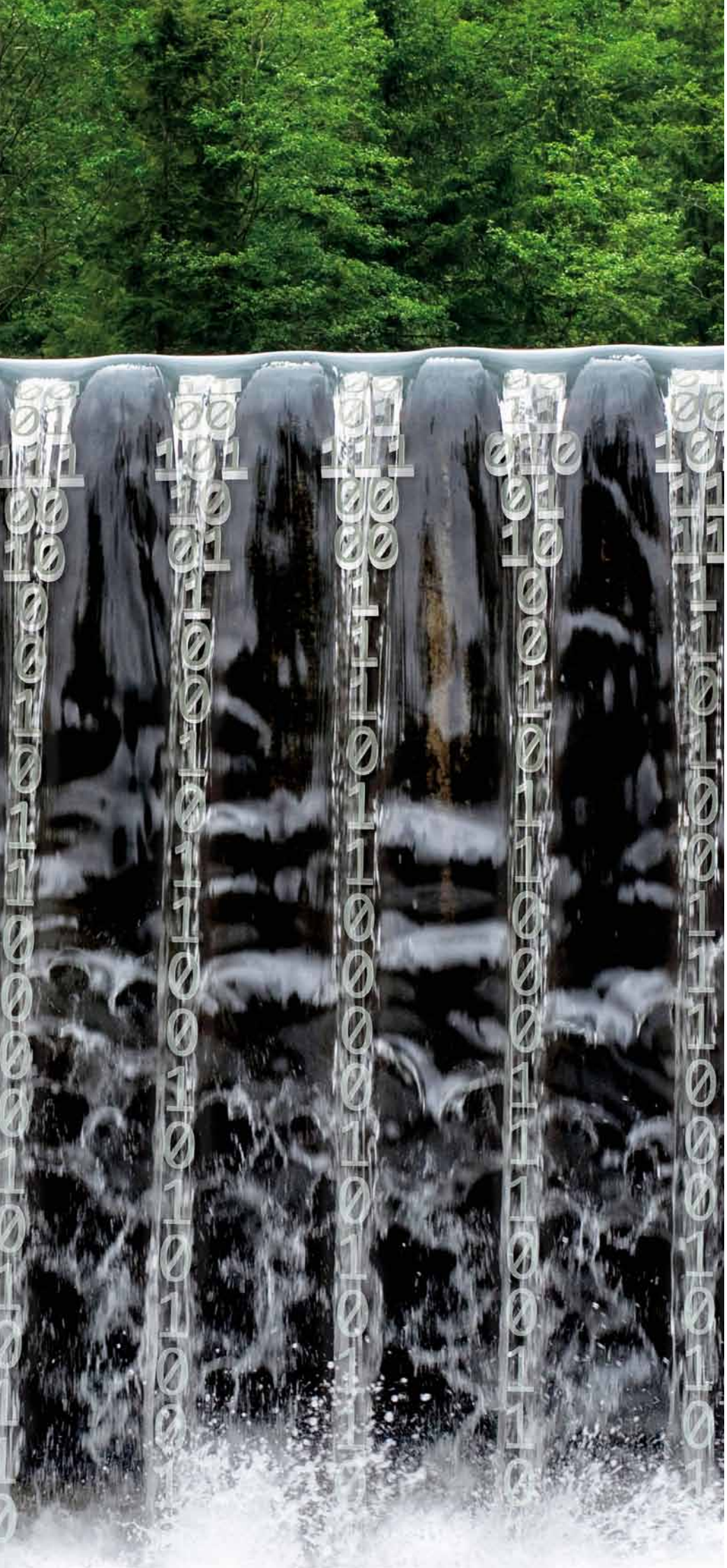
Transaction party: Enel Green Power International BV, a wholly-owned subsidiary of Enel Green Power SpA.
Transaction counterparty: Enel Finance International NV.
Nature of relationship: company subject to the common control of Enel SpA.
Nature and value of the transaction: renewal of a financing contract of €1.2 billion. The terms and conditions of the renewal are in line with those obtainable on the debt market with banks for loans of the same amount and maturity as the contract involved in this transaction.

In addition, in the 1st Half of 2013, Enel Green Power SpA and Enel Energia SpA reached an agreement for the sale to the latter of the entire share capital of Enel.si Srl.
The price was paid in a single installment at the effective date of the transfer of the investment, set at July 1, 2013. The sale of Enel.si Srl qualifies as a transaction of "lesser importance" with a related party pursuant to the specific procedure adopted by Enel Green Power SpA on the basis of the applicable CONSOB regulations.
The following provides a summary of the main features of the transaction.
Transaction counterparty: Enel Energia SpA.
Nature of relationship: company subject to the common control of Enel SpA.
Nature of the transaction: sale of the entire share capital of Enel.si Srl.
Price: the price paid by Enel Energia SpA for the entire share capital of Enel.si Srl was about €92 million (subject to a price adjustment estimated at €11 million at the effective date of the transfer of the investment, of which €6 million has been paid). The price was determined on the basis of the enterprise value at December 31, 2012 (equal to about €76 million) and the net financial position of the company at the same date (a positive €16 million).

Reconciliation of shareholders' equity and net income of Enel Green Power SpA and the corresponding consolidated figures

Pursuant to CONSOB Notice no. DEM/6064293 of July 28, 2006, the following table provides a reconciliation of Group results for the year and shareholders' equity with the corresponding figures for the separate financial statements of the Parent Company.

Millions of euro	Income statement		Shareholders' equity	
	2013	2012 restated	**at Dec. 31, 2013**	at Dec. 31, 2012 restated
Separate financial statements - Enel Green Power	**290**	**210**	**6,648**	**6,480**
Carrying amount and impairment adjustments of consolidated equity investments and equity investments accounted for using the equity method	64	47	(9,650)	(8,576)
Shareholders' equity and net income (calculated using harmonized accounting policies) of the consolidated companies and groups and those accounted for using the equity method, net of non-controlling interests	239	225	9,667	8,535
Intragroup dividends	(55)	(73)	-	-
Consolidation differences at the Group consolidation level	(10)	(22)	625	631
Total Group	**528**	**387**	**7,290**	**7,070**
Total non-controlling interests	**70**	**78**	**973**	**883**
CONSOLIDATED FINANCIAL STATEMENTS	**598**	**465**	**8,263**	**7,953**



Consolidated financial statements

Consolidated Income Statement

Millions of euro	Notes	2013		2012 restated [1]	
Revenues and income			*of which with related parties*		*of which with related parties*
Revenues from sales and services	7.a	2,263	*935*	2,064	*934*
Other revenues and income	7.b	494	*299*	420	*308*
		2,757		**2,484**	
Costs					
Raw materials and consumables	8.a	265	*70*	239	*35*
Services	8.b	444	*111*	413	*92*
Personnel	8.c	247		273	
Depreciation, amortization and impairment losses	8.d	722		696	
Other operating expenses	8.e	138	*4*	87	*27*
Capitalized costs		(103)		(162)	
		1,713		**1,546**	
Net income/(charges) from commodity risk management	9	**21**	*22*	**(8)**	*(5)*
Operating income		**1,065**		**930**	
Net financial income/(expense)	10	(268)	*(171)*	(228)	*(156)*
Financial income		79	*37*	132	*4*
Financial expense		(347)	*(208)*	(360)	*(160)*
Share of income/(expense) from equity investments accounted for using the equity method	11	64		47	
Income before taxes		**861**		**749**	
Income taxes	12	324		284	
Net income from continuing operations		**537**		**465**	
Net income from discontinued operations [2]	13	**61**		**-**	
Net income for the year		**598**		**465**	
Pertaining to shareholders of the Parent Company		528		387	
Pertaining to non-controlling interests		70		78	
Earnings per share: basic and diluted (in euros)		*0.11*		*0.08*	
Earnings per share of continuing operations: basic and diluted (in euros)		*0.10*		*0.08*	
Earnings per share of discontinued operations: basic and diluted (in euros)		*0.01*		*0.00*	

(1) For more information, please see note 4 "Restatement of comparative figures at December 31, 2012".
(2) The net income from discontinued operations pertains entirely to the shareholders of the Parent Company.

Statement of Consolidated Comprehensive Income

Millions of euro

	2013	2012 restated [1]
Net income for the year	**598**	**465**
Other comprehensive income:		
Remeasurement of defined-benefit obligations	(3)	(2)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (a)	**(3)**	**(2)**
Gain/(Loss) on cash flow hedge derivatives	43	(14)
Income/(Loss) recognized in equity by companies accounted for using equity method	2	-
Gain/(Loss) on translation differences	(218)	(86)
Other comprehensive income to be reclassified to profit or loss in subsequent periods (b)	**(173)**	**(100)**
Income/(Loss) recognized directly in equity (net of taxes) (a+b)	**(176)**	**(102)**
Comprehensive income for the year	**422**	**363**
- Pertaining to shareholders of the Parent Company	*350*	*297*
- Pertaining to non-controlling interests	*72*	*66*

(1) For more information, please see note 4 "Restatement of comparative figures at December 31, 2012".

Consolidated Balance Sheet

Millions of euro	Notes	at Dec. 31, 2013	of which with related parties	at Dec. 31, 2012 restated (1)	of which with related parties
ASSETS					
Non-current assets					
Property, plant and equipment	14	11,851	*28*	10,878	*26*
Intangible assets	15	1,328		1,340	
Goodwill	16	882		889	
Deferred tax assets	17	318		312	
Equity investments accounted for using the equity method	18	508		533	
Non-current financial assets	19	363	*325*	328	*14*
Other non-current assets	20	145	*3*	83	
		15,395		**14,363**	
Current assets					
Inventories	21	93		64	
Trade receivables	22	364	*185*	500	*132*
Tax receivables	23	63	*2*	63	*6*
Current financial assets	24	224	*182*	428	*370*
Other current assets	25	417	*96*	415	*93*
Cash and cash equivalents	26	343		333	
		1,504		**1,803**	
Assets held for sale	27	37	*1*	-	
TOTAL ASSETS		**16,936**		**16,166**	
LIABILITIES AND SHAREHOLDERS' EQUITY					
Equity pertaining to the shareholders of the Parent Company	28				
Share capital		1,000		1,000	
Reserves		5,762		5,683	
Net income for the period		528		387	
		7,290		**7,070**	
Non-controlling interests	29	973		883	
of which net income		*70*		*78*	
TOTAL SHAREHOLDERS' EQUITY		**8,263**		**7,953**	
Non-current liabilities					
Long-term loans	30	5,277	*2,480*	4,617	*2,491*
Post-employment and other employee benefits	31	48		89	
Provisions for risks and charges	32	118		101	
Deferred tax liabilities	17	694		602	
Non-current financial liabilities	33	37	*14*	67	*34*
Other non-current liabilities	34	183		137	
		6,357		**5,613**	
Current liabilities					
Short-term loans	35	839	*796*	818	*725*
Current portion of long-term loans	30	220	*2*	202	
Current portion of long-term provisions and short-term provisions	32	14		2	
Trade payables	36	753	*165*	1,070	*302*
Income tax payable	37	42		44	
Other current liabilities	38	343	*51*	375	*17*
Current financial liabilities	39	93	*76*	89	*71*
		2,304		**2,600**	
Liabilities held for sale	40	**12**		**-**	
TOTAL LIABILITIES		**8,673**		**8,213**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**16,936**		**16,166**	

(1) For more information, please see note 4 "Restatement of comparative figures at December 31, 2012".

Statement of Changes in Consolidated Shareholders' Equity

Millions of euro	Share capital	Reserves					Total reserves	Net income pertaining to shareholders of Parent Company	Equity pertaining to the shareholders of the Parent Company	Non-controlling interests	Total shareholders' equity
		Reserve from measurement of CFH financial instruments	Reserve from equity investments accounted for using the equity method	Translation reserve	Reserve for employee benefits	Other reserves					
At January 1, 2012	**1,000**	**(30)**	**(7)**	**75**	**-**	**5,451**	**5,489**	**408**	**6,897**	**841**	**7,738**
Income/(Loss) recognized directly in equity	-	(8)	-	(80)	-	-	**(88)**	-	**(88)**	(12)	**(100)**
Net income/(loss) for the period	-	-	-	-	-	-	**-**	413	**413**	78	**491**
Comprehensive income	**-**	**(8)**	**-**	**(80)**	**-**	**-**	**(88)**	**413**	**325**	**66**	**391**
Allocation of net income for the year	-	-	-	-	-	408	**408**	(408)	**-**	-	**-**
Dividends	-	-	-	-	-	(124)	**(124)**	-	**(124)**	(33)	**(157)**
Change in scope of consolidation and other changes	-	-	(5)	-	-	5	**-**	-	**-**	-	**-**
At December 31, 2012	**1,000**	**(38)**	**(12)**	**(5)**	**-**	**5,740**	**5,685**	**413**	**7,098**	**874**	**7,972**
Remeasurement of defined-benefit obligations	-	-	-	-	(2)	-	**(2)**	(26)	**(28)**	-	**(28)**
PPA effect	-	-	-	-	-	-	**-**	-	**-**	9	**9**
At December 31, 2012 restated [1]	**1,000**	**(38)**	**(12)**	**(5)**	**(2)**	**5,740**	**5,683**	**387**	**7,070**	**883**	**7,953**

(1) For more information, please see note 4 "Restatement of comparative figures at December 31, 2012".

Millions of euro	Share capital	Reserves					Total reserves	Net income pertaining to shareholders of Parent Company	Equity pertaining to the shareholders of the Parent Company	Non-controlling interests	Total shareholders' equity
		Reserve from measurement of CFH financial instruments	Reserve from equity investments accounted for using the equity method	Translation reserve	Reserve for employee benefits	Other reserves					
At January 1, 2013 restated [1]	**1,000**	**(38)**	**(12)**	**(5)**	**(2)**	**5,740**	**5,683**	**387**	**7,070**	**883**	**7,953**
Income/(Loss) recognized directly in equity	-	30	2	(207)	(3)	-	**(178)**	-	**(178)**	2	**(176)**
Net income/(loss) for the period	-	-	-	-	-	-	**-**	528	**528**	70	**598**
Comprehensive income	**-**	**30**	**2**	**(207)**	**(3)**	**-**	**(178)**	**528**	**350**	**72**	**422**
Allocation of net income for the year	-	-	-	-	-	387	**387**	(387)	**-**	-	**-**
Dividends	-	-	-	-	-	(130)	**(130)**	-	**(130)**	(38)	**(168)**
Change in scope of consolidation and other changes	-	-	-	-	-	-	**-**	-	**-**	56	**56**
At December 31, 2013	**1,000**	**(8)**	**(10)**	**(212)**	**(5)**	**5,997**	**5,762**	**528**	**7,290**	**973**	**8,263**

(1) For more information, please see note 4 "Restatement of comparative figures at December 31, 2012".

Consolidated Statement of Cash Flows

Millions of euro

	Notes	2013	*of which with related parties*	2012 restated [1]	*of which with related parties*
Income before taxes		**923**		**749**	
Adjustments for:					
Depreciation, amortization and impairment losses	8.d	722		696	
Provisions for risks and charges and post-employment and other employee benefits		-		4	
Share of net (income)/expense from equity investments accounted for using equity method	11	(64)		(47)	
Net financial (income)/expense	10	268	*171*	228	*156*
(Gains)/Losses and other non-monetary items		(91)		(16)	
Cash flows from operating activities before changes in net current assets		**1,758**		**1,614**	
Increase/(Decrease) in provisions for risks and charges and post-employment and other employee benefits		(17)		(13)	
(Increase)/Decrease in inventories		(29)		(3)	
(Increase)/Decrease in trade receivables and payables		(269)	*(190)*	120	*(93)*
(Increase)/Decrease in other current and non-current assets/liabilities		(155)	*18*	(141)	*65*
Interest income/(expense) and other financial income/(expense) collected/(paid)		(302)	*(80)*	(247)	*(153)*
Income taxes paid		(287)		(271)	
Cash flows from operating activities (a)		**699**		**1,059**	
- of which discontinued operations		*5*		*(3)*	
Investments in property, plant and equipment		(1,206)		(1,226)	
Investments in intangible assets	15	(43)		(31)	
Investments in entities (or business units) for success fees		-		(29)	
Investments in entities (or business units) less cash and cash equivalents acquired	5	(149)		(113)	
Disposals of entities (or business units) less cash and cash equivalents sold		173		(58)	
(Increase)/Decrease in other investing activities		53		-	
Dividends collected from associated companies		44		41	
Cash flows from investing activities (b)		**(1,128)**		**(1,416)**	
- of which discontinued operations		*85*		-	
Financial debt: new long-term borrowing/(repayments)	30	693	*62*	1,095	*185*
Financial debt: repayments and other net changes	30	(89)	*(125)*	(605)	*242*
Dividends and interim dividends paid		(150)	*(102)*	(147)	*100*
Cash flows from financing activities (c)		**454**		**343**	
- of which discontinued operations		*7*		*5*	
Impact of exchange rate fluctuations on cash and cash equivalents (d)	26	**(5)**		**(2)**	
- of which discontinued operations		-		-	
Increase/(Decrease) in cash and cash equivalents (a+b+c+d)		**20**		**(16)**	
- of which discontinued operations		*97*		*2*	
Cash and cash equivalents at the beginning of the year		333		349	
Cash and cash equivalents at the end of the year [2]		353		333	

(1) For more information, please see note 4 "Restatement of comparative figures at December 31, 2012".
(2) Of which cash and cash equivalents pertaining to "Assets held for sale" of €10 million at December 31, 2013. For more details, please see note 27.

Notes to the financial statements

Form and content of the financial statements

Enel Green Power SpA, operating in the electrical utilities industry, has its registered office in Viale Regina Margherita, 125, Rome, Italy.

The consolidated financial statements for the year ended December 31, 2013 comprise the financial statements of the Company, its subsidiaries and joint ventures ("the Group") and the Group's holdings in associated companies. A list of the subsidiaries, associated companies and joint ventures included in the scope of consolidation is reported in the annex.

These consolidated financial statements were authorized for publication by the Board on March 7, 2014.

These financial statements have been audited by Reconta Ernst & Young SpA.

Compliance with IFRS/IAS

The consolidated financial statements for the year ended December 31, 2013 have been prepared in accordance with international accounting standards (International Accounting Standards – IAS and International Financial Reporting Standards – IFRS) issued by the International Accounting Standards Board (IASB), the interpretations of the IFRS Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), recognized in the European Community pursuant to Regulation (EC) no. 1606/2002 and in effect as of the close of the year. All of these standards and interpretations are hereinafter referred to as the "IFRS-EU".

The financial statements have also been prepared in conformity with measures issued in implementation of Article 9, paragraph 3, of Legislative Decree 38 of February 28, 2005.

Basis of presentation

The consolidated financial statements consist of the consolidated income statement, the statement of consolidated comprehensive income, the consolidated balance sheet, the statement of changes in consolidated equity and the consolidated statement of cash flows and the related notes.

The assets and liabilities reported in the consolidated balance sheet are classified on a "current/non-current basis", with separate reporting of assets held for sale and liabilities associated with assets held for sale. 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.

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

The consolidated financial statements are presented in euro, the functional currency of the Parent Company Enel Green Power SpA. All figures are shown in millions of euro unless stated otherwise.

The financial statements are prepared on a going-concern basis using the cost method, with the exception of items that are measured at fair value under IFRS-EU, as specified in the measurement policies for the individual items.

The consolidated income statement, the consolidated balance sheet and the consolidated statement of cash flows report transactions with related parties, the definition of which is given in the next section.

In preparing the supplemental disclosures in these financial statements, due account was taken of the provision of CONSOB Recommendation no. 0061493 of July 18, 2013, concerning operators in the renewable energy industry.

1 Accounting policies and measurement criteria

Use of estimates and management judgment

Preparing the consolidated financial statements under IFRS-EU requires management to take decisions and make estimates and assumptions that may impact the value of revenues, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's

judgments 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 and assumptions are periodically revised and the effects of any changes are reflected through profit or loss 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.

In order to enhance understanding of the financial statements, the following sections examine the main items affected by the use of estimates and the cases that reflect management judgments to a significant degree, underscoring the main assumptions used by managers in measuring these items in compliance with the IFRS-EU. The critical element of such valuations is the use of assumptions and professional judgments concerning issues that are by their very nature uncertain.

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

Use of estimates

Pensions and other post-employment benefits

Some of the Group's employees participate in pension plans offering benefits based on their wage history and years of service. Certain employees are also eligible for other post-employment benefit schemes.

The expenses and liabilities of such plans are calculated on the basis of estimates carried out by consulting actuaries, who use a combination of statistical and actuarial elements in their calculations, including statistical data on past years and forecasts of future costs.

Other components of the estimation that are considered include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of wage increases, the inflation rate and trends in the cost of medical care.

These estimates can differ significantly from actual developments owing to changes in economic and market conditions, increases or decreases in withdrawal rates and the lifespan of participants, as well as changes in the effective cost of medical care.

Such differences can have a substantial impact on the quantification of pension costs and other related expenses.

Recoverability of non-current assets

The carrying amount of non-current assets is reviewed periodically and wherever circumstances or events suggest that more frequent review is necessary. Goodwill is reviewed at least annually. Such assessments of the recoverable amount of assets are carried out in accordance with the provisions of IAS 36, as described in greater detail in note 3 below.

Where the value of a group of non-current assets is considered to be impaired, it is written down to its recoverable value, as estimated on the basis of the use of the assets and their possible future disposal, in accordance with the company's most recent plans.

The estimates of such recoverable values are considered reasonable. Nevertheless, possible changes in the estimation factors on which the calculation of such values is performed could generate different recoverable values. The analysis of each group of non-current assets is unique and requires management to use estimates and assumptions considered prudent and reasonable in the specific circumstances.

Depreciable value of certain elements of Italian hydroelectric plants subsequent to enactment of Law 134/2012

Law 134 of August 7, 2012 containing "urgent measures for growth" (published in the *Gazzetta Ufficiale* of August 11, 2012, introduced a sweeping overhaul of the rules governing hydroelectric concessions. Among its various provisions, the law establishes that five years before the expiration of a major hydroelectric water diversion concession and in cases of lapse, relinquishment or revocation, where there is no prevailing public interest for a different use of the water, incompatible with its use for hydroelectric generation, the competent public entity shall organize a public call for tender for the award for consideration of the concession for a period ranging from 20 to a maximum of 30 years.

In order to ensure operational continuity, the law also governs the methods of transfer ownership of the business unit necessary to operate the concession, including all legal relationships relating to the concession, from the outgoing concession holder to the new concession holder, in exchange for payment of a price to be determined in negotiations between the departing concession holder and the grantor agency, taking due account of the following elements:

- for intake and governing works, penstocks and outflow channels, which under the consolidated law governing waters and electrical plants are to be relinquished free of charge (Article 25 of Royal Decree 1775 of December 11, 1933), the revalued cost less public capital grants, also revalued, received by the concession holder for the construction of such works, depreciated for ordinary wear and tear;
- for other property, plant and equipment, the market value, meaning replacement value, depreciated for ordinary wear and tear.

While acknowledging that the new regulations introduce important changes as to the transfer of ownership of the business unit with regard to the operation of the hydroelectric concession, the practical application of these principles faces difficulties, given the uncertainties that do not permit the formulation of a reliable estimate of the value that can be recovered at the end of existing concessions (residual value).

The main uncertainties are the following:

> the price for the transfer of the business unit must be negotiated with the grantor agency five years prior to the expiration of the concession, on the basis of currently unavailable technical and financial parameters that will be announced in a decree of the Ministry for Economic Development acting on an opinion of the Authority for Electricity and Gas;
> it is reasonable to expect that the process of quantifying that value will require assessments involving significant uncertainties, especially as regards the determination of the ordinary wear and tear of the assets under discussion and the positions that the parties involved could take;
> the law itself, which acknowledges the existence of objective uncertainties associated with the determination of the price, establishes that in the event of disagreement between the concession holder and the grantor, the issue shall be resolved through recourse to a panel of three independent and qualified third parties;
> at present no historic data are available as the rules have not yet been applied.

In view of the above uncertainties, the directors have decided to not attempt to formulate a reasonable and reliable estimate of residual value.

The fact that the legislation requires the new concession holder to make a payment to the departing concession holder prompted management to review the depreciation schedules for assets classified as to be relinquished free of charge prior to Law 134/2012 (until the year ended on December 31, 2011, given that the assets were to be relinquished free of charge, the depreciation period was equal to the closest date between the term of the concession and the end of the useful life of the individual asset), calculating depreciation no longer over the term of the concession but, if longer, over the economic and technical life of the individual assets. If additional information becomes available to enable the calculation of residual value, the carrying amounts of the assets involved will be adjusted prospectively.

Determining the fair value of financial instruments and contingent consideration in business combinations

The fair value of financial instruments is determined on the basis of prices directly observable in the market, where available, or, for unlisted financial instruments, using specific valuation techniques (mainly based on present value) that maximize the use of observable market inputs. In rare circumstances where this is not possible, the inputs are estimated by management taking due account of the characteristics of the instruments being measured.

In accordance with the new international accounting standard IFRS 13, the Group includes a measurement of credit risk, both of the counterparty (Credit Valuation Adjustment or CVA) and its own (Debit Valuation Adjustment or DVA), in order to adjust the fair value of financial instruments for the corresponding amount of counterparty risk.

More specifically, the Group measures CVA/DVA on the basis of the net exposure of the position to each counterparty and subsequently allocating the adjustment to the individual financial instruments that make up the overall portfolio. In order to measure CVA/DVA, the Company uses a Potential Future Exposure valuation technique, most of whose inputs are observable on the market.

Changes in the assumptions made in estimating the input date could have an impact on the fair value recognized for those instruments.

Any contingent consideration in business combinations is recognized at fair value on the basis of the probability of occurrence of the event giving rise to that consideration.

Recovery of deferred tax assets

At December 31, 2013, the financial statements report deferred tax assets in respect of tax losses to be reversed in subsequent years and income components whose deductibility is deferred in an amount whose recovery is considered by management to be highly probable.

The recoverability of such assets is subject to the achievement of future profits sufficient to absorb such tax losses and to use the benefits of the other deferred tax assets.

The assessment of recoverability takes account of the estimate of future taxable incomes and is based on prudent tax planning strategies. However, where the Company should become aware that it is unable to recover all or part of recognized tax assets in future years, the consequent adjustment would be taken to the income statement in the year in which this circumstance arises.

Litigation

The Enel Green Power Group is involved in various legal disputes regarding the generation, transport and distribution of electricity. In view of the nature of such litigation, it is not always objectively possible to predict the outcome of such disputes, which in some cases could be unfavorable.

Provisions have been recognized to cover all significant liabilities for cases in which legal counsel feels an adverse outcome is likely and a reasonable estimate of the amount of the loss can be made.

Provision for doubtful accounts

The provision for doubtful accounts reflects estimates of losses on the Group's receivables portfolio. Provisions have been made against expected losses calculated on the basis of historical experience with receivables with similar credit risk profiles, current and historical arrears, eliminations and collections, as well as the careful monitoring of the quality of the receivables portfolio and current and forecast conditions in the economy and the relevant markets.

Although we believe that the amount of such provisions is appropriate, the use of different assumptions or a change in economic conditions could result in changes in the provision for doubtful accounts and, therefore, impact net income.

The estimates and assumptions are reviewed periodically and the effects of any changes are taken to the income statement in the year they accrue.

Decommissioning and site restoration

In calculating liabilities in respect of decommissioning and site restoration costs, especially for the decommissioning of photovoltaic and wind power plants, the obligation, based on financial and engineering assumptions, is calculated by discounting the expected future cash flows that the Company considers it will have to pay for the decommissioning operation.

The discount rate used to determine the present value of the liability is the pre-tax risk-free rate and is based on the economic parameters of the country in which the plant is located.

That liability is quantified by management on the basis of the technology existing at the measurement date and is reviewed each year, taking account of developments in decommissioning and site restoration technology, as well as the ongoing evolution of the legislative framework governing health and environmental protection.

Subsequently, the value of the obligation is adjusted to reflect the passage of time and any changes in estimates.

Other

In addition to the items listed above, estimates mainly regarded the fair value measurement of assets acquired and liabilities assumed in business combinations. For these items, the estimates and assumptions are discussed in the notes on the accounting policies adopted.

Management judgments

Identification of cash generating units (CGUs)

In application of IAS 36 "Impairment of assets", the goodwill recognized in the consolidated financial statements of the Group as a result of business combinations has been allocated to individual or groups of CGUs that will benefit from the combination. A CGU is the smallest group of assets that generates largely independent cash inflows.

In identifying such CGUs, management took account of the specific nature of its assets and the business in which it is involved (geographical area, business area, regulatory framework, etc.), verifying that the cash flows of a given group of assets were closely interdependent and largely independent of those associated with other assets (or groups of assets).

The assets of each CGU were also identified on the basis of the manner in which management manages and monitors those assets within the business model adopted.

The CGUs identified by management to which the goodwill recognized in these consolidated financial statements has been allocated are indicated in the section on intangible assets, to which the reader is invited to refer.

The number and scope of the CGUs are updated systematically to reflect the impact of new business combinations and reorganizations carried out by the Group

Determination of the existence of control

IAS 27 "*Consolidated and separate financial statements*" defines control as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The existence of control does not depend solely on ownership of a majority shareholding or the contractual form used in the acquisition. Accordingly management must use its judgment in determining whether specific situations give the Group the power to govern the financial and operating policies of the investee.

For subsidiaries for which control does not derive from ownership of a majority of voting rights, management has analyzed any agreements with other investors in order to determine whether such agreements give the Group the power of governance indicated above, even though it holds a minority share of voting rights. In this assessment process, management also took account of potential voting rights (call options, warrants, etc.) in order to determine whether they would be currently exercisable as of the reporting date.

Identification of a business

The Group acquires the entities that hold project pipelines for renewables generation. In application of IFRS 3, the assets acquired, even if still under development, qualify as a business if

(i) its activities are planned; (ii) the plan may use the assets and rights; (iii) the plan is already directed at the production and sale of energy.

Related parties

Related parties are mainly parties that have the same controlling entity as Enel Green Power SpA, companies that directly or indirectly through one or more intermediaries control, are controlled or are subject to the joint control of Enel Green Power SpA and in which the latter has a holding that enables it to exercise a significant influence. Related parties also include the Fopen and Fondenel pension funds, and the members of the boards of auditors and – and their close relatives – the key management personnel of Enel Green Power SpA and the companies over which it exercises direct or indirect control. Key management personnel comprises management personnel who have the power and direct or indirect responsibility for the planning, management and control of the activities of the Company. They include company directors.

Subsidiaries

Subsidiaries comprise those entities for which the Group has the direct or indirect power to determine their financial and operating policies for the purposes of obtaining the benefits of their activities. In assessing the existence of a situation of control, account is also taken of potential voting rights that are effectively exercisable or convertible. The figures of the subsidiaries are consolidated on a full line-by-line basis as from the date control is acquired until such control ceases.

The acquisition of an additional stake in subsidiaries and the sale of holdings that do not result in the loss of control are considered transactions between owners. As such, the accounting effects of these transactions are recognized directly in consolidated equity.

Conversely, where a controlling interest is divested, any capital gain (or loss) on the sale and the effects of the remeasurement to fair value of the residual interest as at the sale date are recognized through profit or loss.

Associated companies

Associated companies comprise those entities in which the Group has a significant influence. Potential voting rights that are effectively exercisable or convertible are also taken into consideration in determining the existence of significant influence. These investments are initially recognized at cost, allocating any difference between the cost of the equity investment and the share in the net fair value of the assets, liabilities and identifiable contingent liabilities of the associated company in an analogous manner to the treatment of business combinations, and are subsequently measured using the equity method. The Group's share of profit or loss is recognized in the consolidated financial statements from the date on which it acquires the significant influence over the entity until such influence ceases.

Should the Group's share of the loss for the period exceed the carrying amount of the equity investment, the latter is impaired and any excess recognized in a provision if the Group has a commitment to meet legal or constructive obligations of the associate or in any case to cover its losses.

Where an interest is divested and as a result the Group no longer exercises a significant influence, any capital gain (or loss) on the sale and the effects of the remeasurement to fair value of the residual interest as at the sale date is recognized through profit or loss.

Joint ventures

Interests in joint ventures – enterprises over whose economic activities the Group exercises joint control with other entities – are consolidated using the proportionate method. The Group recognizes its share of the assets, liabilities, revenues and expenses on a line-by-line basis in proportion to the Group's share in the entity from the date on which joint control is acquired until such control ceases.

The assets, liabilities, revenues and expenses of the joint venture characterized by reciprocity with respect to the Group are eliminated against the reciprocal account items of the Group's consolidated entities after having been pro-rated on the basis of the proportional share in the venture.

The following table reports the main account aggregates of the companies over which the Group exercises joint control included in these financial statements (see attachment on equity investments):

Millions of euro

	2013
Non-current assets	125
Current assets	16
Non-current liabilities	68
Current liabilities	29
Operating income	58
Operating expenses	97

The amounts reported for joint ventures whose financial statements have not yet been approved by the boards of the

Company are included in the consolidation on the basis of the accounts formally transmitted by the administration unit of the investee.

Where an interest is divested and as a result the Group no longer exercises joint control, any capital gain (or loss) on the sale and the effects of the remeasurement to fair value of the residual interest as at the sale date is recognized through profit or loss.

Consolidation procedures

The financial statements of subsidiaries used to prepare the consolidated financial statements were prepared at December 31, 2013 in accordance with the accounting policies adopted by the Parent Company.

All intercompany balances and transactions, including any unrealized profits or losses on transactions within the Group, are eliminated, net of the theoretical tax effect. Unrealized profits and losses with associates and joint ventures are eliminated for the part attributable to the Group.

In both cases, unrealized losses are eliminated except when representative of impairment.

Translation of foreign currency items

Transactions in currencies other than the functional currency are recognized in these financial statements at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in a foreign currency other than the functional currency are later adjusted using the balance sheet exchange rate. Non-monetary assets and liabilities in foreign currency stated at historic cost are translated using the exchange rate prevailing on the date of initial recognition of the transaction. Non-monetary assets and liabilities in foreign currency stated at fair value are translated using the exchange rate prevailing on the date that value was determined.

Any exchange rate differences are recognized through the income statement.

Translation of financial statements denominated in a foreign currency

For the purposes of the consolidated financial statements, all profits/losses, assets and liabilities are stated in euro, which is the functional currency of the Parent Company, Enel Green Power SpA.

In order to prepare the consolidated financial statements, the financial statements of consolidated companies in functional currencies other than the presentation currency used in the consolidated financial statements are translated into euro by applying the relevant period-end exchange rate to the assets and liabilities, including goodwill and consolidation adjustments, and the average exchange rate for the period, which approximates the exchange rates prevailing at the date of the respective transactions, to the income statement items.

Any resulting exchange rate gains or losses are recognized as a separate component of equity in a special reserve. The gains and losses are recognized proportionately in the income statement on the disposal (partial or total) of the subsidiary.

	At and for the year ended December 31, 2013		At and for the year ended December 31, 2012	
	Average	Year-end	Average	Year-end
US dollar	1.33	1.38	1.28	1.32
Canadian dollar	1.37	1.47	1.28	1.31
Brazilian real	2.87	3.26	2.51	2.70
Romanian leu	4.42	4.47	4.46	4.44
South African rand	12.83	14.57	10.55	11.17
Peruvian nuevo sol	3.59	3.86	3.39	3.37

Business combinations

At first-time adoption of the IFRS-EU, the Group elected to not apply IFRS 3 (*Business Combinations*) retrospectively to acquisitions carried out prior to January 1, 2004. Accordingly, the goodwill in respect of acquisitions preceding the IFRS-EU transition date is carried at the value reported in the last consolidated financial statements prepared on the basis of the previous accounting standards (for the year ended December 31, 2003).

Business combinations initiated before January 1, 2010 and completed within that financial year are recognized on the basis of IFRS 3 (2004).

Such business combinations were recognized using the purchase method, where the purchase cost is equal to the fair value at the date of the exchange of the assets acquired and the liabilities incurred or assumed, plus costs directly attributable to the acquisition. This cost was allocated by recognizing the assets, liabilities and identifiable contingent liabilities of

the acquired company at their fair values. Any positive difference between the cost of the acquisition and the fair value of the net assets acquired pertaining to the shareholders of the Parent Company was recognized as goodwill. Any negative difference was recognized in profit or loss. If the fair values of the assets, liabilities and contingent liabilities could only be calculated on a provisional basis, the business combination was recognized using such provisional values. The value of the non-controlling interests was determined in proportion to the interest held by minority shareholders in the net assets. In the case of business combinations achieved in stages, at the date of acquisition of control the net assets acquired previously were remeasured to fair value and any adjustments were recognized in equity. Any adjustments resulting from the completion of the measurement process were recognized within twelve months of the acquisition date.

Business combinations carried out as from January 1, 2010 are recognized on the basis of IFRS 3 (2008), which is referred to as IFRS 3 (Revised) or IFRS 3/R hereafter.
More specifically, business combinations are recognized using the acquisition method, where the purchase cost (the consideration transferred) is equal to the fair value at the purchase date of the assets acquired and the liabilities incurred or assumed, as well as any equity instruments issued by the purchaser.
Costs directly attributable to the acquisition are recognized through profit or loss.
This cost is allocated by recognizing the assets, liabilities and identifiable contingent liabilities of the acquired company at their fair values as at the acquisition date. Any positive difference between the price paid, measured at fair value as at the acquisition date, plus the value of any non-controlling interests, and the net value of the identifiable assets and liabilities of the acquiree measured at fair value is recognized as goodwill. Any negative difference is recognized in profit or loss.
The value of the non-controlling interests is determined either in proportion to the interest held by minority shareholders in the net identifiable assets of the acquiree or at their fair value as at the acquisition date.
If the fair values of the assets, liabilities and contingent liabilities can only be calculated on a provisional basis, the business combination is recognized using such provisional values. Any adjustments resulting from the completion of the measurement process are recognized within twelve months of the date of acquisition, restating comparative figures.
In the case of business combinations achieved in stages, at the date of acquisition of control the holdings acquired previously are remeasured to fair value and any positive or negative difference is recognized in profit or loss.

Business combinations involving companies "under common control" are those in which all the entities or assets involved in the transaction are ultimately controlled by the same party or parties both before and after the combination and such control is not temporary.
Such transactions are not expressly governed by IFRS-EU. In the absence of a specific accounting standard, the Group has adopted the following policies:

> book value accounting, in which recognition is carried out on the basis of the previous book values of the net assets acquired where the transaction has no economic substance. These values correspond to those reported in the consolidated financial statements of the ultimate Parent Company, Enel SpA;
> purchase accounting, in which recognition is carried out, by analogy, on the basis of IFRS 3 where the transaction has economic substance.

Measurement of fair value

The Group determines fair value in accordance with IFRS 13 whenever such measurement is required by the international accounting standards as a recognition or measurement criterion or as a supplemental disclosure regarding specific assets or liabilities.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
The fair value measurement assumes that the transaction to sell an asset or transfer a liability takes place in the principal market, i.e. the market with the largest volume and level of activity for the asset or liability. In the absence of a principal market, it is assumed that the transaction takes place in the most advantageous market to which the entity has access, i.e. the market that maximizes the amount that would be received to sell the asset or minimizes the amount that would be paid to transfer the liability.
After having identified the market, the entity identifies market participants, i.e. independent, knowledgeable sellers and buyers who are able to enter into a transaction for the asset or the liability and who are motivated but not forced or otherwise compelled to do so.
In determining which assumptions to consider in measuring fair value, an entity should use the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
In accordance with IFRS 13, fair value measurement takes account of the characteristics of the specific assets or liabilities being measured, namely:

- for a non-financial asset, an entity takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use;
- for liabilities and equity, the fair value reflects the effect of non-performance risk, the risk that an entity will not fulfil an obligation;
- in the case of groups of financial assets or liabilities managed on the basis of an entity's net exposure to market risks or credit risk, it may measure fair value on a net basis;
- liabilities in respect of any contingent consideration in business combinations are recognized at fair value on the basis of the probability of occurrence of the event giving rise to that consideration.

In measuring the fair value of assets and liabilities, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All of the assets and liabilities measured at fair value or whose fair value is reported in the notes to the financial statements are classified in accordance with the three-level hierarchy described below, depending on the inputs used in determining their fair value.

More specifically:

- level 1, where the fair value is determined on basis of quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- level 2, where the fair value is determined on basis of inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- level 3, where the fair value is determined on the basis of unobservable inputs.

For assets and liabilities measured at fair value on a recurring basis, the Group determines whether any transfers between these levels have occurred, identifying at the end of the reporting period the level in which the material input with the lowest level has been classified.

Property, plant and equipment

Property, plant and equipment is recognized at historic cost, including directly attributable ancillary costs necessary for the asset to be ready for use. It is increased by the present value of the estimate of the costs of decommissioning and/or restoring the asset where there is a legal or constructive obligation to do so. The corresponding liability is recognized under provisions for risks and charges. The accounting treatment of changes in the estimate of these costs, the passage of time and the discount rate is discussed under "Provisions for risks and charges".

Borrowing costs associated with financing directly attributable to the purchase or construction of assets that require a substantial period of time to get ready for its intended use or sale (so-called qualifying assets) are capitalized as part of the cost of the assets themselves. Borrowing costs associated with the purchase/construction of assets that do not meet such requirement are expensed in the period in which they are incurred.

Certain assets that were revalued at the IFRS-EU transition date or in previous periods are recognized at their fair value, which is considered to be their deemed cost at the revaluation date.

Where major components of individual buildings, plant assets and machines have different useful lives, the components are recognized and depreciated separately.

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future benefits deriving from the cost incurred to replace a part of the asset will flow to the Group and the cost of the item can be reliably determined. All other expenditure is recognized as an expense in the period in which it is incurred.

The cost of replacing part or all of an asset is recognized as an increase in the value of the asset and is depreciated over its useful life; the net carrying amount of the replaced unit is eliminated through profit or loss.

Property, plant and equipment is reported net of accumulated depreciation and any impairment losses determined as set out below. Depreciation is calculated on a straight-line basis over the item's estimated useful life, which is reviewed annually, and any changes are reflected on a prospective basis. Depreciation begins when the asset is ready for use, which is considered the moment the asset is connected to the electricity transmission system.

The estimated useful life of the main items of property, plant and equipment is as follows.

Property, plant and equipment	Useful life (years) [1]
Hydroelectric power plants	
Buildings and civil works	60
Plant and machinery:	
- penstocks	50
- mechanical and electrical machinery	40
- other fixed hydraulic works	100
Geothermal power plants	
Buildings and civil works	60
Plant and machinery:	
- cooling towers	20
- turbines and generators	30
- turbine parts in contact with fluid	10
- other mechanical machinery	20
Wind power plants	
Buildings and civil works	60
Plant and machinery:	
- towers	25
- turbines and generators	25
- other mechanical machinery	15-25
Solar power plants	
Buildings and civil works	20-25
Plant and machinery:	
- other mechanical machinery	18-20

(1) The assets include immaterial items of property, plant and equipment whose useful life may differ from the estimated life.

The useful life of leasehold improvements is determined on the basis of the term of the lease or, if shorter, on the duration of the benefits produced by the improvements themselves.
Land, both unbuilt and on which civil and industrial buildings stand, is not depreciated as it has an undetermined useful life.

Plants include assets (essentially for intake and governing works, penstocks and outflow channels) that, prior to the enactment of Law 134 of August 7, 2012 (containing "urgent measures for growth"), were classified as to be relinquished free of charge at the end of concessions for the water diversions of hydroelectric plants. The concessions for these concessions terminate on December 31, 2029.
Following the entry into force of these measures, these assets, along with the business unit to which they belong, must be transferred to the new concession holder upon termination of the concession if the concession it not renewed, must be transferred to the new concession holder against payment of an amount that, with respect specifically to these assets, is determined starting at the revalued historic cost, less any capital grants, also revalued, taking into account ordinary wear and tear. Therefore, starting from September 2012, even assets previously considered to be relinquished are depreciated as with other categories of "property, plant and equipment" over the economic and technical life of the asset (where this exceeds the term of the concession).

Assets recognized under property, plant and equipment are derecognized either at the time of their disposal or when no future economic benefit is expected from their use or disposal. Any gain or loss, recognized through profit or loss, is calculated as the difference between the net consideration received in the disposal, where present, and the net book value of the derecognized assets.

Leased assets

Property, plant and equipment acquired under finance leases, whereby all risks and rewards incident to ownership are substantially transferred to the company, are initially recognized as assets at the lower of fair value and the present value of the minimum lease payments due, including the payment required to exercise any purchase option. The corresponding liability due to the lessor is recognized under financial liabilities. The assets are depreciated on the basis of their useful lives. If it is not reasonably certain that the Group will acquire the assets at the end of the lease, they are depreciated over the shorter of the lease term and the useful life of the assets.
Leases where the lessor retains substantially all risks and rewards incident to ownership are classified as operating leases. Operating lease costs are taken to profit or loss on a systematic basis over the term of the lease.
Although not formally designated as lease agreements, certain types of contract can be considered as such if performance of such contracts depends on the use of one or more specific assets and if in substance those contracts grant the right to use such assets.

Intangible assets

Intangible assets are identifiable assets without physical substance controlled by the entity and capable of generating future economic benefits, as well as goodwill if acquired for consideration. They are measured at purchase or internal development cost, when it is probable that the use of such assets will generate future economic benefits and the related cost can be reliably determined.
The cost includes any directly attributable incidental expenses necessary to make the assets ready for use.
The assets, with a definite useful life, are reported net of accumulated amortization and any impairment losses, determined as set out below. Amortization is calculated on a straight-line basis over the item's estimated useful life, which is checked

at least annually; any changes in amortization policies are reflected on a prospective basis.
Amortization commences when the asset is ready for use.

Intangible assets with an indefinite useful life are not amortized systematically. Instead, they undergo impairment testing at least annually.
Intangible assets are derecognized either at the time of their disposal or when no future economic benefit is expected from their use or disposal. Any gain or loss, recognized through profit or loss, is calculated as the difference between the net consideration received in the disposal, where present, and the net book value of the derecognized assets.
Power purchase agreements are amortized over the term of the associated contract.

Goodwill

Goodwill deriving from the acquisition of subsidiaries, associated companies or joint ventures is allocated to each of the cash generating units identified. After initial recognition, goodwill is not amortized but is tested for recoverability at least annually using the criteria described in the notes. Goodwill relating to equity investments in associates is included in their carrying amount.

Impairment of non-financial assets

At each reporting date, non-financial assets are reviewed to determine whether there is evidence of impairment. If such evidence exists, the recoverable amount of any property, plant and equipment and intangible assets is estimated. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Value in use is represented by the present value of the estimated future cash flows generated by the asset in question. Value in use is determined by discounting estimated future cash flows – calculated on the basis of the most recent business plans – using a pre-tax discount rate that reflects the current market assessment of the time value of money and the specific risks of the asset. In determining the recoverable amount of property, plant and equipment, intangible assets and goodwill, the Group generally adopts the value in use criterion.
The recoverable amount of assets that do not generate independent cash flows is determined based on the cash-generating unit to which the asset belongs.
If an asset's carrying amount or that of the cash-generating unit to which it is allocated is higher than its recoverable amount, an impairment loss is recognized in the income statement. Impairment losses of cash generating units are first charged against the carrying amount of any goodwill attributed to it and then against the value of other assets, in proportion to their carrying amount. If the reasons for a previously recognized impairment loss no longer obtain, the carrying amount of the asset is restored through profit or loss in an amount that shall not exceed the net carrying amount the asset would have had if the impairment loss had not been recognized and depreciation or amortization had been performed.
The recoverable amount of goodwill and intangible assets with an indefinite useful life as well as that of intangible assets not yet available for use is tested for recoverability annually, or more frequently if there is evidence suggesting that the assets may be impaired. The original value of goodwill is not restored even if in subsequent years the reasons for the impairment no longer obtain.
If certain specific identified assets owned by the Group are impacted by adverse economic or operating conditions that undermine their capacity to contribute to the generation of cash flows, they can be isolated from the rest of the assets of the cash generating unit, undergo separate analysis of their recoverability and written down where necessary.

Inventories

Inventories are measured at the lower of cost and net estimated realizable value except for inventories involved in trading activities, which are measured at fair value with recognition through profit or loss.
Average weighted cost is used, which includes related ancillary charges. Net estimated realizable value is the estimated normal selling price net of estimated selling costs or, where applicable, replacement cost.
For the portion of inventories held to discharge sales that have already been made, the net realizable value is determined on the basis of the amount established in the contract of sale.
Materials and other consumables held for use in production are not written down if it is expected that the final product in which they will be incorporated will be sold at a price sufficient to enable recovery of the cost incurred.

Financial instruments

Financial assets measured at fair value through profit or loss

This category includes debt securities and equity investments in entities other than subsidiaries, associates and joint ventures held for trading and designated as at fair value through profit or loss at the time of initial recognition.

Such assets are initially recognized at fair value. Subsequent to initial recognition, gains and losses from changes in their fair value are recognized in the income statement.

Financial assets held to maturity

This category comprises non-derivative financial instruments with fixed or determinable payments and that do not represent equity investments that are quoted on an active market for which the entity has the positive intention and ability to hold until maturity. They are initially recognized at fair value as measured at the trade date, including any transaction costs; subsequently, they are measured at amortized cost using the effective interest method, net of any impairment losses.

Impairment losses are calculated as the difference between the carrying amount of the asset and the present value of expected future cash flows, discounted using the original effective interest rate.

In the case of renegotiated financial assets, impairment losses are calculated using the original effective interest rate in effect prior to the amendment of the related terms and conditions.

Loans and receivables

This category includes non-derivative financial and trade receivables, including debt securities, with fixed or determinable payments that are not quoted on an active market that the entity does not originally intend to sell.

Such assets are initially recognized at fair value, adjusted for any transaction costs, and subsequently measured at amortized cost using the effective interest method, net of any impairment losses. Such impairment losses are calculated as the difference between the carrying amount of the asset and the present value of expected future cash flows, discounted using the original effective interest rate. In the case of renegotiated financial assets, impairment losses are calculated using the original effective interest rate in effect prior to the amendment of the related terms and conditions.

Trade receivables falling due in line with generally accepted trade terms are not discounted.

Financial assets available for sale

This category includes listed debt securities not classified as held to maturity, equity investments in other entities (unless classified as "designated as at fair value through profit or loss") and financial assets that cannot be classified in other categories. These instruments are measured at fair value with changes recognized in shareholders' equity.

At the time of sale, or when a financial asset available for sale becomes an investment in a subsidiary as a result of successive purchases, the cumulative gains and losses previously recognized in equity are reversed to the income statement.

Where there is objective evidence that such assets have incurred an impairment loss, the cumulative loss previously recognized in equity is eliminated through reversal to the income statement. Such impairment losses, which cannot be reversed, are calculated as the difference between the carrying amount of the asset and its fair value, determined on the basis of the market price at the balance sheet date for financial assets listed on regulated markets or on the basis of the present value of expected future cash flows, discounted using the market interest rate for unlisted financial assets.

When the fair value cannot be determined reliably, these assets are recognized at cost adjusted for any impairment losses.

Impairment of financial assets

At each balance sheet date, financial assets are analyzed to determine whether their value is impaired.

A financial asset is considered impaired when there is objective evidence of such impairment loss as the result of one or more events that occurred after the initial recognition of the asset that have had an impact on the reliably estimated future cash flows of the asset.

Objective evidence of an impairment loss includes observable data about events such as, for example, significant financial difficulty of the obligor; default or delinquency in interest or principal payments; it becoming probable that the borrower will enter bankruptcy or other form of financial reorganization; or observable data indicating a measurable decrease in estimated future cash flows.

Where an impairment loss is found, the latter is calculated as indicated above for each type of financial asset involved.

When there is no realistic chance of recovering the financial asset, the corresponding value of the asset is written off through profit or loss.

Cash and cash equivalents

This category reports assets that are available on demand or at very short term, have cleared and have no collection costs as well as highly short-term liquid financial investments that are readily convertible into a known amount of cash and which are subject to insignificant risk of changes in value.

In addition, for the purpose of the consolidated statement of cash flows, cash and cash equivalents do not include bank overdrafts at period-end.

Trade payables

Trade payables are initially recognized at fair value and subsequently measured at amortized cost. Trade payables falling due in line with generally accepted trade terms are not discounted.

Financial liabilities

Financial liabilities other than derivatives are recognized when the Company becomes a party to the contractual clauses representing the instrument and are initially measured at fair value adjusted for directly attributable transaction costs. Financial liabilities are subsequently measured at amortized cost using the effective interest rate method.

Derivative financial instruments

Derivatives are recognized at fair value and are designated as hedging instruments when the relationship between the derivative and the hedged item is formally documented and the effectiveness of the hedge (assessed periodically) meets the thresholds envisaged under IAS 39.

When the derivatives are used to hedge the risk of changes in the fair value of hedged assets or liabilities, any changes in the fair value of the hedging instrument are taken to profit or loss. The adjustments in the fair values of the hedged assets or liabilities are also taken to profit or loss.

When derivatives are used to hedge the risk of changes in the cash flows generated by the hedged items (cash flow hedges), changes in fair value are initially recognized in equity, in the amount qualifying as effective, and are recognized in profit or loss only when the change in the cash flows from the hedged items to be offset actually occurs.

The ineffective portion of the fair value of the hedging instrument is taken to profit or loss.

Changes in the fair value of trading derivatives and those that no longer qualify for hedge accounting under IAS 39 are recognized in profit or loss.

Derivative financial instruments are recognized at the trade date.

Financial and non-financial contracts (that are not already measured at fair value) are analyzed to identify any embedded derivatives, which are separated and measured at fair value. This analysis is conducted at the time the entity becomes party to the contract or when the contract is renegotiated in a manner that significantly changes the original associated cash flows.

The Group also analyzes all forward contracts for the purchase or sale of non-financial assets, with a specific focus on forward purchases and sales of electricity and energy commodities, in order to determine if they must be classified and treated in conformity with IAS 39 or if they have been entered into for physical delivery in line with the normal purchase/sale/use needs of the Company (own use exemption).

If such contracts have not been entered into in order to obtain or deliver electricity or energy commodities, they are measured at fair value.

Derecognition of financial assets and liabilities

Financial assets are derecognized whenever one of the following conditions is met:

> the contractual right to receive the cash flows associated with the asset expires;
> the Company has transferred substantially all the risks and rewards associated with the asset, transferring its rights to receive the cash flows of the asset or assuming a contractual obligation to pay such cash flows to one or more beneficiaries under a contract that meets the requirements envisaged under IAS 39 (the "pass through test");
> the Company has not transferred or retained substantially all the risks and rewards associated with the asset but has transferred control over the asset.

Financial liabilities are derecognized when they are extinguished, i.e. when the contractual obligation has been discharged, cancelled or lapsed.

Post-employment and other employee benefits

Liabilities related to employee benefits paid upon or after ceasing employment in connection with defined benefit plans or other long-term benefits accrued during the employment period are determined separately for each plan, using actuarial assumptions to estimate the amount of the future benefits that employees have accrued at the balance sheet date (the projected unit credit method). The liability, which is carried net of any plan assets, is recognized on an accruals basis over the vesting period of the related rights. These appraisals are performed by independent actuaries.

As regards the net liabilities (assets) of defined-benefit plans, the cumulative actuarial gains and losses from the actuarial measurement of the liabilities, the return on the plan assets (net of the associated interest income) and the effect of the asset ceiling (net of the associated interest) are recognized in other comprehensive income when they occur.

In the event of a change in or introduction of a defined-benefit plan or other long-term benefits, any past service cost is recognized immediately in profit or loss.

Termination benefits

Liabilities for benefits due to employees for the early termination of the employment relationship are recognized at the earlier of the following dates:

> when the entity can no longer withdraw its offer of benefits; and

> when the entity recognizes a cost for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

The liabilities are measured on the basis of the nature of the employee benefit. More specifically, when the benefits represent an enhancement of other post-employment benefits, the associated liability is measured in accordance with the rules governing that type of benefits. Otherwise, if the termination benefits due to employees are expected to be settled wholly before twelve months after the end of the annual reporting period, the entity measures the liability in accordance with the requirements for short-term employee benefits; if they are not expected to be settled wholly before twelve months after the end of the annual reporting period, the entity measures the liability in accordance with the requirements for other long-term employee benefits.

Provisions for risks and charges

Accruals to the provisions for risks and charges are recognized where there is a legal or constructive obligation as a result of a past event at period-end, the settlement of which is expected to result in an outflow of resources whose amount can be reliably estimated. Where the impact is significant, the accruals are determined by discounting expected future cash flows using a pre-tax discount rate that reflects the current market assessment of the time value of money and, if applicable, the risks specific to the liability. If the provision is discounted, the periodic adjustment of the present value for the time factor is recognized as a financial expense.

Where the liability relates to decommissioning and/or site restoration in respect of property, plant and equipment, the initial recognition of the provision is made against the related asset and the expense is then recognized in profit or loss through the depreciation of the asset involved.

Changes in estimates of accruals to the provision are recognized in the income statement in the period in which the changes occur, with the exception of those in the costs of dismantling and/or restoration resulting from changes in the timetable and costs necessary to extinguish the obligation or from a change in the discount rate. These changes increase or decrease the value of the related assets and are taken to the income statement through depreciation. Where they increase the value of the assets, it is also determined whether the new carrying amount of the assets is fully recoverable. If this is not the case, a loss equal to the unrecoverable amount is recognized in the income statement.

Decreases in estimates are recognized up to the carrying amount of the assets. Any excess is recognized immediately in the income statement.

For more information on the estimation criteria adopted in determining provisions for dismantling and/or restoration of property, plant and equipment.

Grants

Grants are recognized at fair value when it is reasonably certain that they will be received or that the conditions for receipt have been met as provided for by the governments, government agencies and similar local, national or international authorities.

Grants received for specific expenditure or specific assets the value of which is recognized as an item of property, plant and equipment or an intangible asset are recognized as other liabilities and credited to the income statement over the period in which the related costs are recognized.

Operating grants are recognized fully in profit or loss at the time they satisfy the requirements for recognition.

Green certificates

Green certificates are treated as non-monetary operating grants and are initially recognized at fair value under "other revenues and income" on an accruals basis in the accounting period in which the clean energy is delivered to the grid, and posted to other non-financial assets.

When the green certificates are credited to the ownership account, their value is reclassified from "other assets" to "inventories".

Tax partnerships

Tax partnerships are instruments governed by US tax law that make it possible to transfer to non-Group entities ("tax equity investors"), on certain conditions and in specific areas provided for in the applicable regulations, the tax benefits granted in the United States to companies that produce energy from renewable resources.

The Group currently has tax partnership arrangements with several financial institutions in order to finance a number of wind power projects. These transactions have enabled a number of Group companies to obtain capital from financial investors against the transfer to the latter of the future tax credits that will accrue from wind generation and of the tax losses accrued. The regulation therefore enable start-ups to monetize tax credits and losses that, in the absence of taxable income, could not otherwise be used.

The capital provided by the financial investors is reported under "Other loans" and accounted for using the amortized cost method.

The liability is reduced by the value of the tax benefits transferred to the financial institutions over the life of the contract. The impact is recognized in profit or loss under "Revenues from sales and services".

Revenues

Revenues are recognized when it is probable that the future economic benefits will flow to the Company and these benefits can be measured reliably.

More specifically, the following criteria are used depending on the type of transaction:

- revenues from the sale of goods are recognized when the significant risks and rewards of ownership are transferred to the buyer and their amount can be reliably determined;
- revenues from the sale and transport of electricity refer to the quantities sold during the period, even if these have not yet been invoiced, and are determined on the basis of meter readings at the generation plants and the data exchanged with any other market operators;
- revenues from the rendering of services are recognized in line with the stage of completion of the services. Where it is not possible to reliably determine the value of the revenues, they are recognized in the amount of the costs that it is considered will be recovered;
- revenues accrued in the period in respect of construction contracts are recognized on the basis of the payments agreed in relation to the stage of completion of the work, determined using the cost-to-cost method, under which costs, revenues and the related margins are recognized on the basis of the progress of the project. The stage of completion is determined as a ratio between costs incurred at the measurement date and the overall costs expected for the project. In additional to contractual payments, project revenues include any payments in respect of variations, price revisions and incentives, with the latter recognized where it is probable that they will actually be earned and can be reliably determined. Revenues are also adjusted for any penalties for delays attributable to the Company.

Financial income and expense

Financial income and expense is recognized on an accruals basis in line with interest accrued on the net carrying amount of the related financial assets and liabilities using the effective interest rate method. They include the changes in the fair value of financial instruments recognized at fair value through profit or loss and changes in the fair value of derivatives connected with financial transactions.

Income taxes

Current income taxes for the period, which are recognized under "income tax payable" net of payments on account, or under "income tax receivable" where there is a credit balance, are determined using an estimate of taxable income and in conformity with the applicable regulations.

Deferred tax liabilities and assets are calculated on the temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their corresponding values recognized for tax purposes on the basis of tax rates in effect on the date the temporary difference will reverse, which is determined on the basis of tax rates that are in force or substantively in force at the balance sheet date.

Deferred tax assets are recognized when recovery is probable, i.e. when an entity expects to have sufficient future taxable income to recover the asset.

The recoverability of deferred tax assets is reviewed at each period-end.

Deferred tax assets and liabilities in respect of taxes levied by the same tax authority are offset if the Company has a legal right to offset current tax assets against current tax liabilities generated at the time they reverse.

Current and deferred taxes are recognized in profit or loss, with the exception of those in respect of items directly credited or debited to equity, which are recognized directly in equity.

Dividends

Dividends from equity investments are recognized when the shareholder's right to receive them is established.

Dividends and interim dividends payable to third parties are recognized as changes in equity at the date they are approved by the Shareholders' Meeting and the Board of Directors, respectively.

Discontinued operations and non-current assets held for sale

Non-current assets (or disposal groups) whose carrying amount will mainly be recovered through sale, rather than through ongoing use, are classified as held for sale and shown separately from the other balance sheet assets and liabilities. This only occurs when the sale is highly probable and the non-current assets (or disposal groups) are available in their current condition for immediate sale.

Non-current assets (or disposal groups) classified as held for sale are first recognized in compliance with the appropriate IFRS/EU applicable to the specific assets or liabilities and subsequently measured at the lower of the carrying amount and

the fair value, net of costs to sell. Any subsequent impairment losses are recognized as a direct adjustment to the non-current assets (or disposal groups) classified as held for sale and expensed in the income statement. The corresponding values for the previous period are not reclassified.

A discontinued operation is a component of an entity that has been divested or classified as held for sale and:

> represents a major line of business or geographical area of operations;
> is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
> is a subsidiary acquired exclusively with a view to resale.

Gains or losses on operating assets sold – whether disposed of or classified as held for sale – are shown separately in the income statement, net of the tax effects. The corresponding values for the previous period, where present, are reclassified and reported separately in the income statement, net of tax effects, for comparative purposes.

Non-current assets that no longer meet the requirements for classification as held for sale or which cease to belong to a disposal group classified as held for sale are measured as the lower of:

> the book value before the asset (or disposal group) was classified as held for sale, adjusted for depreciation, amortization, writedowns or writebacks that would have otherwise been recognized if the asset (or disposal group) had not been classified as held for sale; and
> the recoverable value, which is equal to the greater of its fair value net of costs to sell and its value in use, as calculated at the date on which the decision not to sell was taken.

2
Recently issued accounting standards

The Group has adopted the following international accounting standards and interpretations that took effect as from January 1, 2013:

> "Amendment to IAS 1 – *Presentation of items of other comprehensive income*", issued in June 2011. The amendment calls for the separate presentation of items of other comprehensive income (OCI) that may be reclassified to profit or loss in the future ("recycling") and those that will not be recycled. The application of the amendment did not have a significant impact.
> "IAS 19 – *Employee benefits*", issued in June 2011; the standard supersedes the current IAS 19 governing the accounting treatment of employee benefits. The most significant change regards the requirement to recognize all actuarial gains/losses in OCI, with the elimination of the corridor approach. The amended standard also introduces more stringent rules for disclosures, with the disaggregation of the cost into three components; eliminates the expected return of plan assets; no longer permits the deferral of the recognition of past service cost in profit or loss; and introduces more detailed rules for the recognition of termination benefits. The impact of the application of the amended standard is summarized in note 4.
> "IFRS 13 – *Fair value measurement*", issued in May 2011; the standard represents a single IFRS framework to be used whenever another accounting standard requires or permits the use of fair value measurement. The standard sets out guidelines for measuring fair value and introduces specific disclosure requirements. The application of the new provisions did not have a significant impact.
> "Amendments to IFRS 7 – *Offsetting financial assets and financial liabilities*", issued in December 2011, in parallel with the amendments to IAS 32; the amendments establish more extensive disclosures for the offsetting of financial assets and liabilities, with a view to enabling users of financial statements to assess the actual and potential effects on the entity's financial position of netting arrangements, including the set-off rights associated with recognized assets or liabilities. The application of the new provisions did not have a significant impact.
> "Annual Improvements to IFRSs 2009-2011 Cycle", issued in May 2012; the document contains formal modifications and clarifications of existing standards. The application of the new provisions did not have a significant impact for the Group. More specifically, the following standards have been amended:
  - "IAS 1 – *Presentation of Financial Statements*"; the amendment clarifies how comparative information must be presented in the financial statements and specifies that an entity may voluntarily elect to provide additional comparative information;
  - "IAS 16 – *Property, Plant and Equipment*"; the amendment clarifies that if spare parts and servicing equipment meet the requirements for classification as "property, plant and equipment" they shall be recognized and measured in accordance with IAS 16; otherwise they shall be classified as inventory;

- "IAS 32 – *Financial Instruments: Presentation*"; the amendment establishes that income taxes relating to distributions to equity holders and to transaction costs of equity transactions shall be accounted for in accordance with IAS 12;
- "IAS 34 – *Interim Financial Reporting*"; the amendment clarifies that interim financial reports shall specify the total assets and liabilities for a particular reportable segment only if such amounts are regularly provided by the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements presented.

Standards not yet applicable and not yet adopted

In 2012 and 2013, the European Commission endorsed the following accounting standards and interpretations, which will be applicable to the Group in future years:

> "IFRS 10 – *Consolidated financial statements*", issued in May 2011; replaces "SIC 12 – *Consolidation – Special purpose entities*" and, for the part concerning consolidated financial statements, "IAS 27 – *Consolidated and separate financial statements*", the title of which was changed to "*Separate financial statements*". The standard introduces a new approach to determining whether an entity controls another (the essential condition for consolidating an investee), without modifying the consolidation procedures envisaged in the current IAS 27. This approach must be applied to all investees, including special purpose entities, which are called "structured entities" in the new standard. While current accounting standards give priority – where control does not derive from holding a majority of actual or potential voting rights – to an assessment of the risks/benefits associated with the holding in the investee, IFRS 10 focuses the determination on three elements to be considered in each assessment: power over the investee; exposure to variable returns from the involvement in the investee; and the link between power and returns, i.e. the ability to use that decision-making power over the investee to affect the amount of returns. The accounting effects of a loss of control or a change in the ownership interest that does not result in a loss of control are unchanged with respect to the provisions of the current IAS 27.
The new standard will take effect retrospectively for annual reporting periods beginning on or after January 1, 2014. The application of the new provisions will not have an impact on the Group.

> "IAS 27 – *Separate financial statements*", issued in May 2011. Together with the issue of IFRS 10 and IFRS 12, the current IAS 27 was amended, with changes to its title and its content. All provisions concerning the preparation of consolidated financial statements were eliminated, while the other provisions were not modified. Following the amendment, the standard therefore only specifies the recognition and measurement criteria and the disclosure requirements for separate financial statements concerning subsidiaries, joint ventures and associates. The new standard will take effect retrospectively for annual reporting periods beginning on or after January 1, 2014. The application of the new provisions will not have an impact on the Group.

> "IFRS 11 – *Joint arrangements*", issued in May 2011; replaces "IAS 31 – *Interests in joint ventures*" and "SIC 13 – *Jointly controlled entities – non-monetary contributions by venturers*". Unlike IAS 31, which assesses joint arrangements on the basis of the contractual form adopted, IFRS 11 assesses them on the basis of how the related rights and obligations are attributed to the parties. In particular, the new standard identifies two types of joint arrangement: joint operations, where the parties to the arrangement have *pro-rata* rights to the assets and *pro-rata* obligations for the liabilities relating to the arrangement; and joint ventures, where the parties have rights to a share of the net assets or profit/loss of the arrangement. In the consolidated financial statements, accounting for an interest in a joint operation involves the recognition of the assets/liabilities and revenues/expenses related to the arrangement on the basis of the associated rights/obligations, without taking account of the interest held. Accounting for an interest in a joint venture involves the recognition of an investment accounted for using the equity method (proportionate consolidation is no longer permitted).
The application of the new standard will involve a change in the measurement of those entities qualified as joint ventures, which therefore will now be accounted for exclusively with the equity method.
If IFRS 11 had already been used for the preparation of the consolidated financial statements at December 31, 2013, the impact on the assets, liabilities and performance of the Group would be as follows.

Millions of euro	2013	2013 new IFRS 11
Revenues and income	2,757	2,689
Costs	1,713	1,609
Net income/(charges) from commodity risk management	21	21
Operating income	**1,065**	**1,101**
Net financial income/(expense)	(268)	(261)
Share of income/(expense) from equity investments accounted for using the equity method	64	20
Income before taxes	**861**	**860**
Income taxes	324	323
Net income from continuing operations	537	537
Net income from discontinued operations	61	61
Net income for the year	**598**	**598**

Millions of euro

	at Dec. 31, 2013	at Dec. 31, 2013 new IFRS 11
Non-current assets	15,395	15,294
Current assets	1,504	1,468
Assets held for sale	37	37
TOTAL ASSETS	**16,936**	**16.799**
Shareholders' equity	8,263	8,263
Non-current liabilities	6,357	6,266
Current liabilities	2,304	2,258
Liabilities held for sale	12	12
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**16,936**	**16,799**

> "IAS 28 – *Investments in associates and joint ventures*", issued in May 2011. Together with the issue of IFRS 11 and IFRS 12, the current IAS 28 was amended, with changes to its title and its content. In particular, the new standard, which also includes the provisions of "SIC 13 – *Jointly controlled entities - non-monetary contributions by venturers*", describes the application of the equity method, which in consolidated financial statements is used to account for associates and joint ventures. The new standard will take effect retrospectively for annual reporting periods beginning on or after January 1, 2014. The future application of the new provisions will not have an impact on the Group, with the exception of the effects discussed earlier of the application of IFRS 11.

> "IFRS 12 – *Disclosure of interests in other entities*", issued in May 2011; IFRS 12 brings together in a single standard the required disclosures concerning interests held in subsidiaries, joint operations and joint ventures, associates and structured entities. In particular, the standard replaces the disclosures called for in the current IAS 27, IAS 28 and IAS 31 with new disclosure requirements in order to ensure the disclosure of more uniform and consistent information, introducing new requirements for disclosures concerning subsidiaries with significant non-controlling shareholders and individually material associates and joint ventures.
The new standard will take effect retrospectively for annual reporting periods beginning on or after January 1, 2014. The future application of the new provisions will require compliance with the new disclosure requirements set out in the new standard.

> "Amendments to IAS 32 – *Offsetting financial assets and financial liabilities*", issued in December 2011. IAS 32 establishes that a financial asset and a financial liability should be offset and the net amount reported in the balance sheet when, and only when, an entity:
a) has a legally enforceable right to set off the amounts; and
b) intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.
The amendments to IAS 32 clarify the conditions that must be met for these two requirements to be satisfied. As regards the first requirement, the amendment expands the illustration of cases in which an entity "currently has a legally enforceable right of set-off", while as regards the second the amendment clarifies that where the entity settles the financial asset and liability separately, for set-off to be allowed the associated credit and liquidity risk should be

insignificant and, in this regard, specifies the characteristics that gross settlement systems must have.

The amendments will take effect retrospectively for annual reporting periods beginning on or after January 1, 2014. The future application of the new provisions will not have a significant impact on the Group.

> "Amendments to IFRS 10, IFRS 11 and IFRS 12 – *Transition Guidance*", issued in June 2012. The amendments are intended to clarify an number of issuers concerning the first-time adoption of IFRS 10, IFRS 11 and IFRS 12. In particular, IFRS 10 was amended to clarify that the date of initial application of the standard shall mean "the beginning of the annual reporting period in which IFRS 10 is applied for the first time" (i.e. January 1, 2013). In addition, the amendments limited the comparative disclosures to be provided in the first year of application. IFRS 11 and IFRS 12 were amended analogously, limiting the effects, both in terms of restatement of financial data and of disclosures, of initial application of IFRS 11.

The amendments will take effect retrospectively for periods beginning on or after January 1, 2014. The future application of the new provisions will not have a significant impact on the Group.

> "Amendments to IFRS 10, IFRS 12 and IAS 27 – *Investment entities*", issued in October 2012. The amendments introduce an exception to the requirement under IFRS 10 to consolidate all subsidiaries if the Parent qualifies as an "investment entity". More specifically, investment entities, as defined in the amendments, shall not consolidate their subsidiaries unless the latter provide services associated with the investment activities of the Parent. Non-consolidated subsidiaries shall be measured in conformity with IFRS 9 or IAS 39. The parent of an investment entity shall, however, consolidate all of its subsidiaries (including those held through the investment entity) unless it also qualifies as an investment entity. The amendments will take effect retrospectively for periods beginning on or after January 1, 2014. The future application of the new provisions will not have an impact on the Group's accounts but only on disclosures.

> "Amendments to IAS 36 – *Recoverable amount disclosures for non-financial assets*", issued in May 2013. The amendments of IAS 36 as a consequence of the provisions of IFRS 13 did not reflect the intentions of the IASB concerning the disclosures to report about the recoverable amount of impaired assets. Consequently, the IASB amended the standard further, eliminating the disclosure requirements originally introduced by IFRS 13 and requiring specific disclosures concerning the measurement of fair value in cases in which the recoverable amount of impaired assets is calculated on the basis of fair value less costs of disposal. The amendments also require disclosures on the recoverable amount of assets or cash generating units for which an impairment loss has been recognized or reversed during the period.

The amendments will take effect retrospectively for periods beginning on or after January 1, 2014. The future application of the new provisions will not have an impact on the Group.

> "Amendments to IAS 39 – *Novation of derivatives and continuation of hedge accounting*", issued in June 2013. The amendments are intended to allow entities, under certain conditions, to continue hedge accounting in the case of novation of the hedging instrument with a central counterparty as a result of the introduction of a new law or regulation. The amendments will take effect retrospectively for periods beginning on or after January 1, 2014. The future application of the new provisions will not have an impact on the Group.

In the years from 2009 to 2013, the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) also published new standards and interpretations that as of December 31, 2013 had not yet been endorsed by the European Commission. The rules that could have an impact on the consolidated financial statements of the Group are set out below.

> "IFRS 9 – *Financial instruments*", issued in November 2009 and subsequently revised: the standard is the first of three phases in the project to replace IAS 39. The standard establishes new criteria for the classification of financial assets and liabilities. Financial assets must be classified based on the business model of the entity and the characteristics of the associated cash flows. The new standard requires financial assets and liabilities to be measured initially at fair value plus any transaction costs directly attributable to their assumption or issue. Subsequently, they are measured at fair value or amortized cost, unless the fair value option is applied. As regards equity instruments not held for trading, an entity can make an irrevocable election to measure them at fair value through other comprehensive income. Any dividend income shall be recognized through profit or loss.

In November 2013, a section on hedge accounting was introduced. The new provisions governing the recognition of the effects of hedging relationships call for risk management policies to be reflected in the financial statements, eliminating inconsistencies and weaknesses in the hedge accounting model in IAS 39. The current version of IFRS 9

does not address macro hedging, an issue that the IASB is still discussing. Accordingly, until the completion of the entire hedge accounting project, the standard permits entities to choose between applying the hedge accounting requirements of IFRS 9 and those of IAS 39.

The amendments introduced in November 2013 also eliminated the reference to a mandatory effective date for the standard, which is available for immediate application. The Group, however, will not apply the standard before endorsement. The Group is assessing the potential impact of the future application of the new provisions.

> "Amendments to IFRS 9 and IFRS 7 – *Mandatory effective date and transition disclosure*", issued in December 2011. The amendment modifies "IFRS 9 – *Financial instruments*", postponing the mandatory effective date from January 1, 2013 to January 1, 2015 and establishing new rules for the transition from IAS 39 to IFRS 9. These provisions have been superseded by the amendments of IFRS 9 issued in November 2013 (see previous paragraph). The amendments being discussed here also modify "IFRS 7 – *Financial instruments: Disclosures*", introducing new comparative disclosures, which will be mandatory or optional depending on the date of transition to IFRS 9.

The Group is assessing the potential impact of the future application of the new provisions.

> "IFRIC 21 – *Levies*", issued in May 2013. The interpretation defines when a liability in respect of the obligation to pay a levy (other than income taxes) due to the government, whether local, national or international must be recognized. More specifically, the interpretation established that the liability shall be recognized when the obligating event giving rise to the liability to pay the levy (for example, upon reaching a given threshold level of revenue), as set out in the applicable law, occurs. If the obligating event occurs over a specified period of time, the liability shall be recognized gradually over that period.

The interpretation will take effect, subject to endorsement, for periods beginning on or after January 1, 2014. The Group does not expect the future application of the provisions to have an impact.

> "Amendment to IAS 19 – *Defined benefit plans: employee contributions*", issued in November 2013. The amendments are intended to clarify how to recognize contributions from employees within a defined-benefit plan. More specifically, contributions linked to service should be recognized as a reduction in service cost:

- over the periods in which employees render their services, if the amount of the contributions is dependent on the number of years of service; or
- in the period in which the service is rendered, if the amount of the contributions is independent of the number of years of service.

The amendments will take effect, subject to endorsement, for periods beginning on or after January 1, 2015. The Group is assessing the potential impact of the future application of the measures.

> "*Annual improvements to IFRSs 2010-2012 Cycle*", issued in December 2013; the document contains formal modifications and clarifications of existing standards that are not expected to have a significant impact on the Group. More specifically, the following standards were amended:

- "IFRS 2 – *Share-based payment*"; the amendment clarifies the meaning of "vesting conditions", defining "performance conditions" and "service conditions" separately. The changes will apply prospectively, subject to endorsement, to share-based payment transactions for which the grant date is on or after July 1, 2014;
- "IFRS 3 – *Business combinations*"; the amendment clarifies how to classify any contingent consideration agreed in a business combination. Specifically, the amendment establishes that if the contingent consideration meets the definition of financial instrument it shall be classified as a financial liability or equity. In the former case, the liability shall be measured at fair value and changes in fair value shall be recognized in profit or loss in accordance with IFRS 9. Contingent consideration that does not meet the definition of financial instrument shall be measured at fair value and changes in fair value shall be recognized in profit or loss. The changes will apply prospectively, subject to endorsement, to business combinations for which the acquisition date is on or after July 1, 2014;
- "IFRS 8 – *Operating segments*"; the amendment introduces new disclosure requirements. In particular, the disclosures shall include a brief description of how segments have been aggregated and what economic indicators have been assessed in determining that the aggregated operating segments share similar economic characteristics. The changes will apply, subject to endorsement, to annual periods beginning on or after January 1, 2015;
- "IFRS 13 – *Fair value measurement*"; the amendment clarifies, within the standard's Basis for Conclusions, that the IASB does not intend to modify the measurement requirements for short-term receivables and payables;
- "IAS 16 – *Property, plant and equipment*"; the amendment clarifies that when an item of property, plant and equipment is revalued the gross carrying amount of that asset shall be adjusted in a manner consistent with the revaluation. In addition, it also clarifies that the accumu-

lated depreciation shall be calculated as the difference between the gross carrying amount and the carrying amount of the asset after taking account of accumulated impairment losses. The changes will apply, subject to endorsement, to annual periods beginning on or after January 1, 2015. More specifically, they will be applicable to revaluations recognized in the year ending December 31, 2015 and in the immediately preceding annual period;

- "IAS 24 – *Related party disclosures*"; the amendment clarifies that an entity is a related party if that entity, or any member of a group of which it is a part, provides key management personnel services (a so-called management entity). The amendment also introduces disclosure requirements concerning that sort of related party. The changes will apply, subject to endorsement, to annual periods beginning on or after January 1, 2015;
- "IAS 38 – *Intangible assets*"; the amendment clarifies that when an intangible asset is revalued, its gross carrying amount shall be adjusted in a manner consistent with the revaluation. In addition, it also clarifies that the accumulated amortization shall be calculated as the difference between the gross carrying amount and the carrying amount of the asset after taking account of accumulated impairment losses. The changes will apply, subject to endorsement, to annual periods beginning on or after January 1, 2015. More specifically, they will be applicable to revaluations recognized in the year ending December 31, 2015 and in the immediately preceding annual period.

> "*Annual improvements to IFRSs 2011-2013 Cycle*", issued in December 2013; the document contains formal modifications and clarifications of existing standards that are not expected to have a significant impact on the Group. More specifically, the following standards were amended:

- "IFRS 3 – *Business combinations*"; the amendment clarifies that IFRS 3 does not apply in the financial statements of a joint arrangement to the recognition of the formation of every type of joint arrangement (pursuant to IFRS 11). The changes will apply prospectively, subject to endorsement, for annual periods beginning on or after January 1, 2015;
- "IFRS 13 – *Fair value measurement*"; the amendment clarifies that the exception provided for in that standard of measuring financial assets and liabilities on the basis of the net exposure of the portfolio shall apply to all contracts within the scope of IAS 39/IFRS 9 even if they do not meet the definitions in IAS 32 of financial assets/liabilities. The changes will apply, subject to endorsement, for annual periods beginning on or after January 1, 2015. More specifically, they will apply prospectively from the date that the Group initially applies IFRS 13;
- "IAS 40 – *Investment property*"; the amendment establishes that a property interest held by a lessee under an operating lease may be classified as an investment property if and only if the property would otherwise meet the definition of an investment property and if the lessee used the fair value model to measure such investments. The amendment also clarifies that when an entity acquires an investment property, it must determine whether that acquisition is a business combination under the provisions of IFRS 3. The change regarding property interests held under a lease shall apply retroactively, subject to endorsement, for annual periods beginning on or after January 1, 2015; the amendment concerning the acquisition of an investment property shall apply prospectively, subject to endorsement, to acquisitions made on or after January 1, 2015.

3
Risk management

As part of its operations, the Group is exposed to different market risks, notably the risk of changes in interest rates, exchange rates and commodity prices.

The Group's risk management strategy is aimed at minimizing the potential adverse impact on its performance caused by these fluctuations. Certain types of risk are mitigated using derivative instruments. Risk management and control and the related hedging strategies are centralized with the Enel Green Power SpA.

The following provides a brief discussion of the risk management policies and sensitivity analysis conducted by the Group to cope with such risks.

In order to contain exposures within the limits set at the start of the year as part of risk management policies, Group companies enter into over-the-counter (OTC) derivatives contracts with market operators and within the Enel Group. The internal counterparty for derivatives on commodities and energy is primarily Enel Trade SpA, while transactions in derivatives on interest rates and exchange rates are carried out with Enel SpA, the Parent Company.

Transactions in derivatives can be designated as cash flow hedges (CFH) where appropriate and the formal requirements

for such designation under IAS 39 are satisfied; otherwise, they are classified as trading positions.

The Group does not enter into derivatives contracts for speculative purposes. Fair value for derivatives 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 period (such as interest rates, exchange rates, 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 year-end exchange rates provided by the European Central Bank.

The notional amount of a derivative contract is the amount on which cash flows are exchanged. This amount can be expressed as a value or a quantity (for example tons, converted into euros by multiplying the notional amount by the agreed price). Amounts denominated in currencies other than the euro are converted into euros at the exchange rate prevailing at the reporting date.

Interest rate risk

The amount of floating-rate debt that is not hedged against interest rate risk is the main risk factor that could impact the income statement in the event of an increase in market interest rates.

The twin objectives of reducing the amount of debt exposed to changes in interest rates and of containing borrowing costs is pursued with the use of mainly interest rate swaps. Interest rate swaps provide for the periodic exchange of floating-rate interest flows for fixed-rate interest flows, both of which are calculated on the basis of the notional principal amount.

The term of such contracts does not exceed the maturity of the underlying financial liability, so that any change in the fair value and/or cash flows of such contracts is offset by a corresponding change in the fair value and/or cash flows of the underlying position.

At December 31, 2013, outstanding interest rate swaps had a total notional amount of €1,146 million (€881 million at December 31, 2012 restated).

The following table reports the notional amount and fair value at December 31, 2013 and December 31, 2012, of interest rate derivatives, broken down by type and accounting treatment.

Millions of euro	Notional amount	Fair value	Fair value assets	Fair value liabilities
		at Dec. 31, 2013		
Cash flow hedge derivatives	**1,138**	**(30)**	**7**	**(37)**
Interest rate swaps	1,138	(30)	7	(37)
Trading derivatives	**8**	**(1)**	**-**	**(1)**
Interest rate swaps	8	(1)	-	(1)
Total interest rate derivatives	**1,146**	**(31)**	**7**	**(38)**

Millions of euro	Notional amount	Fair value	Fair value assets	Fair value liabilities
		at Dec. 31, 2012		
Cash flow hedge derivatives	**870**	**(67)**	**-**	**(67)**
Interest rate swaps	870	(67)	-	(67)
Trading derivatives	**11**	**(1)**	**-**	**(1)**
Interest rate swaps	11	(1)	-	(1)
Total interest rate derivatives	**881**	**(68)**	**-**	**(68)**

The following table reports the cash flows expected in coming years from these financial derivatives.

Millions of euro	Fair value	Stratification of expected cash flows					
	at Dec. 31, 2013	2014	2015	2016	2017	2018	Beyond
Cash flow hedge derivatives	**(30)**	**(23)**	**(18)**	**(11)**	**(4)**	**-**	**28**
Net positive fair value	7	(6)	(5)	(2)	-	2	21
Net negative fair value	(37)	(17)	(13)	(9)	(4)	(2)	7
Trading derivatives	**(1)**	**(1)**	**-**	**-**	**-**	**-**	**-**
Net positive fair value	-	-	-	-	-	-	-
Net negative fair value	(1)	(1)	-	-	-	-	-

An analysis of the overall financial debt of the Group shows that 35% is floating rate (35% at December 31, 2012 restated), without taking into account hedging derivatives.
Taking net long-term financial debt, at December 31, 2013, 31% was floating rate (31% at December 31, 2012 restated). Derivatives designated as cash flow hedges reduce that exposure to 9% (12% at December 31, 2012 restated).
If market interest rates had been 25 basis point higher at December 31, 2013, all other variables being equal, shareholders' equity would have been about €17 million higher as a result of the increase in the fair value of CFH derivatives on interest rates. Conversely, if interest rates had been 25 basis point lower at that date, all other variables being equal, shareholders' equity would have been about €17 million lower as a result of the decrease in the fair value of CFH derivatives on interest rates. The negative (or positive) impact on the income statement in terms of higher (or lower) annual interest expense on the unhedged portion of long-term debt would be about €1.14 million.

Exchange rate risk

In order to reduce the exchange rate risk associated with assets, liabilities and expected cash flows denominated in foreign currencies, the Group companies enter into derivatives contracts with Enel SpA in order to hedge cash flows in foreign currencies other than the functional currency.
At December 31, 2013, 79% of the long-term financial debt of the Group was denominated in euro (87% at December 31, 2012) and the 20% in the functional currency of the country in which the Group company holding the debtor position operates; therefore, only a minimal and residual portion of the Group's debt is exposed to exchange rate risk.
Currency forwards (i.e. derivative contracts in which the counterparties agree to buy and sell two principal flows in different currencies at a specific date in the future and at a specific exchange rate, the so-called strike) were the primary hedges carried out in 2013. These contracts can provide for the effective delivery of the two flows (deliverable forward) or the payment of the difference between the strike price and the prevailing exchange rate at maturity (non-deliverable forward).
The term of these contracts does not exceed the term of the underlying financial liability so that any change in the fair value and/or in the expected cash flows of these contracts is offset by a corresponding change in the fair value and/or expected cash flows of the underlying position.
At December 31, 2013, outstanding forward contracts had a total notional amount of €457 million (€14 million at December 31, 2012 restated), mainly used to hedge the exchange rate risk associated with cash flows denominated in US dollars and Romanian leu.
The following table reports the notional amount and fair value of exchange rate derivatives at December 31, 2013 and December 31, 2012, by type of hedge and accounting treatment adopted.

Millions of euro	Notional	Fair value	Fair value assets	Fair value liabilities
		at Dec. 31, 2013		
Trading derivatives	**457**	**(2)**	**-**	**(2)**
Forwards	457	(2)	-	(2)
Total forwards	**457**	**(2)**	**-**	**(2)**
Total exchange rate derivatives	**457**	**(2)**	**-**	**(2)**

Millions of euro	Notional	Fair value	Fair value assets	Fair value liabilities
		at Dec. 31, 2012		
Trading derivatives	**14**	**-**	**-**	**-**
Forwards	14	-	-	-
Total forwards	**14**	**-**	**-**	**-**
Total exchange rate derivatives	**14**	**-**	**-**	**-**

The following table reports the cash flows expected in coming years from these financial derivatives.

	Fair value	Stratification of expected cash flows					
Millions of euro	**at Dec. 31, 2013**	2014	2015	2016	2017	2018	Beyond
Cash flow hedge derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Positive fair value	-	-	-	-	-	-	-
Negative fair value	-	-	-	-	-	-	-
Trading derivatives	**(2)**	**(2)**	**-**	**-**	**-**	**-**	**-**
Positive fair value	-	-	-	-	-	-	-
Negative fair value	(2)	(2)	-	-	-	-	-

At December 31, 2013, assuming a 10% appreciation of the euro against the dollar, all other variables being equal, net income would have been about €23 million lower as a result of the increase in the fair value of trading derivatives on exchange rates.

Conversely, assuming a 10% depreciation of the euro against the dollar, all other variables being equal, net income would have been about €28 million higher as a result of the decrease in the fair value of trading derivatives on exchange rates.

Energy price risk

In the course of its operations, the Group is exposed to the risk of fluctuations in energy prices. The exposure essentially derives from the sale on spot markets (Power Exchange) of electricity generated and not sold under bilateral physical contracts.

To reduce that exposure, the Group companies, in addition to long-term contracts, use two-way contracts for differences, under which differences are paid to the counterparty if the spot price exceeds the strike price and to the Group companies in the opposite case. No premium is paid in such contracts. The Group enters into these two-way contracts for differences primarily with Enel Trade SpA.

The fair value at December 31, 2013, of the contracts was determined using forward prices for electricity, taking account of the increased liquidity on the reference market.

The residual exposure mainly derives from uncertainty regarding volumes of production, a characteristic of generation from renewable resources. Such risk is constantly monitored, controlled and measured.

The following table reports the notional amounts and fair values of derivative contracts on commodities at December 31, 2013 and December 31, 2012 restated.

Millions of euro	Notional	Fair value	Fair value assets	Fair value liabilities
		at Dec. 31, 2013		
Cash flow hedge derivatives	**483**	**7**	**9**	**2**
Two-way contracts for differences	435	(2)	-	2
Other energy derivatives	48	9	9	-
Total commodity derivatives	**483**	**7**	**9**	**2**

Millions of euro	Notional	Fair value	Fair value assets	Fair value liabilities
		at Dec. 31, 2012		
Cash flow hedge derivatives	**174**	**10**	**10**	**-**
Two-way contracts for differences	144	2	2	-
Other energy derivatives	30	8	8	-
Total commodity derivatives	**174**	**10**	**10**	**-**

Enel Green Power analyzes electricity contracts in order to determine whether they qualify as derivative contracts to be measured pursuant to IAS 39 or if, while not qualifying as derivatives, they contain embedded derivatives that must be measured pursuant to IAS 39. At present, there are no embedded derivatives, while contracts that qualify as derivatives have been measured appropriately.

The following table reports the cash flows expected in coming years from these financial derivatives.

Millions of euro	Fair value	Stratification of expected cash flows					
	at Dec. 31, 2013	2014	2015	2016	2017	2018	Beyond
Cash flow hedge derivatives	**7**	**1**	**2**	**2**	**1**	**1**	**-**
Net positive fair value	9	3	2	2	1	1	-
Net negative fair value	(2)	(2)	-	-	-	-	-
Trading derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net positive fair value	-	-	-	-	-	-	-
Net negative fair value	-	-	-	-	-	-	-

The following table shows the fair value of the derivatives and the consequent impact on shareholders' equity at December 31, 2013 (gross of taxes), that would have resulted, all other conditions being equal, in the event of a 10% increase or decrease in the prices of the commodities underlying the valuation model considered in the scenario at that date.

	-10%	Fair value	+10%
Two-way contracts for differences	9	(2)	(11)
Other energy derivatives	11	8	7

Liquidity risk

The volatility of the capital market may hinder or prevent the Group companies from obtaining the financing they need to operate.

The Group's existing policies for controlling and managing liquidity risk guarantee that there will be sufficient liquidity to cover expected commitments over a specific time horizon without the use of additional financing, as well as the assurance that a sufficient liquidity buffer will be maintained to cover any unexpected obligations.

The Enel Green Power Group has access, either indirectly through the Parent Company Enel SpA or directly through Enel Green Power International BV, to the Enel Group's centralized treasury function allowing it ready access the monetary and capital markets, and to timely manage any excess liquidity.

To guarantee support for the Company's development plans, it turned to a variety of funding sources among related parties (which covered 57% of the debt) as well as non-Group sources (43%) that are balanced and diversified in terms of type of funding and maturity dates.

At December 31, 2013, Enel Green Power had a total of about €6,700 million in committed credit lines (€3,250 million drawn) and €500 million in cash or cash equivalents.

Credit risk

The Group's exposure to credit risk is significantly concentrated with Enel Group companies and public or institutional counterparties. In order to minimize credit risk, the Group has adopted a special control and management policy that provides for measuring the creditworthiness of counterparties – based on information provided by outside sources and internal valuation models – and the continuous, organized monitoring of risk exposures, in order to quickly identify degenerating in existing credit quality.

Finally, to mitigate its exposure to credit risk, the Group obtains bank guarantees and/or makes use of factoring.

During 2013, in order to improve the management of credit risk and other minor risks, taking due account of the deterioration in macroeconomic conditions, the Group carried out a number of assignments of assets in respect of green certificates under which substantially all the risks were transferred, and credit risk in particular, with the consequent derecognition of the assets.

A summary quantitative indicator of the maximum exposure to credit risk is given by the carrying amount of financial assets gross of the provision for doubtful accounts. At December 31, 2013 the maximum exposure to credit risk amounted to €1,096 million (€1,339 million at December 31, 2012 restated), broken down as follows (for more detailed information, please see the notes to the financial statements).

Millions of euro

	2013	2012 restated	Change
Long-term financial receivables and securities	327	269	58
Non-current financial assets	36	59	(23)
Other non-current assets	145	83	62
Trade receivables	364	500	(136)
Short-term financial receivables and securities	220	421	(201)
Other current financial assets	4	7	(3)
Total	**1,096**	**1,339**	**(243)**

4

Restatement of comparative figures at December 31, 2012

The mandatory application of a new accounting standard (IAS 19/R), the provisions of IFRS3 for the definitive accounting of business combinations (PPA) and IFRS 5 for the disposal of Enel.si (discontinued operations) and the voluntary modification of the accounting policy for incentives (green certificates) made it necessary to restate the comparative figures of the financial statements for the previous year, as discussed below.

IAS 19/R effect

Following the application, as from January 1, 2013 with retrospective effect, of the new version of "IAS 19/R – *Employee benefits*", the main effects on the income statement and balance sheet reported solely for comparative purposes in these consolidated financial statements are discussed below:

- as the corridor approach may no longer be used, all actuarial gains and losses are recognized directly in equity. Accordingly, the actuarial gains and losses not recognized in application of the previous method were recognized in equity (in the amount of €4 million), with a consequent adjustment of the respective defined-benefit obligation recognized in the balance sheet as at December 31, 2012. The theoretical tax effects of both changes were also calculated;
- as the recognition of past service cost in the income statement may no longer be deferred, the portion of the past service cost not yet recognized was recognized in its entirety in equity, net of the theoretical tax effects, with recognition of the associated employee benefit obligation. The latter item was restated at January 1, 2013 to take account of the unrecognized past service cost, equal to €39 million, associated with the transition-to-retirement plan implemented in Italy at the end of 2012.

The impact on the balance sheet accounts at December 31, 2011 was negligible and has therefore not been reported.

PPA

Following the application of IFRS 3, we completed the definitive recognition, by the time limit provided for under IFRS 3/R, of the fair value of the assets acquired and the liabilities and contingent liabilities assumed with the acquisition of 50% of the Kafireas project and 100% of Stipa Nayaá and Zopiloapan in 2012.

For a number of minor acquisitions, the Group completed the definitive allocation of the purchase price of the identified assets and liabilities without restating the figures, given their non-materiality.

Green certificates

Following the voluntary modification of the accounting treatment of incentives, green certificates were reclassified from "Revenues from sales and services" to "Other revenues and income" (€294 million in 2012) and the value of green certificates not yet credited to the ownership account was reclassified from "Trade receivables" to "Other current non-financial assets" (€71 million at December 31, 2012 and €45 million at January 1, 2012).

The following table reports the changes in the consolidated balance sheet following the above amendments, including the associated tax effects.

Millions of euro

	at Dec. 31, 2012 reported	IAS 19/R effect	PPA	Green certificates	**at Dec. 31, 2012 restated**
ASSETS					
Intangible assets	1,260	-	80	-	1,340
Goodwill	942	-	(53)	-	889
Deferred tax assets	297	15	-	-	312
Other non-current assets	11,822	-	-	-	11,822
Non-current assets	**14,321**	**15**	**27**	**-**	**14,363**
Trade receivables	571	-	-	(71)	500
Other current assets	1,232	-	-	71	1,303
Current assets	**1,803**	**-**	**-**	**-**	**1,803**
Assets held for sale	**-**	**-**	**-**	**-**	**-**
TOTAL ASSETS	**16,124**	**15**	**27**	**-**	**16,166**
LIABILITIES AND SHAREHOLDERS' EQUITY					
Equity pertaining to the shareholders of the Parent Company	7,098	(28)	-	-	7,070
Non-controlling interests	874	-	9	-	883
TOTAL SHAREHOLDERS' EQUITY	**7,972**	**(28)**	**9**	**-**	**7,953**
Post-employment and other employee benefits	46	43	-	-	89
Deferred tax liabilities	584	-	18	-	602
Other non-current liabilities	4,922	-	-	-	4,922
Non-current liabilities	**5,552**	**43**	**18**	**-**	**5,613**
Current liabilities	**2,600**	**-**	**-**	**-**	**2,600**
Liabilities held for sale	**-**	**-**	**-**	**-**	**-**
TOTAL LIABILITIES	**8,152**	**43**	**18**	**-**	**8,213**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**16,124**	**15**	**27**	**-**	**16,166**

Finally, on June 17, 2013 Enel Green Power SpA and Enel Energia SpA reached agreement on the sale of the entire share capital of Enel.si Srl, a wholly-owned subsidiary of Enel Green Power, to Enel Energia, a Generation, Energy Management and Sales Italy Division company of the Enel Group, with effect as from July 1, 2013.

Following the agreement, the performance figures and the gain on disposal were reclassified in the income statement to "Net income from discontinued operations". For the sake of uniformity, the results for 2012 have also been reclassified. The following table reports the effects of the above developments.

Millions of euro

	2012 reported	Discontinued operations	IAS 19/R effect	Green certificates	**2012 restated**
Revenues and income					
Revenues from sales and services	2,565	207	-	(294)	2,064
Other revenues and income	131	5	-	294	420
	2,696	**212**	**-**	**-**	**2,484**
Costs					
Raw materials and consumables	371	132	-	-	239
Services	431	18	-	-	413
Personnel	242	8	39	-	273
Depreciation, amortization and impairment losses	706	10	-	-	696
Other operating expenses	128	41	-	-	87
Capitalized costs	(162)	-	-	-	(162)
	1,716	**209**	**39**	**-**	**1,546**
Net income/(charges) from commodity risk management	**(8)**	**-**	**-**	**-**	**(8)**
Operating income	**972**	**3**	**(39)**	**-**	**930**
Net financial income/(expense)	(230)	(2)	-	-	(228)
Financial income	133	1	-	-	132
Financial expense	(363)	(3)	-	-	(360)
Share of income/(expense) from equity investments accounted for using equity method	47	-	-	-	47
Income before taxes	**789**	**1**	**(39)**	**-**	**749**
Income taxes	298	1	(13)	-	284
Net income from continuing operations	491	-	(26)	-	465
Net income from discontinued operations [1]	-	-	-	-	-
Net income for the period	**491**	**-**	**(26)**	**-**	**465**
Pertaining to the shareholders of the Parent Company	413	-	(26)	-	387
Pertaining to non-controlling interests	78	-	-	-	78
Earnings per share: basic and diluted (in euros)	*0.08*	-	-	-	*0.08*
Earnings per share from continuing operations: basic and diluted (in euros)	*0.08*	-	-	-	*0.08*
Earnings per share from discontinued operations: basic and diluted (in euros)	*0.00*	-	-	-	*0.00*

(1) Net income from discontinued operations pertains entirely to the shareholders of the Parent Company.

The impact on the statement of consolidated comprehensive income and on the consolidated statement of cash flows was limited to a number of reclassifications among the various items, in line with the changes in the balance sheet.

Any effects at January 1, 2012 have been reported in the appropriate sections.

5

Main changes in the scope of consolidation

The scope of consolidation changed between 2012 and 2013 as a result of the following main transactions.

2012

- Acquisition, on January 13, 2012, of an additional 49% of Rocky Ridge Wind Project, which was already a subsidiary (and consolidated on a line-by-line basis) as a result of ownership of 51% of the company;
- acquisition, on June 27, 2012, of an additional 50% of the companies of the Kafireas Group, previously included in the Greek wind project pipeline "Elica 2" and accounted for using the equity method in view of the stake held (30%); following the acquisition, the companies are consolidated on a line-by-line basis;
- acquisition, on June 28, 2012, of 100% of Stipa Nayaá, a Mexican company operating in the wind generation sector;
- acquisition, on October 12, 2012, of an additional 58% of Trade Wind Energy, a company in which the Group previously held a stake of 42%; following the acquisition, the company is consolidated on a line-by-line basis rather than

accounted for using the equity method;

> acquisition, on December 21, 2012, of 99.9% of Eólica Zopiloapan, a Mexican company operating in the wind generation sector.

As from the 4th Quarter of 2012, as the conditions provided for under IFRS 5 for classification under assets/liabilities held for sale no longer applied, the assets of the subsidiary Enel Green Power España were reclassified to the appropriate items of the balance sheet.

2013

Definitive allocation of the purchase price of previous acquisitions

Kafireas pipeline

Millions of euro	Carrying amount prior to acquisition (June 2012)	Fair value adjustments	Amounts recognized at the acquisition date
Non-current assets	-	55	55
Current assets	32	-	32
TOTAL ASSETS	**32**	**55**	**87**
Non-current liabilities	-	11	11
Current liabilities	31	-	31
TOTAL LIABILITIES	**31**	**11**	**42**
Non-controlling interests (20%)	**-**	**9**	**9**
CONSOLIDATED NET ASSETS	**1**	**35**	**36**
Goodwill	-	-	22
Value of the transaction (1)	**-**	**-**	**58**

(1) Including incidental expenses.

Note that the final allocation of the purchase price of the assets acquired and the liabilities assumed occurred after the drafting of the consolidated financial statements at December 31, 2012. The main adjustments (summarized above) compared with the provisional determination of the fair values of the assets acquired and the liabilities and contingent liabilities assumed essentially regard:

> the adjustment of the value of certain intangible assets as a result of the completion of the determination of their fair value;

> the determination of the tax effects of the above adjustments;

> the allocation to non-controlling interests of the portion of those adjustments pertaining to them.

Stipa Nayaá

Millions of euro	Carrying amount prior to acquisition (June 2012)	Fair value adjustments	Amounts recognized at the acquisition date
Non-current assets	113	14	127
Current assets	18	-	18
TOTAL ASSETS	**131**	**14**	**145**
Non-current liabilities	-	4	4
Current liabilities	6	-	6
TOTAL LIABILITIES	**6**	**4**	**10**
CONSOLIDATED NET ASSETS	**125**	**10**	**135**
Goodwill	-	-	4
Value of the transaction (1)	**-**	**-**	**139**

(1) Including incidental expenses.

Note that the final allocation of the purchase price of the assets acquired and the liabilities assumed occurred after the drafting of the consotlidated financial statements at December 31, 2012. The main adjustments (summarized above)

compared with the provisional determination of the fair values of the assets acquired and the liabilities and contingent liabilities assumed essentially regard:

> the adjustment of the value of certain intangible assets as a result of the completion of the determination of their fair value;

> the determination of the tax effects of the above adjustments.

Eólica Zopiloapan

Millions of euro	Carrying amount prior to acquisition (December 2012)	Fair value adjustments	Amounts recognized at the acquisition date
Non-current assets	105	11	116
Current assets	15	-	15
TOTAL ASSETS	**120**	**11**	**131**
Non-current liabilities	-	3	3
Current liabilities	8	-	8
TOTAL LIABILITIES	**8**	**3**	**11**
CONSOLIDATED NET ASSETS	**112**	**8**	**120**
Goodwill	-	-	6
Value of the transaction (1)	**-**	**-**	**126**

(1) Including incidental expenses.

Note that the final allocation of the purchase price of the assets acquired and the liabilities assumed occurred after the drafting of the consolidated financial statements at December 31, 2012. The main adjustments (summarized above) compared with the provisional determination of the fair values of the assets acquired and the liabilities and contingent liabilities assumed essentially regard:

> the adjustment of the value of certain intangible assets as a result of the completion of the determination of their fair value;

> the determination of the tax effects of the above adjustments.

Business combinations

Talinay

On March 22, 2013, Enel Green Power SpA and its subsidiary Enel Latin America (Chile) signed an agreement with Vestas for the acquisition of 100% of the Talinay wind farm.

With the transaction, the Enel Green Power Group purchased the entire share capital of Talinay, which owns the plant, acquiring control. The transaction represents a business combination and was treated in accordance with the provisions of IFRS 3.

The following table reports the effects of the temporary remeasurement at fair value at the final acquisition date of the net assets acquired.

Millions of euro	Carrying amount prior to acquisition	Fair value adjustments	Amounts recognized at the acquisition date
Non-current assets	127	19	146
Current assets	-	-	-
TOTAL ASSETS	**127**	**19**	**146**
Non-current liabilities	-	-	-
Current liabilities	20	-	20
TOTAL LIABILITIES	**20**	**-**	**20**
Non-controlling interests	-	-	-
CONSOLIDATED NET ASSETS	**107**	**19**	**126**
Goodwill			-
Value of the transaction (1)			**126**
Cash and cash equivalents			**-**
Cash flow impact (2)			**81**
Still to be paid			**18**

(1) Including incidental expenses.
(2) Net of advances paid in 2012 (€27 million).

Chisholm View

Following the exercise of the option to acquire an additional 26% of the company, the Group increased its stake in Chisholm View LLC from 49% (previously accounted for using the equity method) to 75%.

The following table reports the effects of the remeasurement at fair value at the final acquisition date of the net assets acquired (26%) of Chisholm View.

Millions of euro	Carrying amount	Fair value adjustments [1]	Fair value
Non-current assets	272	4	276
Cash and cash equivalents	8	-	8
Other current assets	4	-	4
Non-current liabilities	(124)	-	(124)
Current liabilities	(29)	-	(29)
Total net assets	**131**	**4**	**135**
NET ASSETS ACQUIRED (26%)	**34**	**1**	**35**
Value of the transaction	**-**	**-**	**35**
Cash and cash equivalents	**-**	**-**	**8**
Cash flow impact	**-**	**-**	**27**
- of which paid	-	-	27

(1) The transaction involved the payment of a control premium for the stake acquired.

Prairie Rose

Following the exercise of the option to acquire an additional 26% of the company, the Group increased its stake in Prairie Rose LLC from 49% (previously accounted for using the equity method) to 75%.

The following table reports the effects of the remeasurement at fair value at the final acquisition date of the net assets acquired (26%) of Prairie Rose.

Millions of euro	Carrying amount	Fair value adjustments [1]	Fair value
Non-current assets	222	1	223
Cash and cash equivalents	9	-	9
Other current assets	2	-	2
Non-current liabilities	(108)	-	(108)
Current liabilities	(24)	-	(24)
Total net assets	**101**	**1**	**102**
NET ASSETS ACQUIRED (26%)	**27**	**-**	**27**
Value of the transaction	**-**	**-**	**27**
Cash and cash equivalents	**-**	**-**	**9**
Cash flow impact	**-**	**-**	**18**
- of which paid	-	-	18

(1) The transaction involved the payment of a control premium for the stake acquired.

Other projects in North America

In December 2013 the Group completed three separate business combinations in the United States, which have been treated in accordance with IFRS 3.

The value of each of the transactions comprises a fixed component and contingent consideration.

The excess cost identified has provisionally been allocated to property, plant and equipment and intangible assets, taking account of tax effects, as summarized in the following tables.

Geronimo Wind Energy business combination

Millions of euro	Carrying amount at acquisition date	Fair value adjustments	Amounts recognized at acquisition date
Non-current assets	5	24	29
Current assets	-	-	-
TOTAL ASSETS	**5**	**24**	**29**
Non-current liabilities	-	8	8
Current liabilities	-	-	-
TOTAL LIABILITIES	**-**	**8**	**8**
CONSOLIDATED NET ASSETS	**5**	**16**	**21**
Goodwill	-	-	-
Value of the transaction (1)	**-**	**-**	**21**
Cash flow impact	**-**	**-**	**-**

(1) Including incidental expenses.

Trade Wind Energy business combination

Millions of euro	Carrying amount at acquisition date	Fair value adjustments	Amounts recognized at acquisition date
Non-current assets	5	35	40
Current assets	-	-	-
TOTAL ASSETS	**5**	**35**	**40**
Non-current liabilities	-	12	12
Current liabilities	6	-	6
TOTAL LIABILITIES	**6**	**12**	**18**
CONSOLIDATED NET ASSETS	**(1)**	**23**	**22**
Goodwill	-	-	-
Value of the transaction (1)	**-**	**-**	**22**
Cash flow impact	**-**	**-**	**-**

(1) Including incidental expenses.

Origin business combination

The value of the operation, equal to €7 million, had not yet been paid as at December 31, 2013. The identified excess cost had provisionally been allocated to property, plant and equipment.

Acquisitions of joint ventures

PowerCrop

On March 26, 2013, Enel Green Power and SECI Energia signed the definitive agreement for the acquisition of joint control of PowerCrop (50%).

Millions of euro (1)	
Non-current assets	12
Current assets	5
TOTAL ASSETS	**17**
Non-current liabilities	-
Current liabilities	2
TOTAL LIABILITIES	**2**
Non-controlling interests	-
CONSOLIDATED NET ASSETS	**15**
Goodwill	9
Value of the transaction (2)	**24**
Cash and cash equivalents	**-**
Cash flow impact (3)	**4**
Still to be paid	**12**

(1) Figures pro-rated.
(2) Including incidental expenses.
(3) Net of advances paid in 2012 (€8 million).

Discontinued operations (retail operations)

On June 17, 2013, Enel Green Power and Enel Energia SpA reached an agreement for the sale to the latter of the entire share capital of Enel.si Srl, a wholly-owned subsidiary of Enel Green Power, effective July 1, 2013. The sale of the business forms part of the broader medium/long-term strategy of Enel Green Power, which is increasingly focused on expanding its business of developing, building and operating renewable-resource generation plants, a segment in which it is a world leader. Enel Green Power engaged Société Générale to provide the fairness opinion on the appropriateness of the value assigned to Enel.si.

The price paid by Enel Energia for the entire share capital of Enel.si amounted to €92 million subject to a price adjustment estimated at around €11 million on the basis of currently available information, of which €6 million already paid. The provisional gain on the sale amounted to €69 million.

Following the sale, Enel.si was deconsolidated as from July 1, 2013 and its income statement items up until that date, such as the gain on the sale of the stake in its share capital, are reported under discontinued operations.

In the performance figures for 2012, reported for comparative purposes in these consolidated financial statements, the results of Enel.si have been reported under "discontinued operations" to ensure a representation consistent with IFRS 5.

Reclassification to assets and liabilities held for sale

As from the 4th Quarter of 2013, in accordance with the provisions of IFRS 5 governing classification under assets and liabilities held for sale, the assets and liabilities of the Portuguese investees of Enel Green Power España and the investment in the French company WP France 3 were reclassified in the related items of the balance sheet.

Minor acquisitions

In 2013, the Group acquired a controlling interest in the French company La Vallier (already merged into Enel Green Power France) for €7 million (with an impact of €5 million on goodwill), the Mexican company Dominica for €4 million (with an impact of €4 million on goodwill) and the Italian company Finale Emilia for €8 million (with an impact of €3 million on goodwill).

Finally, equity investments were sold in Iberia in the total amount of €17 million and in North America in the amount of €3 million.

6
Segment information

On March 8, 2010 the Enel Green Power Group implemented an organizational structure that, among other things, structures the Group into geographical areas:

> Italy and Europe;
> Iberia and Latin America;
> North America.

In addition, there is an area dedicated to Enel.si, called the Retail area, with independent responsibilities for the Italy and Europe area. It is classified here under discontinued operations as from June 30, 2013 following its sale to Enel Energia, as discussed elsewhere.

The criteria used to identify the operating segments in which the Group works are drawn, among other things, from the way in which top management periodically reviews the results of the Group for the purpose of taking decisions on how to allocate resources to the segments and for assessing the results themselves.

More specifically, the following tables set out the operating segments in which the Group operates in Italy and abroad and the indicators used by Group management in analyzing segment results for the year ended December 31, 2013 and for the year ended December 31, 2012 restated.

Beginning with 2014, the geographical segments will be reorganized in order to reflect the new organizational structure of the Group, approved by the Board of Directors in February 25, 2014, which folds the Iberia area, previously included in Iberia and Latin America, into the Italy and Europe area, in order to better reflect the actual strategic decisions of Enel Green Power with a view to enhancing efficiency. The new segments will be represented as follows:

> Italy and Europe;
> Latin America;
> North America.

The section "Performance and financial position by segment" contains the disclosures provided for in CONSOB Recommendation no. 0061493 of July 18, 2013.

Segment information for 2013

Millions of euro	Continuing operations					Discontinued operations	
	Italy and Europe	Iberia and Latin America	North America	Eliminations and adjustments	**Total**	Retail [1]	**TOTAL**
Total revenues from third parties including commodity risk management	1,551	864	363	-	2,778	138	**2,916**
Revenues from other segments	60	7	-	(67)	-	-	-
Total revenues including commodity risk management	**1,611**	**871**	**363**	**(67)**	**2,778**	**138**	**2,916**
Total costs	567	374	117	(67)	991	69	1,060
Depreciation, amortization and impairment losses	381	234	107	-	722	8	730
of which writedowns and writebacks	*36*	*35*	*12*	-	*83*	*7*	*90*
Operating income	**663**	**263**	**139**	**-**	**1,065**	**61**	**1,126**
Capital expenditure [2]	**395**	**652**	**202**	**-**	**1,249**	**-**	**1,249**

(1) Including gain from disposal.
(2) Excludes value of grants received in Greece for plants on which construction has not yet begun.

Segment information for 2012 restated

Millions of euro	Continuing operations					Discontinued operations	
	Italy and Europe	Iberia and Latin America	North America	Eliminations and adjustments	**Total**	Retail	**TOTAL**
Total revenues from third parties including commodity risk management	1,384	792	300	-	2,476	212	**2,688**
Revenues from other segments	49	5	-	(54)	-	-	**-**
Total revenues including commodity risk management	**1,433**	**797**	**300**	**(54)**	**2,476**	**212**	**2,688**
Total costs	501	300	103	(54)	850	199	1,049
Depreciation, amortization and impairment losses	390	225	81	-	696	10	706
of which writedowns and writebacks	*8*	*43*	*-*	*-*	*51*	*9*	*60*
Operating income	**542**	**272**	**116**	**-**	**930**	**3**	**933**
Capital expenditure	**773**	**339**	**145**	**-**	**1,257**	**-**	**1,257**

Change

Millions of euro	Continuing operations					Discontinued operations	
	Italy and Europe	Iberia and Latin America	North America	Eliminations and adjustments	**Total**	Retail	**TOTAL**
Total revenues from third parties including commodity risk management	167	72	63	-	302	(74)	**228**
Revenues from other segments	11	2	-	(13)	-	-	**-**
Total revenues including commodity risk management	**178**	**74**	**63**	**(13)**	**302**	**(74)**	**228**
Total costs	66	74	14	(13)	141	(130)	11
Depreciation, amortization and impairment losses	(9)	9	26	-	26	(2)	24
of which writedowns and writebacks	*28*	*(8)*	*12*	*-*	*32*	*(2)*	*30*
Operating income	**121**	**(9)**	**23**	**-**	**135**	**58**	**193**
Capital expenditure	**(378)**	**313**	**57**	**-**	**(8)**	**-**	**(8)**

The following tables reconcile segment assets and liabilities and the consolidated figure.

Millions of euro

	at Dec. 31, 2013	at Dec. 31, 2012 restated	Change
Total assets	**16,936**	**16,166**	**770**
Financial assets, cash and cash equivalents	(941)	(1,104)	163
Tax assets	(381)	(375)	(6)
Other assets	(1,391)	(1,408)	17
Operating assets [1]	**14,223**	**13,279**	**944**
Total liabilities	**8,673**	**8,213**	**460**
Loans and other financial liabilities	(6,467)	(5,793)	(674)
Tax liabilities	(739)	(646)	(93)
Other liabilities	(48)	(89)	41
Operating liabilities [2]	**1,419**	**1,685**	**(266)**

(1) Operating assets regarding units classified as "held for sale" amounted to €37 million at December 31, 2013 (none at December 31, 2012 restated).
(2) Operating liabilities regarding units classified as "held for sale" amounted to €12 million at December 31, 2013 (none at December 31, 2012 restated).

At December 31, 2013

Millions of euro	Italy and Europe	Iberia and Latin America	North America	Eliminations and adjustments	**Total**
Property, plant and machinery	6,610	3,497	1,745	(1)	**11,851**
Intangible assets	214	968	146	-	**1,328**
Trade receivables	400	107	39	(182)	**364**
Other	389	217	92	(18)	**680**
Operating assets [1]	**7,613**	**4,789**	**2,022**	**(201)**	**14,223**
Trade payables	391	436	74	(148)	**753**
Provisions for risks and charges	93	25	14	-	**132**
Other	322	149	90	(27)	**534**
Operating liabilities [2]	**806**	**610**	**178**	**(175)**	**1,419**

(1) Operating assets regarding units classified as "held for sale" amounted to €37 million at December 31, 2013, of which about €24 million regarding the Iberia and Latin America area and about €13 million regarding the Italy and Europe area.
(2) Operating liabilities regarding units classified as "held for sale" amounted to €12 million at December 31, 2013, of which €11 million regarding the Iberia and Latin America area and €1 million regarding the Italy and Europe area.

At December 31, 2012 restated

Millions of euro	Italy and Europe	Iberia and Latin America	North America	Retail	Eliminations and adjustments	**Total**
Property, plant and equipment	6,551	3,032	1,295	-	-	**10,878**
Intangible assets	205	1,007	127	1	-	**1,340**
Trade receivables	388	176	22	42	(128)	**500**
Other	344	152	39	34	(8)	**561**
Operating assets	**7,488**	**4,367**	**1,483**	**77**	**(136)**	**13,279**
Trade payables	620	447	42	73	(112)	**1,070**
Provisions	58	32	11	2	-	**103**
Other	306	171	53	3	(21)	**512**
Operating liabilities	**984**	**650**	**106**	**78**	**(133)**	**1,685**

Information on the Consolidated Income Statement

Revenues and income

7.a Revenues from sales and services - *€2,263 million*

Millions of euro

	2013	*of which with related parties*	2012 restated	*of which with related parties*	Change
Energy	2,201	*920*	2,014	*885*	187
Other sales and services	62	*15*	50	*49*	12
Total	**2,263**		**2,064**		**199**

"Energy" revenues include €1,743 million from the sale of electricity (€1,642 million in 2012 restated) and €458 million from incentives such as feed-in tariffs (€372 million in 2012 restated). The increase compared with the previous year, equal to €187 million, is mainly due to greater output (€101 million) and the increase in revenues from subsidized power (€86 million).
The increase in revenues from subsidized power, equal to €86 million, is mainly attributable to Greece (€34 million) and to revenues from tax partnerships in North America (€42 million).
The share of the item in question generated in transactions with related parties in in 2013 mainly regards the sale of electricity to the EMO in the amount of €433 million (€471 million in 2012 restated), to the ESO in the amount of €53 million (€259 million in 2012 restated) and bilateral contracts with Enel Trade in the amount of €400 million (€254 million in 2012 restated).

Revenues from "Other sales and services" increased by €12 million on the previous year (€50 million), mainly in respect of insurance indemnities in Latin America (€8 million).

7.b Other revenues and income - *€494 million*

Millions of euro

	2013	*of which with related parties*	2012 restated	*of which with related parties*	Change
Green certificates	402	*296*	294	*294*	108
Gains on the disposal of property, plant and equipment and intangible assets	2		9		(7)
Other income	90	*3*	117	*14*	(27)
Total	**494**		**420**		**74**

"Green certificates" amounted to €402 million (€294 million in 2012 restated). The item reports revenues posted in Italy in the amount of €323 million from 3,648 GWh of electricity generated (€246 million from 3,059 GWh in 2012 restated) and in Romania in the amount of €79 million from 1,837 GWh of electricity generated (€48 million from 866 GWh in 2012 restated).
"Other income" reports the effects of the disposal of a controlling stake of 51% in Buffalo Dunes for €67 million, including a development fee of €35 million and the reimbursement of preliminary investments made during the negotiations in the amount of €32 million. Overall, the transaction involved the recognition of €40 million in income, of which €20 million in respect of the gain on the interest sold and €20 million from the consequent remeasurement at fair value of the 49% still held.

Costs

8.a Raw materials and consumables - *€265 million*

Millions of euro

	2013	*of which with related parties*	2012 restated	*of which with related parties*	Change
Materials	81	*42*	110	*23*	(29)
Electricity	140	*8*	74	*12*	66
Fuels and gas	44	*20*	55		(11)
Total	**265**		**239**		**26**
Capitalized raw materials costs	*(25)*		*(73)*		*48*

Costs for the purchase of "Materials" increased by €19 million net of capitalized costs.

Costs for the purchase of "Electricity" increased by €66 million, mainly due to an increase in the cost of electricity purchases in Panama (€41 million) and Chile (€13 million).
The increase in the cost of electricity purchases in Panama as a result of lower output (€30 million) squeezed the gross operating margin, as unit revenues are specified contractually (an average of $75/MWh); the regulations provide for the recovery of part of the decline in the margin through the sale of excess power in subsequent years on the Power Exchange at the pool price (in 2013, an average of $225/MWh) rather than to distributors at the contract price (in 2013, an average of $120/MWh). This will be recognized at the time of the future sales.

The decline in costs for the purchase of "Fuels and gas" amounted to €11 million and is attributable to planned decommissioning of the cogeneration plant of the Portuguese companies.

8.b Services - *€444 million*

Millions of euro

	2013	*of which with related parties*	2012 restated	*of which with related parties*	Change
Maintenance and repairs	84		91		(7)
Leases and rentals	98	*8*	82	*9*	16
Transmission	29		25		4
Other	233	*103*	215	*83*	18
Total	**444**		**413**		**31**
Capitalized costs for services	*(22)*		*(27)*		*5*

"Leases and rentals" rose by €16 million, mainly attributable to the increase in the fees paid by the Parent Company for water diversion (€8 million) and the cost of rentals and leases of land for wind plants in Spain and North America (€6 million).

"Other" costs for services rose by €18 million, mainly due to the increase in fees for transport capacity rights (€12 million) and cost for technical consulting at plants as a result of the expansion of installed capacity (€3 million).

8.c Personnel - *€247 million*

Millions of euro

	2013	2012 restated	Change
Wages and salaries	186	172	14
Social security contributions	44	40	4
Post-employment and other employee benefits	8	53	(45)
Other costs	9	8	1
Total	**247**	**273**	**(26)**
- of which capitalized	*(56)*	*(61)*	*5*

The rise in costs for "Wages and salaries" reflects an increase in average costs and the expansion of the average workforce for the year (+4.2%) as a result of organic growth in Italy and Europe (up 125 employees compared with 2012 restated) and in Iberia and Latin America (up 86 employees compared with 2012 restated).

The increase is consistent with the reorganization undertaken by the Group with a view to increasing integration and boosting efficiency at the global level, as discussed in the section "How we operate – Our people".

The decline in costs for "Post-employment and other employee benefits" is mainly attributable to the effect of the recognition of charges for the transition-to-retirement plan established for certain Italian employees at the end of 2012 (€39 million). The plan was terminated in September 2013, with the consequent release of provisions and a positive impact of €39 million in December 2013. Following the agreement signed with the unions defining the number of employees involved (235) in the new termination program (to be carried out in 2013 and 2014 and completed by January 1, 2015) and specifying the benefits to which the employees will be entitled, provisions were recognized in the amount of €40 million.

The table below shows the average number of employees by category, compared with the previous year, and the actual number of employees at December 31, 2013.

No. of employees	Average number			Headcount
	2013	2012	Change	at Dec. 31, 2013 (1)
Senior managers	79	88	(9)	81
Middle managers	539	525	14	570
Office staff	1,670	1,621	49	1,700
Workers	1,211	1,124	87	1,248
Total	**3,499**	**3,358**	**141**	**3,599**

(1) Including 130 in companies consolidated on a proportionate basis.

8.d Depreciation, amortization and impairment losses - *€722 million*

Millions of euro

	2013	2012 restated	Change
Depreciation	549	549	-
Amortization	88	84	4
Goodwill impairment	-	13	(13)
Impairment losses	85	50	35
Total	**722**	**696**	**26**

"Depreciation" was unchanged compared with 2012, mainly the result of an increase in depreciation as a result of the expansion of installed capacity in North America (€22 million), Romania (€13 million) and Mexico (€6 million), entirely offset by the positive impact of the revision of the useful lives of assets to be relinquished free of charge following the enactment

of Law 134/2012 in Italy and the reduction in depreciation of the 3SUN plant as a result of the impairment loss posted during the year.

The rise in "Amortization" amounted to €4 million, mainly reflecting the increase in amortization of the intangible assets of the North American companies (€4 million).

"Impairment losses" amounted to €85 million, in respect of the impairment of plants for the manufacture of photovoltaic panels of 3SUN in the amount of €31 million (none in 2012). During the 1st Half of 2013, the management of the 3SUN joint venture found evidence of impairment, such as a number of technology issues associated with the start-up phase and changes in the market prices of panels. On the basis of these indicators, it was felt advisable to perform an impairment test in order to ascertain whether the carrying amount of the assets was in fact impaired.
The impairment test was conducted using the unlevered discounted cash flow approach with post-tax figures in order to estimate the enterprise value (EV) of the 3SUN CGU on the basis of:

> growth rate at the end of the explicit period: 0.5%;
> explicit period of cash flows: 5 years;
> post-tax discount rate (WACC): 7.9% in the explicit period and 9.9% at the end of the explicit period;
> terminal value: perpetuity, but including additional maintenance costs of €5 million per year.

The impairment test found an impairment loss and, consequently, property, plant and equipment and intangible assets were written down to their estimated recoverable value.

In addition, impairment losses were recognized for specific individual assets that are not expected to contribute to generating future cash flows, such as geothermal projects in Latin America in the amount of €17 million (€12 million in 2012), North America in the amount of €12 million (none in 2012) and Iberia in the amount of €16 million (€23 million in 2012). Impairment losses were also recognized on assets in Italy in the amount of €2 million (€8 million in 2012).

8.e Other operating expenses - *€138 million*

"Other operating expenses" amounted to €138 million, an increase of €51 million compared with 2012 restated, mainly attributable to the introduction of taxes on renewables generation in Spain (€26 million) and Greece (€16 million).

9. Net income/(charges) from commodity risk management - *€21 million*

Millions of euro

	2013	*of which with related parties*	2012 restated	*of which with related parties*	Change
Realized income on derivatives:	**25**		**11**		**14**
CFH – hedge on commodity prices	25	*25*	11	*11*	14
Unrealized income:	**2**		**2**		**-**
Trading – non-hedge on commodity prices	2		2		-
Total income from commodity risk management	**27**		**13**		**14**
Realized charges on derivatives:	**(3)**		**(16)**		**13**
CFH – hedge on commodity prices	(3)	*(3)*	(16)	*(16)*	13
Unrealized charges:	**(3)**		**(5)**		**2**
CFH – hedge on commodity prices	(3)		(5)		2
Total charges from commodity risk management	**(6)**		**(21)**		**15**
Net income/(charges) from commodity risk management	**21**		**(8)**		**29**

"Net income/(charges) from commodity risk management" include €22 million in net income realized on positions closed during the year (€5 million in net charges in 2012) and €1 million in net unrealized charges (€3 million in net charges in 2012).

Contracts in Italy are mainly entered into with Enel Trade SpA for commodity derivatives and with Enel SpA to hedge exchange rate risk, as a number of hedge contracts with Enel Trade SpA are denominated in dollars.

10. Net financial income/(expense) - *€(268) million*

Millions of euro

	2013	*of which with related parties*	2012 restated	*of which with related parties*	Change
Foreign exchange gains	41	*9*	103		(62)
Interest and other income from financial assets	32	*22*	27	*4*	5
Income from financial derivative instruments	6	*6*	2		4
Total financial income	**79**		**132**		**(53)**
Foreign exchange losses	45	*9*	104		(59)
Interest and other charges on financial liabilities	267		244		23
- long-term loans	*244*	*135*	*207*	*117*	*37*
- short-term loans	*34*	*33*	*39*	*35*	*(5)*
- other financial expense	*25*	*5*	*22*		*3*
- capitalized financial expense	*(36)*		*(24)*		*(12)*
Expense on derivative instruments	35	*26*	12	*8*	23
Total financial expense	**347**		**360**		**(13)**
Net financial expense	**(268)**		**(228)**		**(40)**

"Interest and other charges on financial liabilities" increased by €23 million, mainly due to the increase in average net debt and a rise in interest rates associated with the increase in the average maturity of the debt.

11. Share of income/(expense) from equity investments accounted for using the equity method - *€64 million*

Millions of euro

	2013	2012 restated	Change
Income from associates	81	74	7
Expense on associates	(17)	(27)	10
Total	**64**	**47**	**17**

"Income from associates" is mainly accounted for by profits received from LaGeo in the amount of €31 million (€34 million in 2012), and associated companies in Iberia in the amount of €41 million (€33 million in 2012) and North America in the amount of €9 million (€7 million in 2012).

"Expense on associates" mainly regards the losses of associates in North America in the amount of €14 million (€23 million in 2012).

12. Income taxes - *€324 million*

Millions of euro

	2013	2012 restated	Change
Current taxes	278	295	(17)
Deferred tax liabilities/(assets)	55	(6)	61
Adjustments for prior years	(9)	(5)	(4)
Total	**324**	**284**	**40**

"Income taxes" amounted to €324 million, an increase of €40 million, in line with developments in income before tax.

The following table reconciles the theoretical tax rate with the effective rate.

Millions of euro

	2013		2012 restated	
Income before taxes	861		749	
Theoretical tax	237	27.5%	205	27.5%
IRES surtax	50	5.8%	49	6.6%
IRAP	33	3.8%	30	4.0%
Effect of local tax rates	(7)	-0.8%	(16)	-2.1%
Permanent differences and minor items	11	1.3%	16	2.2%
Effective tax	**324**	**37.6%**	**284**	**37.9%**

13. Net income from discontinued operations - *€61 million*

Millions of euro

	2013	2012	Change
Revenues and income	70	215	(145)
Costs	77	212	(135)
Operating income	**(7)**	**3**	**(10)**
Net financial income/(expense)	-	(2)	2
Income taxes	-	1	(1)
Result for the period net of capital gains	**(7)**	**-**	**(7)**
Capital gain from disposal of assets	68	-	68
Net income from discontinued operations	**61**	**-**	**61**

Following the disposal of Enel.si with effect from July 1, 2013, that company was deconsolidated from the same date. The results of the company up to the disposal date and the gain achieved with the sale of its equity were classified under discontinued operations.

In the performance figures for 2012 reported for comparative purposes, the results achieved by Enel.si have been reported as discontinued operations to provide a more consistent representation.

The sale of the business forms part of the broader medium/long-term strategy of Enel Green Power, which is increasingly focused on expanding its business of developing, building and operating renewable-resource generation plants, a segment in which it is a world leader. Enel Green Power engaged Société Générale to provide the fairness opinion on the appropriateness of the value assigned to Enel.si.

The price paid by Enel Energia for all of Enel.si amounted to €92 million (subject to an estimated price adjustment at the effective date of the transfer of the holding in the amount of €11 million, of which €6 million has been paid), which was calculated on the basis of the enterprise value at December 31, 2012 (equal to about €76 million) and the company's net financial position at the same date (net liquidity of about €16 million). The price was paid in a single installment on the date the transfer of the holding took effect.

The capital gain realized with the sale of Enel.si, equal to €68 million including the impact of the estimated price adjustment of about €11 million, was reported under discontinued operations in the income statement in view of the fact that the transaction, while carried out between two Enel Group entities, was justified by economically substantive motivations. The price adjustment will be determined definitively only after verification of the value of a number of specific items, scheduled for June 30, 2014, as provided for in the sale agreement.

Information on the Consolidated Balance Sheet

Assets

Non-current assets

14. Property, plant and equipment - *€11,851 million*

Millions of euro	Land and buildings [1]	Plant and equipment	Leased assets	Other assets	Assets under construction and advances	**Total**
Cost	1,384	11,339	228	144	1,897	14,992
Accumulated depreciation	(361)	(4,351)	(16)	(92)	-	(4,820)
Balance at January 1, 2012	**1,023**	**6,988**	**212**	**52**	**1,897**	**10,172**
Capital expenditure	26	141	2	9	1,048	1,226
Assets entering service	37	1,097	3	1	(1,138)	-
Depreciation and impairment losses	(40)	(503)	(9)	(14)	(12)	(578)
Capitalized borrowing costs	-	-	-	-	24	24
Plant retirement fund	-	9	-	-	2	11
Exchange rate differences	(4)	(53)	-	(1)	(15)	(73)
Change in scope of consolidation	1	215	-	-	8	224
Disposals and other changes	(3)	(38)	-	-	(63)	(104)
Other changes	109	(79)	14	(1)	(67)	(24)
Total changes	**126**	**789**	**10**	**(6)**	**(213)**	**706**
Cost	1,576	12,523	245	152	1,682	16,178
Accumulated depreciation	(426)	(4,730)	(23)	(104)	-	(5,283)
Impairment	(1)	(16)	-	-	-	(17)
Balance at December 31, 2012 restated	**1,149**	**7,777**	**222**	**48**	**1,682**	**10,878**
Capital expenditure	18	154	2	7	1,057	1,238
Assets entering service	99	1,006	1	11	(1,117)	-
Depreciation and impairment losses	(46)	(515)	(10)	(31)	(21)	(623)
Capitalized borrowing costs	-	-	-	-	36	36
Exchange rate differences	(13)	(131)	-	-	(76)	(220)
Change in scope of consolidation	39	562	-	-	(52)	549
Disposals	-	(10)	-	-	(5)	(15)
Reclassification to property, plant and equipment held for sale	-	(17)	-	-	-	(17)
Allocation of excess cost	-	19	-	-	8	27
Other changes	41	(27)	13	14	(43)	(2)
Total changes	**138**	**1,041**	**6**	**1**	**(213)**	**973**
Cost	1,756	13,934	261	178	1,469	17,598
Accumulated depreciation	(468)	(5,057)	(33)	(111)	-	(5,669)
Impairment	(1)	(59)	-	(18)	-	(78)
Balance at December 31, 2013	**1,287**	**8,818**	**228**	**49**	**1,469**	**11,851**

(1) Of which €1,211 million in buildings and €76 million in land.

The increase of €973 million is mainly attributable to the combined effect of capital expenditure during the period (equal to €1,238 million, including €64 million in respect of the Buffalo Dunes project), the change in the scope of consolidation (equal to €549 million, excluding €64 million in respect of the disposal of a controlling stake in Buffalo Dunes) and the temporary excess cost in respect of projects in Latin America (€19 million) and North America (€8 million), partially offset by depreciation (equal to €549 million), impairment losses (equal to €74 million) discussed in note 8.d and exchange rate losses (equal to €220 million).
Capitalized borrowing costs were determined on the basis of an average capitalization rate equal to that of the Group, as reported in note 30.

The table below summarizes capital expenditure in 2013 and 2012. Total expenditure came to €1,238 million in 2013, up €12 million compared with 2012.

Millions of euro

	at Dec. 31, 2013	at Dec. 31, 2012	Change
Power plants			
- Hydroelectric	106	127	(21)
- Wind	773	686	87
- Geothermal	226	214	12
- Solar	116	188	(72)
- Biomass	10	1	9
- Other technologies	-	3	(3)
Total power plants	**1,231**	**1,219**	**12**
Other investments in property, plant and equipment	7	7	-
TOTAL	**1,238**	**1,226**	**12**

Investments mainly regarded wind plants in Italy and Europe, Iberia and Latin America and in North America (equal to €773 million), geothermal plants in Italy and North America (equal to €225 million), solar plants in Italy and Romania (equal to €98 million) and hydroelectric plants in Italy, Brazil and Costa Rica (equal to €93 million).

The "Change in the scope of consolidation" refers mainly to the full consolidation of the Chisholm View and Prairie Rose projects in the United States (€499 million), which had previously been accounted for using the equity method, the acquisition of the Chilean company Talinay (€107 million) and the Italian companies PowerCrop and Finale Emilia (€17 million). The item also includes the disposal of a controlling stake in Buffalo Dunes (€64 million) and the sale of a number of Canadian companies (€18 million).

The following table breaks down plant and machinery by type of generation technology.

Millions of euro	**at Dec. 31, 2013**	at Dec. 31, 2012	at Dec. 31, 2011
Power plants			
- Hydroelectric	2,545	2,458	2,322
- Geothermal	1,214	1,214	1,335
- Wind	4,733	3,740	3,091
- Photovoltaic	297	261	118
- Other	29	104	122
Total	**8,818**	**7,777**	**6,988**

"Leased assets" comprise wind plants that the Group uses in France (under a 15-year lease), in Greece (under a 10-year lease) and in Italy (under an 18-year lease) totaling €228 million (€222 million at December 31, 2012 restated).

The following table reports the minimum lease payments and the related present value.

Millions of euro	at Dec. 31, 2013	
	Minimum lease payments	Present value
2014	21	12
2015-2018	99	71
After 2018	122	100
Total	**242**	**183**
- of which financial expense	*59*	

Millions of euro	at Dec. 31, 2012	
	Minimum lease payments	Present value
2013	23	46
2014-2017	82	52
After 2017	156	124
Total	**261**	**222**
- of which financial expense	*39*	

15. Intangible assets - *€1,328 million*

Millions of euro	Concessions, licenses, trademarks and similar rights	Other intangible assets under development and sale contracts	Total
Cost	615	892	1,507
Accumulated amortization	(76)	(132)	(208)
Balance at December 31, 2011	**539**	**760**	**1,299**
Capital expenditure	12	19	31
Amortization and impairment losses	(50)	(48)	(98)
Change in scope of consolidation	7	2	9
Exchange rate differences	(4)	(4)	(8)
Allocation of excess cost/remeasurement at fair value	5	30	35
PPA effect restated	-	80	80
Disposals and other changes	(3)	(5)	(8)
Total changes	**(33)**	**74**	**41**
Cost	621	1,014	1,635
Accumulated amortization	(102)	(178)	(280)
Impairment	(13)	(2)	(15)
Balance at December 31, 2012 restated	**506**	**834**	**1,340**
Capital expenditure	10	33	43
Amortization and impairment losses	(38)	(55)	(93)
Exchange rate differences	(6)	(9)	(15)
Allocation of excess cost/remeasurement at fair value	11	62	73
Disposals and other changes	(29)	9	(20)
Total changes	**(52)**	**40**	**(12)**
Cost	598	1,113	1,711
Accumulated amortization	(132)	(230)	(362)
Impairment	(12)	(9)	(21)
Balance at December 31, 2013	**454**	**874**	**1,328**

The decrease in "intangible assets", equal to €12 million, is mainly attributable to the amortization (€88 million) and impairment losses (€5 million) and the change in the method used to account for the Buffalo Dunes project following the loss of control (equal to €28 million), only partly offset by capital expenditure (equal to €43 million) and the effects of the determination of the fair value of the assets acquired and liabilities assumed, identified and measured on a provisional basis in respect of a number of projects in North America (€49 million) and on a definitive basis for a number of subsidiaries in Greece and Spain (€24 million).

There are no intangible assets with an indefinite useful life.

16. Goodwill - *€882 million*

Millions of euro	at Dec. 31, 2012 restated						at Dec. 31, 2013		
	Cost	Cumulative impairment	**Net value**	Acquisitions/ Development/ Success fees	Exchange rate differences	Purchase price allocation	Cost	Cumulative impairment	**Net value**
Latin America	270	-	**270**	23	(12)	(19)	262	-	**262**
Enel Green Power España	408	(1)	**407**	-	-	(4)	404	(1)	**403**
Enel Green Power Hellas	108	(70)	**38**	-	-	(5)	103	(70)	**33**
Enel Green Power Romania	13	-	**13**	-	-	-	13	-	**13**
Enel Green Power Bulgaria	5	-	**5**	-	-	-	5	-	**5**
Enel Green Power France	24	-	**24**	5	-	-	29	-	**29**
Enel Green Power North America	121	(14)	**107**	42	(4)	(42)	117	(14)	**103**
Enel Green Power Sharp & Solar Energy	5	-	**5**	-	-	(4)	1	-	**1**
Enel Green Power Portoscuso (1)	16	-	**16**	-	-	-	16	-	**16**
Canaro	1	-	**1**	-	-	-	1	-	**1**
IRIS 2006	3	-	**3**	-	-	-	3	-	**3**
Enel Green Power Finale Emilia	-	-	**-**	3	-	-	3	-	**3**
Enel Green Power PowerCrop	-	-	**-**	9	-	-	9	-	**9**
Enel Green Power South Africa	-	-	**-**	1	-	-	1	-	**1**
Total	**974**	**(85)**	**889**	**83**	**(16)**	**(74)**	**967**	**(85)**	**882**

(1) Merged into Enel Green Power SpA.

The decrease in "Goodwill", equal to €7 million, is mainly attributable to exchange rate losses (equal to €16 million) and the definitive determination of the fair value of the assets acquired and the liabilities assumed in respect of the acquisition of certain liabilities assumed in respect of minor acquisitions in Italy and Europe (€9 million) and in Iberia (€4 million). These factors were partially offset by the change in the scope of consolidation with a number of acquisitions in Italy and Europe (equal to €18 million) and Mexico (equal to €4 million). The "Purchase price allocation" refers to allocation of excess cost related to Business combinations not relevant or occurred during 2013.

The criteria used to identify the cash generating units were essentially based (in line with management's strategic and operational vision) on the specific characteristics of their business, on the operational rules and regulations of the markets in which Enel operates and on the corporate organization, including technical and management factors, as well as the level of reporting monitored by management.

The recoverable value of the goodwill recognized was estimated by calculating the value in use of the CGUs using discounted cash flow models, which involve estimating expected future cash flows and applying an appropriate discount rate, selected on the basis of market inputs such as risk-free rates, betas and market risk premiums.

Cash flows were determined on the basis of the best information available at the time of the estimate and drawn:

(i) for the explicit period, from the business plan approved by the Board of Directors of the Parent Company containing forecasts for volumes, revenues, operating costs, capital expenditure, industrial and commercial organization and developments in the main macroeconomic variables (inflation, nominal interest rates and exchange rates) and commodity prices;

(ii) for subsequent years, from assumptions concerning long-term developments in the main variables that determine cash flows, the average residual useful life of assets or the duration of the concessions.

More specifically, the terminal value was calculated as an annuity with a nominal growth rate equal to the long-term rate of growth in electricity and/or inflation (depending on the country and business involved) and in any case no higher than the average long-term growth rate of the reference market. The value in use calculated as described above was found to be greater than the amount recognized on the balance sheet for each CGU identified.

In order to verify the robustness of the value in use of the CGUs, sensitivity analyses were conducted for the main drivers

of the values, in particular WACC and the long-term growth rate, the outcomes of which fully supported that value.
The table below reports the composition of the balance of goodwill for the company to which the cash generating unit belongs, along with the discount rates applied and the time horizon over which the expected cash flows have been discounted.

Millions of euro	**At Dec. 31, 2013**	Growth rate [1]	Discount rate pre-tax WACC [2]	Explicit period of cash flows	Terminal value [3]	At Dec. 31, 2012	Growth rate [1]	Discount rate pre-tax WACC [2]	Explicit period of cash flows	Terminal value [3]
Latin America	**262**	3.40%	8.50%	5 years	23 years	288	3.40%	9.90%	5 years	21 years
Enel Green Power España	**403**	2.00%	7.90%	5 years	14 years	407	2.00%	8.40%	5 years	17 years
Enel Green Power Hellas	**33**	2.00%	13.60%	10 years	18 years	73	2.00%	16.80%	10 years	20 years
Enel Green Power Romania	**13**	2.40%	10.60%	10 years	13 years	13	2.40%	11.50%	5 years	20 years
Enel Green Power Bulgaria	**5**	3.00%	8.20%	10 years	11 years	5	3.00%	9.30%	10 years	12 years
Enel Green Power France	**29**	1.90%	7.60%	5 years	19 years	24	1.90%	7.80%	5 years	18 years
Enel Green Power North America	**103**	2.10%	7.70%	5 years	19 years	107	2.20%	7.70%	5 years	20 years
Italian acquisitions	**32**	2.00%	8.80%-12.00%	10 years	7-18 years	20	2.00%	9.30%	10 years	14-15 years
Enel Green Power Sharp & Solar Energy	**1**	2.00%	10.00%	10 years	15 years	5	2.00%	9.30%	10 years	15 years
South African acquisitions	**1**	1.90%	9.80%	5 years	23 years	-	-	-	-	-

(1) Perpetual growth rate of cash flows for the explicit period.
(2) Pre-tax WACC calculated using the iterative method: the discount rate that ensures that the value in use calculated with pre-tax cash flows is equal to that calculated with post-tax cash flows discounted with the post-tax WACC.
(3) The terminal value has been estimated on the basis of an annuity with a rising yield for the years indicated in the column.

At December 31, 2012, impairment testing showed evidence of an impairment loss for a specific asset in North America dedicated to the development of renewable energy generation projects impacted by uncertainties that limit its ability to contribute to the generation of the cash flows of the CGU.

17. Deferred tax assets and Deferred tax liabilities - *€318 million and €(694) million*

The following table details changes in deferred tax assets and liabilities by type of timing difference, calculated based on the tax rates established by applicable regulations.

Millions of euro

	at Dec. 31, 2012 restated	Increase/(Decrease) taken to income statement	Exchange rate effect/Other changes	**at Dec. 31, 2013**
Deferred tax assets:				
- differences in the value of non-current and financial assets	123	10	16	149
- measurement of financial instruments	17	-	(7)	10
- accruals to provisions for risks and charges with deferred deductibility	15	1	(3)	13
- tax credits (North America)	73	-	-	73
- tax loss carried forward	20	(3)	13	30
- other items	64	(21)	-	43
Total	**312**	**(13)**	**19**	**318**
Deferred tax liabilities:				
- differences on non-current and financial assets	209	1	-	210
- allocation of excess costs to assets	390	-	26	416
- measurement of financial instruments	-	-	3	3
- other items	3	41	21	65
Total	**602**	**42**	**50**	**694**

"Deferred tax assets" at December 31, 2013 amounted to €318 million, up €6 million compared with December 31, 2012 restated.
Deferred tax assets on prior-year tax losses in the amount of €53 million were not recognized as current estimates of future taxable income indicate that recovery is uncertain.

"Deferred tax liabilities" at December 31, 2013 amounted to €694 million, up €92 million compared with December 31, 2012 restated.

18. Equity investments accounted for using the equity method - *€508 million*

Millions of euro	at Dec. 31, 2012 restated					**at Dec. 31, 2013**	
	Value	%	Acquisitions (disposals)	Effect in profit or loss	Other changes	Value	%
Empreendimentos Eólicos do Vale do Minho	7	50.0%	-	16	(8)	15	50.0%
ENEOP - Eólicas de Portugal SA	36	40.0%	-	16	3	55	40.0%
Other Enel Green Power España associates [1]	118		-	6	(21)	103	
Buffalo Dunes	-		5	(1)	65	69	49.0%
Chisholm View LLC	60	49.0%	35	6	(101)	-	
Prairie Rose	48	49.0%	27	2	(77)	-	
Other North America [1]	5		19	(13)	(1)	10	
Enel Green Power Hellas associates [1]	134	30.0%	1	-	-	135	30.0%
LaGeo SA de Cv	103	36.2%	-	31	(36)	98	36.2%
Terrae	11	15.0%	4	-	-	15	20.0%
Other	11		-	1	(4)	8	
TOTAL	**533**		**91**	**64**	**(180)**	**508**	

(1) For a breakdown of the 28 investee companies, all held at 30%, based in Greece, the remaining 26 companies of the Enel Green Power España Group and the 3 companies in North America, please seen the annex "Subsidiaries, associates and other significant equity investments of the Enel Green Power Group at December 31, 2013".

"Acquisitions/Disposals" include the capital increases in North America in the company Buffalo Dunes LLC (€95 million), decreased by the effect of the collection of the tax partnership (€90 million), in Chisholm View and Prairie Rose (€62 million) prior to acquisition of control and in other smaller associates (€19 million).

"Other changes" mainly report the effect of the change in the accounting method from line-by-line consolidation to equity method accounting for Buffalo Dunes following the disposal of 51% (€68 million) of that company, and from equity accounting to line-by-line consolidation following the acquisition of a further 26% of the shares of Chisholm View and Prairie Rose in North America (-€178 million).

The remainder mainly consists of dividends distributed by LaGeo (€32 million) and other associates of Enel Green Power España (€12 million), the effect of the sale of Tirmadrid (€9 million) and Alvadia (€4 million) and exchange rate losses (€7 million).
The principal income statement and balance sheet aggregates for associated companies are provided below.

Millions of euro	**at Dec. 31, 2013**					
	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Revenues	Profit/(Loss)
Elica 2	7	6	-	-	-	-
LaGeo	258	142	11	54	176	85
Buffalo Dunes Wind Project	328	20	158	50	2	-
ENEOP - Eólicas de Portugal SA	1,214	278	1,249	159	195	40
Tirme	424	104	446	24	73	4
Empreendimentos Eólicos do Vale do Minho SA	274	53	234	61	89	32
Compañía Eólica Tierras Altas SA	45	16	6	15	20	4

Millions of euro	at Dec. 31, 2012					
	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Revenues	Profit/(Loss)
Elica 2	9	2	-	1	-	-
LaGeo	243	170	18	49	197	94
ENEOP - Eólicas de Portugal SA	1,126	260	1,149	147	147	20
Tirme	472	125	477	49	100	5
Empreendimentos Eólicos do Vale do Minho SA	288	37	255	56	74	28
Compañía Eólica Tierras Altas SA	50	5	10	7	29	11

19. Non-current financial assets - *€363 million*

Millions of euro

	at Dec. 31, 2013	*of which with related parties*	at Dec. 31, 2012	*of which with related parties*	Change
Long-term financial receivables	327	*318*	269	*14*	58
Derivative contracts	13	*7*	6		7
Other financial assets	23		53		(30)
Total	**363**		**328**		**35**

"Long-term financial receivables" amounted to €327 million, an increase of €58 million, mainly attributable to the effect of the increase in receivables from the associated companies of Enel Green Power España (equal to €67 million).

"Derivative contracts" report the positive fair value of derivatives outstanding at the reporting date that expire beyond the next year.

The following table reports the notional amount and fair value of cash flow hedge derivatives outstanding at December 31, 2013.

Millions of euro	Notional value		Fair value		
	at Dec. 31, 2013	at Dec. 31, 2012	**at Dec. 31, 2013**	at Dec. 31, 2012	Change
Cash flow hedge derivatives	**454**	**33**	**13**	**6**	**7**
Commodities	24	33	6	6	-
Interest rates	430	-	7	-	7
Total	**454**	**33**	**13**	**6**	**7**

The commodity derivatives regard an energy derivative contract entered into in North America with a fair value of €6 million.

The interest rate derivatives regard contracts on interest rates in Italy and Europe with a fair value of €7 million.

As regards the hierarchy of inputs used in determining fair value, all the derivatives are classified as level 2.

The decrease in "Other financial assets", which amounted to €30 million, is mainly the consequence of the recovery of the advance in the amount of €27 million paid for the acquisition of the Chilean company Talinay, which was finalized in 2013 (as discussed in note 5).

20. Other non-current assets - *€145 million*

Millions of euro

	at Dec. 31, 2013	of which with related parties	at Dec. 31, 2012	of which with related parties	Change
Tax receivables	98		64		34
Security deposits (for operations)	2		2		-
Other receivables	45	*3*	17		28
Total	**145**		**83**		**62**

"Other non-current assets" amounted to €145 million, up 62 million, mainly as a result of an increase in the tax receivables of the subsidiary Enel Chile (€39 million) and the rise in receivables for green certificates in Romania (€25 million).

Current assets

21. Inventories - *€93 million*

"Inventories" amounted to €93 million, up €29 million compared with December 31, 2012 restated (equal to €64 million), due to an increase in the Italian companies inventories (€40 million), mainly related to green certificates, partially offset by the disposal of the inventories of the retail business (€21 million).

22. Trade receivables - *€364 million*

Millions of euro

	at Dec. 31, 2013	of which with related parties	at Dec. 31, 2012 restated	of which with related parties	Change
Sale of electricity	322	*185*	403	*132*	(81)
Other receivables	42		97		(55)
Total	**364**		**500**		**(136)**

"Trade receivables" amounted to €364 million, down €136 million, mainly a consequence of a decline in receivables for the sale of electricity in Iberia (€84 million) and Italy (€32 million), and a decrease in other receivables for the deconsolidation of the receivables of the retail business (€40 million). Trade receivables break down by maturity as follows.

at Dec. 31, 2013	Trade receivables due from non-Group counterparties	of which government entities
Not past due/to be invoiced	64	*25*
Past due:		
- from 0 to 6 months	102	*42*
- from 6 to 12 months	10	*9*
- from 12 to 24 months	2	-
- more than 24 months	1	-
Total	**179**	***76***

23. Tax receivables - *€63 million*

"Tax receivables" amounted to €63 million, in line with December 31, 2012. The item mainly reports the tax receivables of the subsidiary Enel Green Power España (€20 million) and the Panamanian subsidiary (€19 million).

24. Current financial assets - *€224 million*

Millions of euro

	at Dec. 31, 2013	*of which with related parties*	at Dec. 31, 2012 restated	*of which with related parties*	Change
Securities	13		39		(26)
Derivative contracts	3	*1*	4	*3*	(1)
Accrued current financial income and pre-paid financial expense	1	*1*	2	*1*	(1)
Other financial receivables	207	*180*	383	*366*	(176)
Total	**224**		**428**		**(204)**

"Securities" amounted to €13 million, a decrease of €26 million compared with December 31, 2012 restated, associated with the change in temporary investments in short-term securities, mainly certificates of deposit in Brazil.

"Derivative contracts" report the positive fair value of derivatives outstanding at the reporting date expiring within the next year.

The following table reports the notional amount and fair value of derivatives outstanding at December 31, 2013.

Millions of euro	Notional		Fair value		
	at Dec. 31, 2013	at Dec. 31, 2012	**at Dec. 31, 2013**	at Dec. 31, 2012	Change
Cash flow hedge derivatives	**24**	**141**	**3**	**4**	**(1)**
Commodities	24	141	3	4	(1)
Trading derivatives	**13**	**-**	**-**	**-**	**-**
Exchange rates	13	-	-	-	-
Total	**37**	**141**	**3**	**4**	**(1)**

The notional amount of cash flow hedge derivatives classified under current financial assets came to €24 million at December 31, 2013. The related fair value came to €3 million.

As regards the hierarchy of inputs used in determining fair value, all the derivatives are classified as level 2.

"Other financial receivables" decreased by €176 million, mainly due to the reduction in the receivables of the Group finance company (Enel Green Power International BV) from the finance company of the Enel Group (equal to €199 million), partially offset by an increase in the financial receivables of the subsidiary Enel Green Power North America in respect of its own associated companies (€21 million).

25. Other current assets - *€417 million*

Millions of euro

	at Dec. 31, 2013	*of which with related parties*	at Dec. 31, 2012 restated	*of which with related parties*	Change
Tax receivables	148		194		(46)
Non-monetary grants to be received	95	*88*	71	*71*	24
Advances to suppliers	84		29		55
Current prepaid operating expenses	48	*1*	49		(1)
Other receivables	42	*7*	72	*22*	(30)
Total	**417**		**415**		**2**

The decrease in "Tax receivables" mainly regards the VAT creditor position in Romania (€55 million).

The increase in "Non-monetary grants to be received" essentially regards the receivables for green certificates of the Italian company recognized following the adoption of a new accounting treatment for those certificates, as discussed in the accounting policies and in note 4 "Restatement of comparative figures at December 31, 2012".

The increase in "Advances to suppliers" is mainly composed of payments on account for the purchase of turbines for projects in North America (€60 million).

26. Cash and cash equivalents - *€343 million*

Millions of euro

	at Dec. 31, 2013	at Dec. 31, 2012 restated	Change
Bank and post office deposits – demand	181	145	36
Bank and post office deposits – restricted	162	188	(26)
Total	**343**	**333**	**10**

"Bank and post office deposits – restricted" essentially regard deposits securing certain operations which require the pledging of funds to secure debt service (such as project financing or tax partnerships).

27. Assets held for sale - *€37 million*

	at Dec. 31, 2013	at Dec. 31, 2012	Change
Property, plant and equipment	16	-	16
Intangible assets	2	-	2
Equity investments accounted for using the equity method	1	-	1
Trade receivables	7	-	7
Cash and cash equivalents	10	-	10
Other current assets	1	-	1
Total	**37**	**-**	**37**

At December 31, 2013, the item was mainly composed of part of the assets of the Portuguese cogeneration plants of the subsidiary Enel Green Power España (€24 million) and the wind plant of the French subsidiary WP France 3 (€13 million) which in view of management decisions meet the requirements provided for by IFRS 5 for their classification as assets held for sale.

Liabilities

28. Equity pertaining to the shareholders of the Parent Company - *€7,290 million*

Share capital - *€1,000 million*

Share capital is represented by 5,000,000,000 ordinary shares with a par value of €0.20 and is entirely paid up.

At December 31, 2013, based on the shareholders register and taking due account of the notices sent to CONSOB and received by the Company pursuant to Article 120 of Legislative Decree 58 of February 24, 1998, as well as other available information, no shareholders held more than 2% of total share capital apart from Enel SpA (with 68.29% of share capital) and Norges Bank (with 2.02%).

Reserves - *€5,762 million*

The main components of reserves are detailed below.

Legal reserve - *€200 million*

The legal reserve is equal to 20% of share capital and has therefore reached the limit provided for under Article 2430 of the Civil Code.

Reserve from the measurement of CFH financial instruments - *€(8) million*

This reports the net charges recognized directly in equity as a result of the measurement of cash flow hedge derivatives.

Reserve from valuation of financial instruments of equity investments accounted for using the equity method - *€(10) million*

This reports the net charges recognized directly in equity as a result of the measurement of the derivatives of companies accounted for using the equity method.

Translation reserve - *€(212) million*

This item reports the effects of the translation of the financial statements of subsidiaries denominated in a local currency different from the functional currency. At December 31, 2013, the reserve amounted to a negative €212 million, up €207 million. The increase was due to the effects of the net depreciation of the functional currency against the foreign currencies used by the subsidiaries.

Reserve for employee benefits - *€(5) million*

This reserve reports, as from January 1, 2013 IAS 19/R application, all actuarial gains and losses, net of tax effects.

Sundry reserves (excluding the legal reserve) - *€5,797 million*

Of the total, €3,300 million regard the reserves allocated to the Parent Company as part of the spin-off from Enel Produzione SpA and, more specifically, comprises the revaluation reserve (equal to €138 million), which reports the amount of the revaluation carried out in 2003 in compliance with Law 350/2003. Taxation on that reserve has been suspended (in the event of distribution, the gross amount of the reserve will be subject to ordinary taxation with recognition of a tax credit of 19%). At present, the distribution of that reserve has been deferred indefinitely.

The table below shows the changes in gains and losses recognized directly in equity, including non-controlling interests, with specific reporting of the related tax effects.

	at Dec. 31, 2012 restated			Changes						**at Dec. 31, 2013**		
Millions of euro	**Total**	*of which shareholders of Parent Company*	*of which non-controlling interests*	Gains/(Losses) recognized in equity for the year	Released to income statement	Taxes	**Total**	*of which shareholders of Parent Company*	*of which non-controlling interests*	**Total**	*of which shareholders of Parent Company*	*of which non-controlling interests*
Reserve from measurement of CFH financial instruments	**(48)**	*(38)*	*(10)*	28	23	(8)	**43**	*30*	*13*	**(5)**	*(8)*	*3*
Reserve from equity investments accounted for using the equity method	**(12)**	*(12)*	-	2	-	-	**2**	*2*	-	**(10)**	*(10)*	-
Translation reserve	**(4)**	*(5)*	*1*	(218)	-	-	**(218)**	*(207)*	*(11)*	**(222)**	*(212)*	*(10)*
Gain/(Loss) from remeasurement of net liabilities/(assets) for defined-benefit plans	**(2)**	*(2)*	-	(3)	-	-	**(3)**	*(3)*	-	**(5)**	*(5)*	-
Total gains/(losses) recognized in equity	**(66)**	***(57)***	***(9)***	**(191)**	**23**	**(8)**	**(176)**	***(178)***	***2***	**(242)**	***(235)***	***(7)***

29. Non-controlling interests - *€973 million*

Non-controlling interests increased by €90 million in 2013, mainly attributable to net income for the year pertaining to non-controlling shareholders (€70 million) and the change in the scope of consolidation in North America (€60 million), offset by the payment of dividends (€38 million) by a number of subsidiaries.

Non-current liabilities

30. Loans - *€5,497 million (of which current portion equal to €220 million)*

The aggregate includes long-term payables in respect of 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 December 31, 2013, grouped by type of loan and interest rate.

Millions of euro	Nominal value	Carrying amount	Fair value	Nominal value	Carrying amount	Fair value	Current portion	Portion falling due at more than 12 months	Maturing in				
	at Dec. 31, 2012 restated			**at Dec. 31, 2013**					2015	2016	2017	2018	Beyond
Bonds:													
- listed, fixed rate	19	19	19	-	-	-	-	-	-	-	-	-	-
Total	**19**	**19**	**19**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Bank loans:													
- fixed rate	411	411	411	580	580	591	6	574	15	30	26	217	286
- floating rate	1,353	1,346	1,347	1,729	1,721	1,758	127	1,594	133	169	139	348	805
Total	**1,764**	**1,757**	**1,758**	**2,309**	**2,301**	**2,349**	**133**	**2,168**	**148**	**199**	**165**	**565**	**1,091**
Non-bank loans:													
- fixed rate	344	344	344	513	513	589	59	454	59	58	51	57	229
- floating rate	208	208	208	201	201	209	26	175	10	11	25	20	109
Total	**552**	**552**	**552**	**714**	**714**	**798**	**85**	**629**	**69**	**69**	**76**	**77**	**338**
Loans from related parties:													
- fixed rate	2,357	2,354	2,357	2,482	2,482	2,823	2	2,480	2	2	2	921	1,553
- floating rate	137	137	137	-	-	-	-	-	-	-	-	-	-
Total	**2,494**	**2,491**	**2,494**	**2,482**	**2,482**	**2,823**	**2**	**2,480**	**2**	**2**	**2**	**921**	**1,553**
TOTAL	**4,829**	**4,819**	**4,823**	**5,505**	**5,497**	**5,970**	**220**	**5,277**	**219**	**270**	**243**	**1,563**	**2,982**

"Bank loans" amounted to €2,301 million (including the portion falling due within 12 months, equal to €133 million). The item mainly regards:

- loans granted by the EIB to the Parent Company, totaling €682 million (€709 million at December 31, 2012 restated). The loans were granted to finance investments in renewable generation;
- a floating-rate loan granted by the EIB to Enel Green Power International BV in December 2013 totaling €50 million to finance renewables projects in Romania;
- floating-rate bank loans totaling €291 million granted within a project financing structure (€322 million at December 31, 2012 restated) to Enel Green Power España by 10 Spanish banks, including financing from Caixa in the amount of €161 million, Sabadell in the amount of €56 million, Banesto in the amount of €15 million, Caja Astur in the amount of €16 million and BBVA in the amount of €13 million;
- a floating-rate loan from ELO, the finance arm of the Danish Export Credit Agency (EKF) through Citibank International PLC (as lead arranger and facility agent) to Enel Green Power International BV, totaling €446 million (€308 million at December 31, 2012 restated) for the development of wind projects in Brazil, North America, Romania and Chile, of which €170 million disbursed in 2013;
- a fixed-rate loan from IADB in 2012 to the subsidiary Enel Green Power México Srl de Cv totaling €54 million (€58 million at December 31, 2012 restated, with a nominal value of 976 million Mexican pesos), for the development of a wind plant in Mexico;
- a fixed-rate loan from BBVA Bancomer in 2013 to the subsidiary Enel Green Power Mexico Srl de Cv totaling €181 million ($250 million), for the development of wind farms in Mexico;
- a floating-rate loan of €44 million (€55 million at December 31, 2012 restated) granted within a project financing structure to 3SUN Srl (33.33% owned by Enel Green Power

SpA) by a pool of banks (Unicredit SpA, Banca Imi SpA and Centrobanca SpA) for the construction of photovoltaic projects in Catania;

- a floating-rate loan of €163 million to the Parent Company (€176 million at December 31, 2012 restated) from Intesa Sanpaolo SpA to finance the following projects: Palo Viejo in Guatemala, Talinay in Chile and Chucas in Costa Rica. The loan benefits from an interest rate subsidy from Simest SpA;
- loans totaling €88 million granted by BBVA to Enel Green Power Partecipazioni Speciali Srl, of which half bearing a fixed rate (€88 million at December 31, 2012 restated) for the development of wind projects in Mexico. The loans benefit from an interest rate subsidy from Simest SpA;
- a floating-rate loan of €50 million granted in December 2013 by Unicredit SpA to Enel Green Power Partecipazioni Speciali Srl to develop wind projects in Mexico. The loans benefit from an interest rate subsidy from Simest SpA;
- a floating-rate loan of €145 million (equal to $200 million) at December 31, 2013 granted by BBVA to Enel Green Power Chile;
- a floating-rate loan of €73 million (equal to $100 million) at December 31, 2013 granted by BCI to Enel Green Power Chile;
- floating-rate bank loans totaling €24 million (€31 million at December 31, 2012 restated) granted to Greek subsidiaries by Citibank, NBG Bank and Emporiki Bank;
- a floating-rate bank loan of €8 million (€9 million at December 31, 2012 restated, with $11 million of nominal value) granted to Enel Guatemala by Banco Industrial del Guatemala.

"Other loans" at December 31, 2013 amounted to €714 million (including the portion falling due within 12 months equal to €85 million). They largely regard:

- loans for tax partnership arrangements in the amount of €485 million (€297 at December 31, 2012 restated) for the North American projects already under way (Snyder Wind Farm, Smoky Hills I, Smoky Hills II and Caney River), and the Prairie Rose and Chisholm View projects, which were previously accounted for using the equity method but since the 2nd Quarter of 2013 have been consolidated on a full line-by-line basis (€267 million);
- loans granted within a project financing structure to subsidiaries of Enel Green Power North America in the amount of €41 million (€62 million at December 31, 2012 restated);
- lease contracts amounting to €153 million (€150 million at December 31, 2012 restated) entered into by ten Italian subsidiaries of Enel Green Power SpA to develop wind and photovoltaic projects in Italy;
- other loans of €22 million (€24 million at December 31, 2012 restated) granted to the subsidiaries of Enel Green Power España to develop projects in the renewable energy resources field;
- shareholder loans of €9 million (€14 million at December 31, 2012 restated) granted to 3SUN Srl to develop solar projects in Catania.

"Loans from related parties" mainly include the loan from Enel Finance International NV to Enel Green Power International BV amounting to €2,453 million (€2,463 million at December 31, 2012 restated) and the financial debt of Enel Green Power France due to Enel Lease Eurl totaling €27 million (€30 million at December 31, 2012 restated).

The following table breaks down loans granted through project finance and finance lease arrangements.

Project financing

Country	no. contracts	Millions of euro	Technology	With/without recourse
North America	7	41	Hydroelectric - Wind	Without recourse
Spain	21	268	Wind	Without recourse
Portugal	2	23	Wind	With recourse
Italy	1	45	Solar	Without recourse
Total	**31**	**377**		

Finance leases

Country	no. contracts	Millions of euro	Technology	With/without recourse
France	3	29	Wind	Without recourse
Greece	1	1	Wind	Without recourse
Italy	14	153	Wind - Solar	Without recourse
Total	**18**	**183**		

The following table reports changes during the period in the nominal value of long-term debt.

	Nominal value	Repayments	Change in scope of consolidation	New financing	Exchange rate differences	Nominal value
	at Dec. 31, 2012					**at Dec. 31, 2013**
Bonds	19	(19)	-	-	-	-
Bank loans	1,764	(122)	-	681	(14)	2,309
Other loans	553	(114)	267	12	(4)	714
Loans from related parties	2,493	-	-	-	(11)	2,482
Total financial debt	**4,829**	**(255)**	**267**	**693**	**(29)**	**5,505**

"Bonds" show a decrease of €19 million compared with December 31, 2012 as a result of the Panamanian bond.

"Bank loans" amounted to €2,309 million, an increase of €545 million compared with December 31, 2012 restated, mainly the effect of new financing (€681 million in 2013), only partly offset by repayments (equal to €122 million in 2013).
They mainly regard:

> BBVA Bancomer loan to the Mexican subsidiary in the amount of €181 million;
> Citibank loans to Enel Green Power International BV in the amount of €170 million;
> BBVA loan to the Chilean subsidiary in the amount of €145 million;
> BCI loan to the Chilean subsidiary in the amount of €73 million;
> EIB loan to Enel Green Power International BV in the amount of €50 million;
> Unicredit loan to Enel Green Power Partecipazioni Speciali in the amount of €50 million.

The main repayments included:

> project finance arrangement of the Enel Green Power España subsidiary in the amount of €31 million;
> EIB loan to the Parent Company in the amount of €27 million;
> CitiBank loans to Enel Green Power International BV in the amount of €26 million;
> Intesa Sanpaolo loans to the Parent Company in the amount of €13 million;
> pool loans from banks to 3SUN in the amount of €12 million.

"Other loans" amounted to €714 million, an increase of €161 million compared with December 31, 2012 restated, mainly due to the change in the scope of consolidation with respect to Prairie Rose and Chisholm View (equal to €267 million in 2013), partially offset by repayments (equal to €114 million in 2013), mainly attributable to Enel Green Power North America for tax partnerships (€90 million).

The table below reports non-current financial debt (including portion maturing within 12 months) by currency and interest rate.

Millions of euro	Nominal value	Nominal value	Carrying amount	*Current average interest rate*	*Current effective interest rate*
	at Dec. 31, 2012		**at Dec. 31, 2013**		
Euro	**4,198**	**4,341**	**4,333**	***4.23%***	***4.28%***
US dollar	615	1,094	1,094	*5.42%*	*5.42%*
Canadian dollar	16	15	15		
Mexican peso	-	55	55	*7.92%*	*7.92%*
Total non-euro currencies	**631**	**1,164**	**1,164**		
TOTAL	**4,829**	**5,505**	**5,497**		

The following table provides a breakdown of net financial debt.

Millions of euro

	at Dec. 31, 2013	*of which with related parties*	at Dec. 31, 2012	*of which with related parties*	Change
Bank and post office deposits	343		333		10
Securities	13		39		(26)
Liquidity	**356**		**372**		**(16)**
Other short-term financial receivables	**207**	***180***	**382**	***346***	**(175)**
Short-term bank debt	(23)		(70)		47
Short-term portion of long-term bank debt	(133)		(112)		(21)
Bonds (short-term portion)	-		(19)		19
Other loans and loans from related parties (short-term portion)	(87)		(71)		(16)
Other short-term financial payables	(816)	*(796)*	(748)	*(725)*	(68)
Total short-term financial debt	**(1,059)**		**(1,020)**		**(39)**
Net short-term financial debt	**(496)**		**(266)**		**(230)**
Debt to banks	(2,168)		(1,645)		(523)
Other loans and loans from related parties	(3,109)	*2,480*	(2,972)	*(2,491)*	(137)
Long-term financial debt	**(5,277)**		**(4,617)**		**(660)**
Net financial debt as per CONSOB instructions	**(5,773)**		**(4,883)**		**(890)**
Long-term financial receivables and securities	327	*318*	269	*1*	58
NET FINANCIAL DEBT	**(5,446)**		**(4,614)**		**(832)**

Loans issued within project financing structures – totaling €377 million at December 31, 2013 – mainly regard single plant companies in which the Group generally holds a majority interest. Such loans require the shareholders, together with the project companies, to comply with a number of corporate structure and financial covenants.

More specifically, the corporate structure covenants give lenders the right to call in the loans in the event of changes in the ownership of the companies receiving the financing and the project companies.

The financial covenants generally:

> require the project company to meet specified equity/debt ratios – generally 15%/85% (in some cases 10%/90% or 20%/80%);

> restrict the scope for the project company to distribute dividends: i) by generally requiring a debt service cover ratio (i.e. the ratio of a) expected cash flows from the financed project in a given year and b) the interest and principal maturing in the same year) of more than 1.10 (in some cases 1.05 or 1.15); and ii) by limiting the payment to the liquidity reported in the audited accounts;

> give lenders the right to demand early repayment if the debt service cover ratio falls below 1.05 (in some cases, below 1.00 or 1.10);

> provide for a decrease or increase in the interest rates on loans in relation to the level of the debt service cover ratio. In particular, the spread on the benchmark rate generally increases if the debt service cover ratio exceeds 1.25 (in some cases 1.40) and decreases in the opposite case.

As of the reporting date, all covenants had been complied with and no default events had occurred or restrictions been imposed on the use of the financing.

31. Post-employment and other employee benefits - *€48 million*

The Group provides its employees with a variety of benefits, including termination benefits, additional months' pay, indemnities in lieu of notice, loyalty bonuses for achievement of seniority milestones, supplementary healthcare plans and residential electricity discounts (which have changed following the recent contractual agreement concerning employees in service).

Millions of euro

	at Dec. 31, 2013	at Dec. 31, 2012 restated	Change
Post-employment and other employee benefits	26	27	(1)
Early retirement plans	-	39	(39)
Electricity discounts	5	4	1
Additional months' pay and indemnity in lieu of notice	4	5	(1)
Loyalty bonus	3	3	-
Asem supplementary health care plan	3	3	-
Other employee benefits	7	8	(1)
Total	**48**	**89**	**(41)**

The table below reports the change for the year in the defined-benefit obligation.

Millions of euro

	2013				2012			
	Pension benefits	Electricity discount	Other benefits	**Total**	Pension benefits	Electricity discount	Other benefits	**Total**
Actuarial obligation at January 1	**77**	**4**	**8**	**89**	**35**	**3**	**5**	**43**
Obligation recognized for accounting purposes only	-	-	-	**-**	-	-	-	**-**
Accounting obligation at January 1	**77**	**4**	**8**	**89**	**35**	**3**	**5**	**43**
Changes through profit or loss	(40)	-	-	**(40)**	43	-	1	**44**
Changes through comprehensive income	-	1	-	**1**	2	1	-	**3**
Contributions/benefits paid	(2)	-	-	**(2)**	(2)	-	-	**(2)**
Other changes	1	-	(1)	**-**	(1)	-	2	**1**
Accounting obligation at December 31	**36**	**5**	**7**	**48**	**77**	**4**	**8**	**89**
Obligation recognized for accounting purposes only	-	-	-	**-**	-	-	-	**-**
Actuarial obligation at December 31	**36**	**5**	**7**	**48**	**77**	**4**	**8**	**89**

For Italy, the item "pension benefits" regards estimated accruals made to cover benefits due under the supplementary pension schemes of retired executives, while for companies abroad it covers post-employment benefits. The item decreased by €41 million as a result of the release of the liability recognized in respect of the transition-to-retirement plan for certain employees (see note 4 "Restatement of comparative figures at December 31, 2012").

The change essentially reflects the termination of the transition-to-retirement plan after no employees opted to participate and the fact that a significant number of those entitled to participate in that plan instead have opted to participate in the mechanism provided for under Article 4 of Law 92/2012, as the latter offers better financial and organizational conditions.

The item "Electricity discount" comprises a number of benefits regarding residential electricity supply. Until the previous year the discount was granted to current and retired employees, but, following an agreement with the unions, has now been converted into other forms of remuneration for current employees and therefore remains in effect only for retired employees.

"Other benefits" comprise liabilities in respect of defined-benefit plans not included in the previous items.

The following table reports the impact of employee benefits on the income statement for the year ended December 31, 2013.

Millions of euro

	2013				2012			
	Pension benefits	Electricity discount	Other benefits	**Total**	Pension benefits	Electricity discount	Other benefits	**Total**
Changes through profit or loss								
Service cost	(42)	-	-	**(42)**	41	-	-	**41**
Net interest cost	2	-	-	**2**	2	-	-	**2**
Other changes	-	-	-	**-**	-	-	1	**1**
Total	**(40)**	**-**	**-**	**(40)**	**43**	**-**	**1**	**44**
Changes through comprehensive income								
Demographic	-	-	-	**-**	(2)	-	-	**(2)**
Experience	-	-	-	**-**	-	-	(1)	**(1)**
Financial	-	1	-	**1**	4	1	1	**6**
Total	**-**	**1**	**-**	**1**	**2**	**1**	**-**	**3**

The following table reports the sensitivity of the various plans.

Millions of euro

	Pension benefits	Electricity discount	Other benefits
A decrease of 0.5% in discount rate	31	6	6
An increase of 0.5% in discount rate	28	5	5
An increase of 0.5% in inflation rate	30	5	6
An increase of 0.5% in remuneration	30	5	6
An increase of 0.5% in pensions currently being paid	30	5	6
An increase of 1% healthcare costs	30	5	6
An increase of 1 year in life expectancy of active and retired employees	30	5	1

32. Provisions for risks and charges - *€132 million (of which €14 million at short term)*

"Provisions for risks and charges" break down into the following main components.

Millions of euro		Accruals	Utilization/ Reversals	Other changes and exchange rate effects		*of which current portion*
	at Dec. 31, 2012				**at Dec. 31, 2013**	
Litigation	22	1	(2)	(7)	14	-
Charges for generation plants	70	4	(7)	-	67	1
Taxes	4	1	-	(1)	4	-
Other	7	7	(4)	1	11	2
Total	**103**	**13**	**(13)**	**(7)**	**96**	**3**
Early retirement incentives	-	40	(2)	(2)	36	11
TOTAL	**103**	**53**	**(15)**	**(9)**	**132**	**14**

Litigation provision - *€14 million*

The "Litigation" provision covers liabilities that could arise in respect of pending litigation and other disputes. It includes an estimate of the potential liability relating to disputes that arose during the period, as well as revised estimates of the potential costs associated with disputes initiated in prior periods. The estimates are based on the opinions of internal and external legal counsel.

Provision for charges for generation plants - *€67 million*

The item mainly includes provisions for the estimated future liability in respect of the dismantling of plants and restoration of plants and sites where there is a legal, contractual or constructive obligation to do so, or for environmental cleanup or restoration of original environmental conditions in cases in which operations have caused environmental damage and charges for sundry items and disputes with local authorities regarding fees and other duties. The decrease in the item includes €7 million in utilization for the year.

Provision for early retirement incentives - *€36 million*

The provision for early retirement incentives reflects the recognition of €40 million in respect of the mechanism envisaged under Article 4 of Law 92/2012 (the Fornero Act). On September 6, 2013, Enel Green Power, together with the other Enel Group companies affected by the agreement with the unions in May 2012 concerning the implementation procedures of the Fornero Act, signed an implementing agreement with the unions defining the number of employees involved (235) in the new termination program (to be carried out in 2013 and 2014 and completed by January 1, 2015) and specifying the benefits to which the employees will be entitled. As from that date, Enel Green Power's proposal became irrevocable and the provision was therefore recognized.

33. Non-current financial liabilities - *€37 million*

The item "Non-current financial liabilities" reports the fair value of derivatives only. The following table reports the notional amount and fair value of derivatives by type of contract and designation.

Millions of euro	Notional		Fair value		
	at Dec. 31, 2013	at Dec. 31, 2012	**at Dec. 31, 2013**	at Dec. 31, 2012	Change
Cash flow hedge derivatives	**708**	**870**	**37**	**67**	**(30)**
Interest rates	708	870	37	67	(30)
Total	**708**	**870**	**37**	**67**	**(30)**

The notional amount of cash flow hedge derivatives classified under non-current financial liabilities was equal to €708 million at December 31, 2013. The related fair value was €37 million.
The decrease of €30 million in the fair value is mainly attributable to the decrease in the cash flow hedge derivatives on interest rates in respect of Enel SpA (€20 million) and non-Group counterparties (€10 million).
As regards the hierarchy of inputs used in determining fair value, all the derivatives are classified as level 2.

34. Other non-current liabilities - *€183 million*

Millions of euro			
	at Dec. 31, 2013	at Dec. 31, 2012 restated	Change
Liabilities for urbanization fees	59	37	22
Liabilities for purchase of operations and businesses	12	21	(9)
Other liabilities	112	79	33
Total	**183**	**137**	**46**

"Liabilities for urbanization fees" include fees to be paid to municipalities in Tuscany that host geothermal plants under the provisions of Article 4 of the voluntary agreement implementing the protocol of understanding of December 20, 2007. More specifically, that agreement, signed in April 2010, establishes that Enel Green Power SpA shall pay local authorities, as an environmental and territorial indemnity, a specified amount per authorized MW in 20 annual instalments. The item increased by €22 million, mainly due to the entry into service or refurbishing of new geothermal plants for which the fees are now due.

"Liabilities for purchase of operations and businesses" mainly regard the recognition of the put option for the equity interest in Renovables de Guatemala held by Simest (8.8%) in the amount of €12 million (€12 million at December 31, 2012 restated). The Parent Company is committed to acquiring Simest's entire holding in Renovables de Guatemala by June 30, 2017 (exercise of the option may take place as from June 30, 2015).

As regards the hierarchy of inputs used in determining fair value of the put options above, the associated derivative is classified as level 3. The notional amount is equal to the fair value, calculated using the binominal option pricing model, and did not produce a significant effect on the income statement.

The increase in "Other liabilities" in the amount of €33 million is mainly attributable to grants received in Greece for plants on which construction has not yet begun.

Current liabilities

35. Short-term loans - *€839 million*

	at Dec. 31, 2013	*of which with related parties*	at Dec. 31, 2012 restated	*of which with related parties*	Change
Bank loans	23		70		(47)
Other loans and loans from related parties	816	*796*	748	*725*	68
Total	**839**	***796***	**818**	***725***	**21**

The decrease in "Bank loans" mainly reflects the decline in Enel Green Power SpA's debt to BBVA in respect of green certificates sold in 2012.

The change in "Other loans and loans from related parties" mainly regards the increase in the short-term exposure to Enel Finance International NV (€407 million), partially offset by the contraction in the exposure to Enel SpA (€334 million).

36. Trade payables - *€753 million*

"Trade payables" amounted to €753 million, a decrease of €317 million, mainly in respect of payables to the ultimate Parent (€131 million) and other related parties (€6 million) as well as the change in the scope of consolidation following the disposal of Enel.si (€66 million).

The following table reports trade payables due to non-Group counterparties by due date.

Millions of euro	
By June 30, 2014	534
Between July 1 and December 31, 2014	46
In 2015	-
Beyond	8
Total at December 31, 2013	**588**

37. Income tax payables - *€42 million*

"Income tax payables" amounted to €42 million, a decrease of €2 million compared with December 31, 2012 restated (equal to €44 million).

38. Other current liabilities - *€343 million*

Millions of euro

	at Dec. 31, 2013	*of which with related parties*	at Dec. 31, 2012 restated	*of which with related parties*	Change
Payables for sundry urbanization fees	34		30		4
Payables due to employees and social security institutions	28		27		1
Liabilities for purchase of operations and businesses	49		126		(77)
Payments on account and accrued expenses	78		56	*1*	22
Other tax payables	33		38		(5)
Other liabilities	121	*51*	98	*16*	23
Total	**343**		**375**		**(32)**

"Payables for sundry urbanization fees" reports the liability in respect of local authorities hosting power plants for fees associated with urbanization and other works in areas affected by the construction of the plants and payables for license fees for public lands, mountain and river drainage basins and other fees for concessions to use public waters for hydroelectric purposes.

The decrease in "Liabilities for purchase of operations and businesses" reflects the discharge of the debt for the purchase of the second wind plant in Mexico (equal to €126 million), partially offset by the recognition of the liability for contingent consideration for the acquisition of businesses in North America, discussed in note 5, with a fair value of €37 million, and the recognition of the put option for the non-controlling interest in Maicor Wind (equal to €12 million, previously classified under long-term debt).
As regards the hierarchy of inputs used in determining the fair value of the above liabilities, they are classified as level 3. The notional amount of the put for Maicor Wind is equal to the fair value calculated using the discounted cash flow approach, while the value of the contingent consideration for the projects in North America was quantified on the basis of the unit value per MW provided for in the purchase contract for the development fee and the probability that the initiatives would be carried out.
During the year, they did not have a material impact on profit or loss.

The increase in "Payments on account and accrued expenses" mainly regards liabilities in respect of contracts for the supply of turbines in Mexico (€25 million).

The increase in "Other liabilities" mainly regards the rise in VAT liability in respect of the ultimate Parent (€23 million).

39. Current financial liabilities - *€93 million*

Millions of euro

	at Dec. 31, 2013	*of which with related parties*	at Dec. 31, 2012 restated	*of which with related parties*	Change
Current accrued financial expense	88	*71*	88	*71*	-
Derivative contracts	5	*5*	1		4
Total	**93**		**89**		**4**

The following table reports the notional amount and fair value of derivative contracts by type of contract and designation.

Millions of euro	Notional		Fair value		
	at Dec. 31, 2013	at Dec. 31, 2012	**at Dec. 31, 2013**	at Dec. 31, 2012	Change
Cash flow hedge derivatives	**435**	**-**	**2**	**-**	**2**
Commodities	435	-	2	-	2
Trading derivatives	**452**	**25**	**3**	**1**	**2**
Exchange rates	444	14	2	-	2
Interest rates	8	11	1	1	-
Total	**887**	**25**	**5**	**1**	**4**

The notional amount of trading derivatives on exchange rates classified under current financial liabilities, which were used to minimize the impact of exchange rate volatility, came to €444 million at December 31, 2013. The related fair value was €2 million.

As regards the hierarchy of inputs used in determining fair value, all the derivatives are classified as level 2.

40. Liabilities held for sale - *€12 million*

Millions of euro

	at Dec. 31, 2013	at Dec. 31, 2012
Long-term loans	1	-
Deferred tax liabilities	1	-
Trade payables	6	-
Income tax payables	2	-
Other current liabilities	2	-
Total	**12**	**-**

The item reports the portion of the liabilities of the Portuguese cogeneration plants of the subsidiary Enel Green Power España (€11 million) and the wind plant of the French subsidiary WP France 3 (€1 million) that in view of management decisions meet the requirements provided for by IFRS 5 for their classification as liabilities held for sale.

41.Contractual commitments and guarantees

Millions of euro

	at Dec. 31, 2013	at Dec. 31, 2012	Change
Guarantees given:			
- sureties and other guarantees granted to third parties	1,439	1,146	293
Commitments to suppliers for:			
- various supplies	1,733	1,126	607
Total	**3,172**	**2,272**	**900**

The Group has a commitment with Vestas Italia Srl providing for Vestas to supply, transport, install and maintain wind turbines with a total capacity of 268 MW in the various countries in which the Group operates in the period from 2011 to 2015. Enel Green Power has an option to increase the capacity by an additional 700 MW in the same period.

In addition, Enel Green Power SpA has entered commitments with the Region of Tuscany in respect of the protocol of understanding signed in 2007 under which Enel will work to promote research and technological innovation in the field of renewable energy. The commitments specifically associated with Enel Green Power cannot be specified until a detailed list of activities appropriate to this purpose is agreed with the Region.

42. Related parties

Related parties are identified on the basis of the international accounting standards and the procedure governing transactions with related parties approved on December 1, 2010 by the Board of Directors of Enel Green Power SpA after having obtained the opinion of the Internal Control Committee on November 23, 2010.

The procedure (which can be found at http://www.enelgreenpower.com/en-GB/company/governance/related_parties/) sets out a series of rules designed to ensure the transparency and procedural and substantive propriety of transactions with related parties and was adopted in implementation of the provisions of Article 2391-*bis* of the Italian Civil Code and the implementing rules established by CONSOB.

More specifically, in 2013 transactions with related parties regarded, among others:

- the management of exposures to changes in interest rates and exchange rates;
- the provision of professional and other services;
- the management of shared services;
- transactions in electricity;
- transactions in green and white certificates.

In addition, during the year Enel Green Power opted to participate in the consolidated taxation mechanism of its controlling shareholder, Enel SpA.

Under the provisions of the uniform tax code (Presidential

Decree 917/1986, Article 117 *et seq*.) concerning the consolidated taxation mechanism, Enel Green Power SpA renewed participation in the consolidated tax mechanism with Enel SpA (the controlling company) for the 2013-2015 period, consequently regulating all reciprocal obligations and responsibilities. Enel Green Power Partecipazioni Speciali Srl did not have to renew its participation as it joined the Group taxation mechanism in 2012 and the three-year period will expire in 2014.

During 2013, a number of transactions with related parties that qualified as ordinary transactions of "greater importance" with a related party were carried out by Enel Green Power SpA directly or through a subsidiary on terms equivalent to market or standard terms and conditions.
These transactions qualify for the exemption referred to in Article 13.3(c) of the "Regulation governing transactions with related parties" adopted by CONSOB with Resolution no. 17221 of March 12, 2010, as amended ("Related Parties Regulation") and the related procedure adopted by Enel Green Power SpA in implementation of the regulation. As such, those transactions are not subject to the publication requirements provided for transactions of greater importance with related parties under Article 5, paragraphs 1 to 7, of the Related Parties Regulation. Those transactions were in any case notified specifically to CONSOB in accordance with Article 13.3(c).

The following provides a summary of the main features of the transactions.

Transaction party: Enel Green Power SpA.
Transaction counterparty: Enel Trade SpA.
Nature of relationship: company subject to the common control of Enel SpA.
Nature of the transaction: a framework agreement for the sale of electricity for 2014, to be implemented through bilateral physical contracts, and a framework agreement for the sale of electricity for 2014 to be implemented through bilateral financial contracts.
Value: a maximum of €430 million and €600 million, respectively.

Transaction party: Enel Green Power International BV, a wholly-owned subsidiary of Enel Green Power SpA.
Transaction counterparty: Enel Finance International NV.
Nature of relationship: company subject to the common control of Enel SpA.
Nature and value of the transaction: a financing contract representing a long-term credit facility with a total value of €3 billion disbursable in two tranches. The terms of the loan are in line with terms and conditions obtainable on the debt market with the leading financial counterparties available. Following execution of the contract, the parties modified one of its pro-

Millions of euro

	Enel SpA	Enel Servizi Srl	Enel Produzione SpA	Enel Trade SpA	Enel Finance International NV	Enel Lease Eurl	Enel.Factor SpA	GSE SpA	GME SpA
Balance sheet									
Trade receivables	1	1	85	39	-	-	-	5	-
Other current assets	-	1	-	-	-	-	-	88	-
Current financial assets	-	-	-	-	149	-	-	-	-
Trade payables	4	59	30	1	-	-	18	2	-
Other current liabilities	37	2	-	5	-	-	-	-	-
Current financial liabilities	17	-	-	2	57	-	-	-	-
Long-term loans	-	-	-	-	2,453	27	-	-	-
Short-term loans	278	-	-	-	517	-	-	-	-
Income statement									
Revenues from sales and services	-	-	-	400	-	-	-	53	433
Other revenues	-	-	-	1	-	-	-	295	-
Raw materials and consumables	-	-	-	-	-	-	-	-	12
Services	22	30	9	-	-	-	-	2	21
Other operating expenses	-	-	-	-	-	-	-	-	1
Financial income	1	-	-	-	15	-	-	-	-
Financial expense	31	-	-	-	175	2	-	-	-

visions to extend the period of use of the first tranche of the loan by three months.

Transaction party: Enel Green Power SpA.
Transaction counterparty: Enel SpA.
Nature of relationship: Parent Company.
Nature of the transaction: a 15-year guarantee for a maximum of €210 million (105% of the principal value of the guaranteed loan) granted in favor of the European Investment Bank in the interest of Enel Green Power International BV.
Value of the transaction: the terms and conditions of the guarantee are in line with those generally granted by Enel Green Power SpA to leading banks for transactions of a similar amount and maturity.

Transaction party: Enel Green Power International BV, a wholly-owned subsidiary of Enel Green Power SpA.
Transaction counterparty: Enel Finance International NV.
Nature of relationship: company subject to the common control of Enel SpA.
Nature and value of the transaction: renewal of a financing contract of €1.2 billion. The terms and conditions of the renewal are in line with those obtainable on the debt market with banks for loans of the same amount and maturity as the contract involved in this transaction.

In addition, in the 1st Half of 2013, Enel Green Power SpA and Enel Energia SpA reached an agreement for the sale to the latter of the entire share capital of Enel.si Srl.
The price was paid in a single installment at the effective date of the transfer of the investment, set at July 1, 2013. The sale of Enel.si Srl qualifies as a transaction of "lesser importance" with a related party pursuant to the specific procedure adopted by Enel Green Power on the basis of the applicable CONSOB regulations.
The following provides a summary of the main features of the transaction.

Transaction counterparty: Enel Energia SpA.
Nature of relationship: company subject to the common control of Enel SpA.
Nature of the transaction: sale of the entire share capital of Enel.si Srl.
Price: the price paid by Enel Energia SpA for the entire share capital of Enel.si Srl was about €92 million (subject to a price adjustment estimated at €11 million at the effective date of the transfer of the investment, of which €6 million has been paid). The price was determined on the basis of the enterprise value at December 31, 2012 restated (equal to €76 million) and the net financial position of the company at the same date (a positive €16 million).

The following table summarizes the relationships between the Group and its related parties for 2013.

Terna SpA	Enel Distribuzione SpA	Enel Ingegneria e Ricerca SpA	Endesa	Enel Energia SpA	Enel Energie Muntenia	Enel Energie SA	Other	**Total**	**Total balance-sheet item**	% of total
-	1	-	-	-	4	4	45	**185**	**364**	51%
-	-	-	-	-	-	-	7	**96**	**417**	23%
-	-	-	-	-	-	-	33	**182**	**224**	81%
-	-	14	2	9	-	-	26	**165**	**753**	22%
-	-	-	1	5	-	-	1	**51**	**343**	15%
-	-	-	-	-	-	-	-	**76**	**93**	82%
-	-	-	-	-	-	-	-	**2,480**	**5,277**	47%
-	-	-	-	-	-	-	1	**796**	**839**	95%
9	-	-	-	-	1	1	38	**935**	**2,263**	41%
1	-	-	-	-	-	-	2	**299**	**494**	61%
8	1	-	-	5	-	-	43	**70**	**265**	26%
-	-	8	2	5	-	-	12	**111**	**444**	25%
2	-	-	-	-	-	-	1	**4**	**138**	3%
-	-	-	-	-	-	-	21	**37**	**79**	47%
-	-	-	1	-	-	-	(1)	**208**	**347**	60%

The Parent Company Enel SpA

Transactions with Enel SpA mainly regard i) the centralization with the Parent of a number of support functions concerning legal services, personnel, corporate matters, and administration, planning and control activities regarding Enel Green Power; and ii) the management and coordination services performed by Enel SpA with regard to Enel Green Power.

Related parties within the Enel Group

The most significant transactions with the subsidiaries of Enel SpA regard:

- Enel Trade SpA: sale of electricity and green certificates by Enel Green Power SpA to Enel Trade SpA and management of commodity risk by Enel Trade SpA for the Enel Green Power Group companies;
- Enel Distribuzione SpA: sale of white certificates by Enel.si to Enel Distribuzione SpA;
- Enel Produzione SpA: sale of electricity by Enel Green Power SpA to Enel Produzione SpA and provision of remote operation services for hydroelectric and wind plants, maintenance of dam safety and maintenance of hydroelectric plants by Enel Produzione SpA for Enel Green Power SpA;
- Enel Servizi Srl: management of purchasing services, facility services, administrative services, catering services and motor pool services by Enel Servizi Srl for Enel Green Power SpA;
- Enel Ingegneria e Ricerca SpA: consulting and technical management of projects involving the construction of new plants performed by Enel Ingegneria e Ricerca SpA for Enel Green Power SpA and Group companies;
- Enel Finance International NV: granting of financing to Enel Green Power SpA and Group companies;
- companies in the Endesa subgroup: management of administrative services, software and hardware and transactions in electricity with the Enel Green Power España subgroup.

Related parties outside the Enel Group

As a business operating in the generation of electricity from renewable resources Enel Green Power sells electricity to and uses distribution and transport services provided by a number of companies controlled by the Italian government (a shareholder of Enel SpA).

Transactions with companies held or controlled by the government primarily include:

- Gestore dei Mercati Energetici SpA;
- Gestore dei Servizi Energetici SpA;
- Acquirente Unico SpA;
- Terna SpA.

43. Contingent assets and liabilities

LaGeo arbitration

In October 2008, Enel Produzione undertook arbitration action, in accordance with the rules of the International Chamber of Commerce in Paris, against Comisión Ejecutiva Hidroeléctrica del Río Lempa ("CEL"), wholly owned by the Republic of El Salvador, and Inversiones Energéticas SA de Cv ("INE"), wholly owned by CEL, for breach of a number of provisions of the shareholders' agreement between Enel Produzione and INE of June 4, 2002, regarding the management of LaGeo.

More specifically, the shareholders' agreement, which was entered into on the occasion of the reform of the electricity sector in El Salvador, gave Enel Produzione (which Enel Green Power succeeded as a result of the spin-off of 2008) the right to finance the investments of LaGeo, treating those payments as capital increases. The agreement also required LaGeo to distribute all its net income.

After complying with the agreement during the initial phase of construction of the geothermal plants in El Salvador, bringing Enel Produzione stake in LaGeo to 36.20%, LaGeo no longer allowed Enel Produzione (and then Enel Green Power) to finance the investments approved and, consequently, to subscribe any further capital increases.

Enel Produzione therefore asked the arbitration board to order INE and CEL (i) to perform the specific obligations provided for under the shareholders' agreement, with distribution of net income as dividends and allowing it to finance the investments in LaGeo and subscribe the corresponding capital

increase, and to pay damages of $30 million plus interest, duties and legal costs or, alternatively, (ii) pay total damages of $264.2 million plus interest, duties and legal costs.

INE joined the proceedings, asking that CEL be excluded and requesting damages from Enel Green Power totaling $100.3 million for alleged losses caused by the poor execution of the works carried out up to the date of the request on the investments financed by the Enel Group to that date.

The arbitration board then ruled on the dispute, issuing its decision on July 5, 2011. The ruling recognizes Enel Green Power's right to finance the investments of LaGeo, capitalizing the amounts paid. As a result, the arbitration board ordered INE to ensure that within 30 days of the notification of the decision Enel Green Power is able to participate in a capital increase of the company, subscribing about 9 million shares with a value of about $127 million. Following the decision, Enel Green Power should hold 53% of the company.

The arbitration board also ordered INE to allow LaGeo to distribute profits earned in 2008 and 2009 and dismissed in its entirety the claim for damages lodged against Enel Green Power.

INE appealed the ruling before the International Chamber of Commerce in Paris, which on January 8, 2013 upheld the ruling of the arbitration board.

CEL has filed an appeal with the Supreme Court of Appeal of the decision of the Paris Court of Appeal, which on January 8, 2013, upheld the arbitration ruling.

Press reports indicate that a Salvadoran lawyer (probably with links to the party of the President of the Republic, Mauricio Funes) submitted a petition to void the shareholders' agreement with the Supreme Court of El Salvador. Enel Green Power was not notified of the action, only CEL. Enel Green Power will seek to be admitted as a party to the proceeding, reserving the right to seek damages on the basis of the warranties provided by the counterparty at the time the agreement was executed.

In July 2013, the Salvadoran parliament passed a law approving the withdrawal of El Salvador from the Washington Convention of 1965, which allowed foreign investors to bring claims against a State before the International Center for Settlement of Investment Disputes (ICSID).

Before that law was enacted, Enel Green Power had initiated a proceeding before the ICSID to preserve its rights against the interference of the Salvadoran government in Enel Green Power's relations with CEL.

In November 2013, after multiple press reports, the attorney general of El Salvador filed the findings of an investigation into the events that led to the acquisition of LaGeo by the Enel Group in 2002. Once the enquiry was closed, the attorney general called a hearing for numerous public officials who had had a role in the formation of LaGeo and the sale of interests in the company.

Two former employees of Enel Green Power and the lawyer who handled the transaction for Enel Green Power are among those under investigation.

The summons regards Enel Green Power El Salvador.

The proceeding undertaken by the attorney general's office appears to be founded on charges of corruption in which the public officials are accused of committing a number of violations of the laws of El Salvador from which Enel Green Power is alleged to have benefited.

In point of fact, all of the events cited by the attorney general have already been examined during the international arbitration proceeding carried out in accordance with the rules of the International Chamber of Commerce in Paris. The arbitration board had found that the case presented by CEL (and now taken up by the attorney general's office) was unfounded and upheld Enel Green Power's position.

In addition, the attorney general has also charged that other laws were violated with the granting of the geothermal concessions by way of an administrative instrument rather than by law. However, the decision to permit these concessions by law only was based on a ruling of the Constitutional Court issued only this year. In any event, the "operational" concessions of LaGeo were issued with a law.

The judge in the first phase of the proceedings did not find any certain or grave violations and therefore rejected the attorney general's request for precautionary measures.

Dispute between Energia XXI Energias Renováveis e Consultoria Limitada and Enel Green Power España

In 1999 Energia XXI files for arbitration against MADE (now Enel Green Power España) for alleged losses incurred due to the early termination of an agency contract for the sale of wind generators and wind farms of Enel Green Power España in Portugal and Brazil. With its ruling of November 21, 2000, the arbitration board found that the termination of the contract by MADE was illegitimate and ordered it to pay: (i) legal costs; (ii) the fixed portion of the monthly fee for the period from July 21, 1999 (date of termination of contract) to October 9, 2000 (expiration date of the contract), equal to about

€50,000; (iii) as well as lost profits in to be determined respect of contracts for at least 15 MW of capacity. Following the arbitration ruling, two civil court cases began:

> the first appeal was lodged by MADE with the *Tribunal Judicial de Primera Instancia* asking for the arbitration ruling to be voided. The case is still pending with the court of first instance following referral by the Court of Appeal (subsequently confirmed by the Supreme Court of Appeal on September 26, 2013), which granted Enel Green Power España's appeal of the admission of briefs;

> the second appeal was lodged by Energia XXI on May 9, 2006, with the Civil Court of Lisbon, with which Energia XXI asked for Enel Green Power España to be ordered to pay the amount determined in the arbitration ruling (the losses for which Energia XXI now puts at €546 million). Enel Green Power España considers the claim to be unfounded. Acting on a petition by Enel Green Power España, the court has so far suspended the case pending resolution of the first suit.

Dispute concerning Enel Green Power España wind farms in Spain

The licenses for the wind farms of Valdesamario, Peña del Gato and Espina as well as those for the Villameca high-voltage power line and SET Ponjos substations at Villameca have been challenged by the SEO environmental organization.

On October 25, 2012, the judge of the court of first instance granted the petition regard the SET substations at Villameca. Enel Green Power España has appealed the ruling and case is now pending on appeal.

On April 9, 2013 the court of first instance granted the petition of the counterparty seeking the voidance of the license for the Valdesamario wind farm.

The authorization procedure was not suspended as Enel Green Power España has appealed the ruling and the case is now pending on appeal.

On September 30, 2013, the court of first instance granted SEO's petition to void the authorization for the Peña del Gato wind farm. Enel Green Power España has lodged an appeal of the court's decision with Supreme Court. The ruling of the court of first instance is not enforceable pending the outcome of the appeal.

Enelpower do Brasil

Enelpower do Brasil is currently involved in litigation concerning the PIS/COFINS taxes for a total amount of about 54 million Brazilian reais (about €16.2 million), with a present value including interest and penalties of about 71.3 million reais (about €21.4 million).

Enelpower do Brasil appealed the tax assessment, obtaining a provisional reduction of the taxes. The second-level administrative court issued a ruling in June 2013, published on October 1, 2013, confirming the reduction of the tax liability to 23 million reais (about €6.9 million), with an overall present value of about 32.6 million reais (about €9.8 million).

In summary, the ruling provides for:

1. as regards the PIS: the definitive voidance of the amount due of about 12.7 million reais in present value (about €3.8 million);
2. as regards the COFINS:
   a) the non-enforceability, under the statute of limitations, of about 26 million reais in present value (about €7.8 million), regarding the months 02/2003, 03/2003, 04/2003, 06/2003 and 08/2003;
   b) the enforceability of about 32.6 million reais in present value (about €9.8 million), of which about 9.8 million reais (€2.9 million) in principal and about 22.8 million reais (about €6.8 million) in interest and penalties, for the months 01/2003, 05/2003, 07/2003, 09/2003, 10/2003, 11/2003 and 12/2003.

At the end of 2013, Brazil's federal government enacted Law 12865/2013 extended the tax amnesty provided for under Law 1194/2009 (REFIS IV) for federal tax liabilities accrued before November 2008. Both the PIS and COFINS represent federal tax liabilities.

The amnesty provides for: (i) a reduction of interest and penalties; (ii) the offsetting of such interest and penalties against prior-year tax losses and (iii) payment of principal amounts in 180 monthly instalments interest free.

For merely prudential reasons, Enelpower do Brasil took advantage of the extension of the amnesty under Law 1194/2009 for the amounts indicated in point 2 b) above, obtaining a reduction in interest and penalties from about 22.8 million reais (about €6.8 million) to about 14.7 million reais (about €4.4 million), an amount that was set off against prior-year tax losses of the company, and paid an initial instalment of about 54.4 thousand reais (about €16.3 thousand) of the principal amount of about 9.8 million reais (about €2.9 million). The total charge was therefore equal to about €2.9 mil-

lion, recognized in full in 2013.
As regards the amounts in point 2 a) above, which represent the present value of the dispute, equal to about 26 million reais (about €7.8 million), Enelpower do Brasil did not participate in the amnesty as the risk of an unfavorable ruling is considered remote.

Mat B Eole vs Enel Green Power France (France)

MAT B Eole (previously a partner of Enel Green Power France) sued Enel Green Power France before the Commercial Court of Lyon, alleging the illegal termination of a cooperation agreement concerning the Haut de Conges Wind Farm (28 MW), requesting damages of about €2.5 million. In a ruling issued in May 2012, the Commercial Court ruled against the plaintiff, ordering MAT B Eole to transfer the power purchase certificate to Enel Green Power France, saying that it had been illegally retained, and to pay Enel Green Power France €435,000 in damages. In September 2012, Mat B Eole appealed the decision before the competent Commercial Court of Appeal. A ruling by the court is expected by the end of the 1st Quarter of 2014.
With a ruling of February 20, 2014, the Commercial Court of Appeal denied the appeal of Mat B Eole, thereby upholding the initial ruling, and ordered the plaintiff to pay court costs. The deadline for appealing to the Supreme Court of Appeal is pending (within two months of the notification of the ruling).

Ministério Público do Estado de Mato Grosso vs Primavera Energia SA

On January 18, 2011 the public prosecutor of Mato Grosso (MP) filed a civil suit against Primavera Energia, alleging that the company had caused environmental damage due to the failure to install fish ladders to safeguard fish in the river from which the Primavera Energia hydroelectric plant draws water.
The Ministry requested an unusual order ("*tutela anticipada*") for the immediate construction of a fish ladder or similar mechanism to ensure their survival.
On February 1, 2011, the court ruled that no urgent relief could be granted without hearing the two parties to the dispute.
After the hearing, in accepting the pleas submitted by Primavera Energia, the Federal Court issued a ruling on January 16, 2013, denying the request for an urgent order to build a fish ladder.
Following a petition by the MP, the Federal Court also involved Brazil's federal government.

CIS arbitration proceeding vs Enel Green Power

On August 4, 2010 Enel Green Power SpA signed a leasehold agreement for the rooftops of the industrial sheds of the Centro Ingrosso Sviluppo Campano Gianni Nappi SpA (hereinafter CIS) in order to build and operate a photovoltaic plant.
On April 22, 2011, during the construction of the plant, a fire broke out in one of the sheds where the subcontractor Enel Green Power, General Membrane SpA, was installing the plant. CIS, in order to determine the cause of the fire and assess the loss, asked for a precautionary technical appraisal before the Court of Nola.
The technical consultant appointed by the court filed a final report that concluded that the fire was probably accidentally started by the workers who were working on the burned shed. The report also quantified the direct losses suffered by CIS in the total amount of €3 million.
On March 26, 2012, another fire broke out at another shed owned by CIS.
On November 3, 2012, CIS began the arbitration proceeding provided for under Article 21 of the contract with Enel Green Power. With the arbitration request, CIS asked that Enel Green Power SpA be order to pay €5.2 million for the first fire.

On April 5, 2013, Enel Green Power filed a counter-claim for about €44 million for losses incurred in the fires of April 22, 2011 and March 26, 2012, as well as the unwarranted conduct of CIS, which in delaying plant construction work prevented Enel Green Power from qualifying for more favorable subsidies. As part of the proceeding, Enel Green Power had asked the arbitration board to appoint a technical consultant to ascertain responsibility for the fire of April 22, 2011, which had been attributed to Enel Green Power with no scientific rationale by a previous consultant appointed by the Court of Nola at the request of CIS. At the hearing of November 4, 2013, the technical consultant accepted the appointment and the

board set a deadline of March 7, 2014, for the consultant to present his report.
Pending the continuation of the arbitration proceeding, CIS and Interporto Campano (with whom Enel Green Power signed a more than 20-year lease for the roof space of other sheds in the same area) have sought a preliminary injunction against Enel Green Power arguing that the installation of the photovoltaic system on the roof of the building is preventing the issue of the fire prevention certificate to the owners of the businesses operating in the premises beneath the plant. The court ordered the appointment of a technical consultant. In December 2013, the court ordered Enel Green Power to take all steps necessary to mitigate the fire risk. Enel Green Power appealed the order on December 27, 2013. On February 11, 2014, the Court of Nola denied Enel Green Power's appeal, upholding the initial ruling.

Enel Green Power SpA vs General Membrane proceeding associated with arbitration referred to in previous point

On March 1, 2013, Enel Green Power filed suit before the Civil Court of Rome against General Membrane as the representative of the contracting companies installing the photovoltaic system at the CIS (which had formed a temporary business grouping) seeking damages for losses incurred in the fire of April 22, 2011.
The damages sought by Enel Green Power amounted to about €16 million.
The contractors have argued that they were not responsible for the loss event and are seeking damages of about €9 million from Enel Green Power.
The suit is continuing.

Resit Srl

In 2010, Resit Srl sold Enel Green Power 100% of Altomonte FV Srl, the owner of a 20 MW photovoltaic project in the town of Altomonte.
The price agreed was established on a variable base that depended on the different levels of capacity for which a license could be issued.
Since the project received approval for less capacity than expected, Enel Green Power paid the price corresponding to the actual capacity of the plant.
Since Resit appealed the denial of authorization and at the same time filed an application for a new license, the rest of the plant was subsequently authorized. For that reason Resit asked Enel Green Power to pay the amount originally agreed in the case the entire plant was built in full. While expressing its willingness to pay part of that amount, Enel Green Power noted that while the authorization was pending, the tariff regime was changed and the plant built after the new authorization was obtained was smaller than the originally planned facility.
Resit obtained an injunction from the Court of Rome ordering payment of about €1.6 million for the acquisition of Altomonte. Enel Green Power objected and at the hearing offered €0.5 million to Resit to settle the suit. Pending continuation of the case, on July 29, 2013 the parties signed a settlement agreement. The settlement provides for Enel Green Power to pay an additional €2.2 million as a development fee. The agreement also provided for the award to Resit of the contract to perform O&M activities for 3 years for the Altomonte 1, Altomonte 2, Istia, SEV and Paglialonga plants (at a price discounted by 10% from market values, totaling €0.7 million).

Former shareholders of Prius Enerolica vs Enel Green Power España

On August 25, 2006, the former shareholders of Prius Enerolica and EUFER (now Enel Green Power España) signed a sale contract for 100% of the shares held by the sellers of Prius Enerolica. On November 14, 2011, the former shareholders of Prius Enerolica filed for arbitration seeking damages for alleged losses due to the delayed payment of the sale price. The sale agreement provided for the price to be determined on the basis of the terms of the contract once the documentation specified in the agreement had been received. The contract also provided for a penalty of €300,000 a month for any delay in the delivery of that documentation (which was necessary for calculating the sale price).
On March 15, 2013, the proceeding was completed with an order for Enel Green Power España to pay about €0.3 million, as against an initial demand from the counterparty for more than €17.5 million.

Enel.si litigation

Under the terms of the agreement for the sale of Enel.si, Enel Green Power undertook to hold Enel.si harmless for any damages it might be ordered to pay in respect of its previous operations. Enel.si will continue to benefit from any favorable judgments in respect of disputes pending as of July 1, 2013. The following list regards disputes in which Enel.si is the plaintiff for which Enel Green Power will hold it harmless.

LDK Solar

In September 2011, Enel.si sued LDK Solar, a supplier of photovoltaic panels, to recover $7.2 million in contractual penalties due for failing to meet delivery schedules.

During the proceedings, LDK in turn demanded indemnities of $35 million from Enel.si, alleging that the latter had terminated the supply contract illegitimately.

During the proceedings, the counter-claim was reduced by LDK to $11.2 million.

Enel.si is confident that the counter-claim will be rejected as the contract was terminated legally and without the losses alleged by the counterparty.

After the hearing of November 19, 2013, the judge took the case for decision.

Additional VAT assessment against Enel.si

In the years from 2007 to 2012, Enel.si imported photovoltaic panels through the Customs Office of Piacenza, paying VAT at the facilitated rate of 10% envisaged for photovoltaic generation systems at no. 127-*quinquies* of Table A – Part Three, attached to Presidential Decree 633/1972.

The Piacenza Customs Office, following a review of customs bills of entry for photovoltaic panels, conducted pursuant to Article 78, paragraph II, of Regulation (EEC) 2973/1992 and Article 11 of Legislative Decree 374/1990 notified Enel.si of four fines for VAT violations levied against Bertola shippers but contractually charged to Enel.si for a total of about €8.7 million, contesting the application of the facilitated VAT rate of 10%, arguing that a photovoltaic panel cannot be considered a photovoltaic generation system but rather a finished good. All of the fines were appealed and while the ruling for the last of these is still pending, the Provincial Tax Commission of Piacenza ruled in favor of the company for the first three. The Piacenza Customs Office filed an appeal with the Regional Tax Commission of Bologna against the rulings and Enel.si joined the appeal proceeding.

In April 2012, the Finance Police – Tax Police Unit of Rome (Customs and Intracommunity VAT section) initiated an audit of the company focusing primarily on compliance with customs regulations concerning purchases, sales, imports and exports at the national, EU and extra-EU level for the years 2007 to 2012 (through April).

With the findings of the audit conducted by the Finance Police, the Revenue Agency – Regional Office of Lazio – levied three fines against Enel.si for the years covered by the audit (2007-2012, through April 2) in the total amount of €16.5 million. The company submitted an appeal against the first fine in January 2013, which is still pending before the Provincial Tax Commission of Rome, and will appeal the other two fines notified on December 17, 2013, by the statutory deadline.

On the basis of the audit findings, the Customs Office of Rome also fined Enel.si €1.2 million, which has been appealed before the Provincial Tax Commission of Rome. A ruling is still pending.

Enel.si considers the application of the 10% VAT rate to be fully supported by the favorable response provided to the company in 2008 by the Revenue Agency – Regional Office of Lazio – to the query submitted by the company. The Regional Office of Lazio expressly confirmed the applicability of the 10% VAT rate on the basis of a technical appraisal performed by the *Politecnico di Milano*, attached to the query, which expressly qualified photovoltaic modules as low-power, low-voltage electricity generation systems. Additional confirmation of the legitimacy of the company's action is provided by a number of favorable rulings of the Provincial Tax Commission of Piacenza.

In view of the response to the query submitted and the initial favorable rulings issued by the Provincial Tax Commission of Piacenza, the company considers the risk of an unfavorable ruling to be remote.

44. Subsequent events [8]

Enel Green Power awarded long-term electricity supply contracts in Brazil

January 2, 2014 - Enel Green Power was awarded long-term electricity supply contracts in Brazil as part of the Pernambuco Solar Tender with two photovoltaic projects that will have a total capacity of 11 MW. The two plants will be located adjacent to each other in the State of Pernambuco, in north-eastern Brazil. Once in service, the plants will be able to generate more than 17 GWh a year.

Enel Green Power signs loan agreement with BBVA in Chile

January 7, 2014 - Enel Green Power, acting through its subsidiary Enel Green Power Chile Ltda, has concluded an agreement with Banco Bilbao Vizcaya Argentaria Chile for a $150 million loan to be used to partially cover its investment plan for the next few years in Chile. Of the total amount of the 5-year loan, $100 million was disbursed in December 2013, with the remainder to be disbursed in the coming months at an interest rate in line with the market benchmark and will be backed by a Parent Company guarantee issued by Enel Green Power.

Enel Green Power signs loan agreement with BBVA in Mexico

January 7, 2014 - Enel Green Power, acting through its subsidiary Enel Green Power México Srl de Cv, has concluded an agreement with Banco Bilbao Vizcaya Argentaria Bancomer for a $150 million loan to be used to partially cover its investment plans in Mexico. The 5-year loan, disbursed in 2013, has an interest rate in line with the market benchmark and will be backed by a Parent Company guarantee issued by Enel Green Power.

Enel Green Power completes its first wind farm in Brazil

February 17, 2014 - Enel Green Power has completed the construction of its first wind farm in Brazil, located in Morro do Chapéu (Bahia). Primavera, the new wind farm, is comprised of thirteen 2.3 MW wind turbines, for a total installed capacity of 30 MW, and is capable of generating over 145 million kWh per year.

Petition for damages from the Ministry of the Environment

On February 18, 2014, Enel Green Power SpA received a summons to appear before the Civil Court of Venice (hearing of July 4, 2014) to respond to a suit lodged by the Ministry of the Environment seeking damages for environmental harm allegedly caused in 2002-2004 by the failure to release the minimum vital flow on the Piave river and the consequent death of fish and microorganisms present in the watershed of the Piave, which contains a number of hydroelectric power plants of Enel Green Power SpA.

The suit asked for damages of about €13 million.

The suit was also lodged against Enel Produzione SpA, owner of a number of hydroelectric assets that draw water from the Piave, as well as against a number of employees (Angelo Nasso, Sergio Adami and Paolo Tartaglia) of Enel Green Power and Enel Produzione, who at the time of the events were heads of operations and maintenance of the hydroelectric plants involved.

The criminal case was completed in May 2013 with the acquittal of all the defendants by the Court of Appeals of Venice.

The examination of the case is proceeding and at the present time nothing has emerged that would suggest any liability for Enel Green Power SpA.

(8) The reference date is that of the associated press release.

Modifications of Enel Green Power's organizational structure

February 25, 2014 - The Board of Directors of Enel Green Power approved a revision of the Group's organization in order to better reflect the strategic decisions taken by Enel Green Power, with a view to boosting efficiency.

This development involved the redefinition of the scope of the Italy and Europe area and the Iberia and Latin America area, an organizational subdivision that is no longer consistent with the current development of the Enel Green Power Group.

More specifically:

> the Iberia sub-area has been folded more naturally into the Italy and Europe area in order to enhance geographical continuity and ensure more uniform business objectives;

> the Iberia and Latin America area has been renamed the Latin America area, retaining the countries of Central and South America, which have been expanding rapidly in recent years (Brazil, Chile and the Andean countries, Mexico and Central America).

Enel Green Power completes its second wind farm in Brazil

March 5, 2014 - Enel Green Power has completed the construction of the second plant of its "Cristal" wind power complex located in Morro do Chapéu (Bahia), Brazil. "São Judas", the new wind farm, is comprised of thirteen 2.3 MW wind turbines, for a total installed capacity of 30 MW, and is capable of generating over 145 million kWh per year.

Regulatory changes introduced in Greece with Law 4254/2014

On April 7, 2014, Law 4254/2014 was published in Greece. The legislation changes the regulation of the remuneration of plants that generate electricity from renewable energy sources.A preliminary analysis of the law has found potentially critical issues concerning its compatibility with EU law. In any event, the change in the level of remuneration indicated does not appear to have a material impact either on valuations or estimates and therefore on Group performance for the year.

Corporate governance

The corporate governance system of Enel Green Power SpA and the Group of which it is Parent Company complies with the principles set out in the Corporate Governance Code for listed companies, [9] which the Company has adopted. The corporate governance system is also inspired by the recommendations of CONSOB in this field and, more generally, international best practices.

The governance system adopted by Enel Green Power and the Group is designed to facilitate the creation of long-term shareholder value, taking due account of the social role of the activities in which the Group is engaged and the consequent necessity of appropriately considering all of the interests involved in performing those activities.

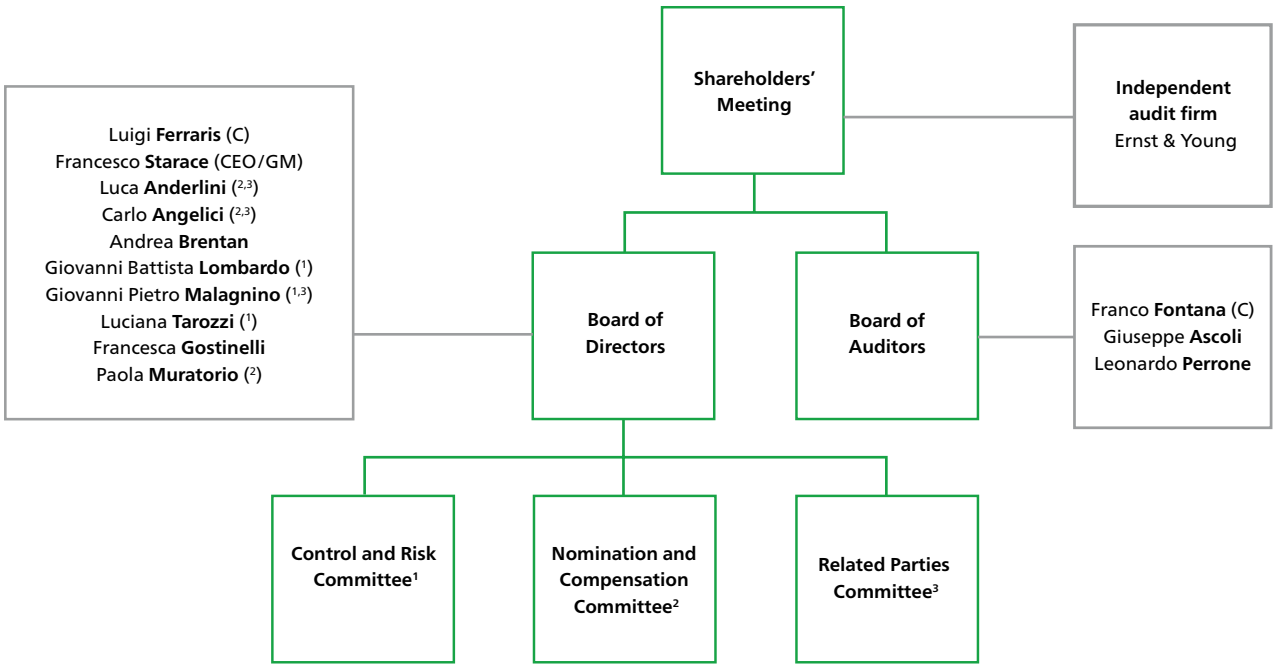
In compliance with the provision of Italian law governing companies with listed shares, the Company's organization is characterized by:

> a Board of Directors charged with managing the Company;

> a Board of Auditors charged with monitoring: (i) compliance with the law and the bylaws, and with the principles of sound administration in the performance of company business; (ii) the financial reporting process, as well as the adequacy of the organizational structure, the internal control system and the administrative-accounting system of the Company; (iii) the statutory auditing of the annual accounts and the consolidated accounts, as well as the independence of the statutory audit firm; and (iv) the manner in which the corporate governance rules set out in the Corporate Governance Code are actually implemented;

> a Shareholders' Meeting, which is competent to take decisions concerning, among other issues – in ordinary or extraordinary session: (i) the appointment and termination of members of the Board of Directors and the Board of Auditors and their compensation and responsibilities; (ii) the approval of the financial statements and allocation of net income; (iii) the purchase and sale of treasury shares; (iv) stock-based compensation plans; (v) amendments of the bylaws; and (vi) the issue of convertible bonds.

The statutory auditing of the accounts is performed by a specialized firm entered in the appropriate official register. It was engaged by the Shareholders' Meeting on the basis of a reasoned proposal of the Board of Auditors.



For more detailed information on the corporate governance system, please see the Report on corporate governance and ownership structure of Enel Green Power, which has been published on the Company's website (www.enelgreenpower.com, in the "Governance" section).

(9) The various editions of the Code are available on the website of Borsa Italiana (at http://www.borsaitaliana.it).

Declaration of the Chief Executive Officer and the officer responsible for the preparation of corporate financial reports

Declaration of the Chief Executive Officer and the officer responsible for the preparation of the consolidated financial report of the Enel Green Power Group at December 31, 2013, pursuant to the provisions of Article 154-*bis*, paragraph 5, of Legislative Decree 58 of February 24, 1998 and Article 81-*ter* of CONSOB Regulation no. 11971 of May 14, 1999

1. The undersigned Francesco Starace and Giulio Antonio Carone, in their respective capacities as Chief Executive Officer and officer responsible for the preparation of the financial reports of Enel Green Power SpA, hereby certify, taking account of the provisions of Article 154-*bis*, paragraphs 3 and 4, of Legislative Decree 58 of February 24, 1998:
   a. the appropriateness with respect to the characteristics of the Enel Green Power Group and
   b. the effective adoption of the administrative and accounting procedures for the preparation of the consolidated financial statements of the Enel Green Power Group in the period between January 1, 2013 and December 31, 2013.

2. In this regard, we report that:
   a. the appropriateness of the administrative and accounting procedures used in the preparation of the consolidated financial statements of the Enel Green Power Group has been verified in an assessment of the internal control system. The assessment was carried out on the basis of the guidelines set out in the "Internal Controls - Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO);
   b. the assessment of the internal control system did not identify any material issues.

3. In addition, we certify that consolidated financial statements of the Enel Green Power Group at December 31, 2013:
   a. have been prepared in compliance with the international accounting standards recognized in the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of July 19, 2002;
   b. correspond to the information in the books and other accounting records;
   c. provide a true and fair representation of the performance and financial position of the issuer and the companies included in the scope of consolidation.

4. Finally, we certify that the report on operations accompanying the financial statements of the Enel Green Power Group at December 31, 2013 contains a reliable analysis of operations and performance, as well as the situation of the issuer and the companies included in the scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

Rome, March 7, 2014

Francesco Starace
Chief Executive Officer of Enel Green Power SpA

Giulio Antonio Carone
Officer responsible for the preparation
of the financial reports of Enel Green Power SpA

Annexes

Subsidiaries, associates and other significant equity investments of the Enel Green Power Group at December 31, 2013

In compliance with CONSOB Notice no. DEM/6064293 of July 28, 2006 and Article 126 of CONSOB Resolution no. 11971 of May 14, 1999, a list of subsidiaries and associates of Enel Green Power SpA at December 31, 2013, pursuant to Article 2359 of the Italian Civil Code, and of other significant equity investments is provided below.
Enel Green Power has full title to all investments.
The following information is included for each company: name, registered office, share capital, currency in which share capital is denominated, Group companies that have a stake in the company and their respective ownership share, and the Group's ownership share as well as the method of consolidation.

	Registered office	Country	Share capital	Currency	Held by	Group % holding	% holding of ordinary shares	Consolidation method
Parent Company								
Enel Green Power SpA	Rome	Italy	1,000,000,000	EUR	Enel SpA	100.00%	68.29%	Holding
Subsidiaries								
(Cataldo) Hydro Power Associates	New York (New York)	USA	-	USD	Chi Black River Inc.	100.00%	50.00%	Line-by-line
					Hydro Development Group Inc.		50.00%	
3SUN Srl	Catania	Italy	180,030,000	EUR	Enel Green Power SpA	33.33%	33.33%	Proportionate
Adams Solar PV Project Two (Pty) Ltd	Cape Town	South Africa	-	ZAR	Enel Green Power South Africa	100.00%	100.00%	Line-by-line
Aes Distribuidores Salvadoreños Ltda de Cv	Colonia Escalón	El Salvador	200,000	SVC	Enel Green Power El Salvador SA de Cv	20.00%	20.00%	Equity
Aes Distribuidores Salvadoreños Y Compañía S En C de Cv	Colonia Escalón	El Salvador	200,000	SVC	Enel Green Power El Salvador SA de Cv	20.00%	20.00%	Equity
Agassiz Beach LLC	Minneapolis (Minnesota)	USA	-	USD	Chi Minnesota Wind LLC	51.00%	51.00%	Line-by-line
Agatos Green Power Trino	Rome	Italy	10,000	EUR	Enel Green Power & Sharp Solar Energy Srl	40.00%	80.00%	Proportionate
Aguilon 20 SA	Zaragoza	Spain	2,682,000	EUR	Enel Green Power España SL	31.00%	51.00%	Line-by-line
Almeyda Solar SpA	Santiago	Chile	1,736,965,000	CLP	Enel Green Power Chile Ltda	100.00%	100.00%	Line-by-line
Almussafes Servicios Energéticos SL	Valencia	Spain	3,010	EUR	Enel Green Power España SL	60.00%	100.00%	Line-by-line
Altomonte Fv Srl	Cosenza	Italy	100,000	EUR	Enel Green Power & Sharp Solar Energy Srl	50.00%	100.00%	Proportionate
Alvorada Energia SA	Rio de Janeiro	Brazil	17,117,416	BRL	Enel Brasil Participações Ltda	100.00%	100.00%	Line-by-line
Apiacás Energia SA	Rio de Janeiro	Brazil	21,216,846	BRL	Enel Brasil Participações Ltda	100.00%	100.00%	Line-by-line
Aquenergy Systems Inc.	Greenville (South Carolina)	USA	10,500	USD	Consolidated Hydro Southeast Inc.	100.00%	100.00%	Line-by-line
Atelgen - Produção de Energia ACE	Barcelos	Portugal	-	EUR	TP - Sociedade Térmica Portuguesa SA	31.00%	51.00%	Line-by-line
Autumn Hills LLC	Minneapolis (Minnesota)	USA	-	USD	Chi Minnesota Wind LLC	51.00%	51.00%	Line-by-line
Barnet Hydro Company	Burlington (Vermont)	USA	-	USD	Enel Green Power North America Inc.	100.00%	10.00%	Line-by-line
					Sweetwater Hydroelectric Inc.		90.00%	
Beaver Falls Water Power Company	Philadelphia (Pennsylvania)	USA	-	USD	Beaver Valley Holdings Ltd	68.00%	67.50%	Line-by-line
Beaver Valley Holdings Ltd	Philadelphia (Pennsylvania)	USA	2	USD	Hydro Development Group Inc.	100.00%	100.00%	Line-by-line
Beaver Valley Power Company	Philadelphia (Pennsylvania)	USA	30	USD	Hydro Development Group Inc.	100.00%	100.00%	Line-by-line
Biowatt - Recursos Energéticos Lda	Porto	Portugal	5,000	EUR	Finerge-Gestão de Projectos Energéticos SA	31.00%	51.00%	Line-by-line
Black River Hydro Assoc	New York (New York)	USA	-	USD	(Cataldo) Hydro Power Associates	75.00%	75.00%	Line-by-line
Blue Line Valea Nucarilor SRL	Bucuresti	Romania	400,000,600	RON	Enel Green Power Romania Srl	100.00%	100.00%	Line-by-line
Boiro Energía SA	Boiro	Spain	601,010	EUR	Enel Green Power España SL	24.00%	40.00%	Proportionate
Boott Field LLC	Wilmington (Delaware)	USA	-	USD	Boott Hydropower Inc.	100.00%	100.00%	Line-by-line
Boott Hydropower Inc.	Boston (Massachusetts)	USA	-	USD	Boott Sheldon Holdings LLC	100.00%	100.00%	Line-by-line
Boott Sheldon Holdings LLC	Wilmington (Delaware)	USA	-	USD	Hydro Finance Holding Company Inc.	100.00%	100.00%	Line-by-line
Bosmat SA	Montevideo	Uruguay	400,000	UYU	Enel Green Power Latin America Ltda	100.00%	100.00%	Line-by-line
Bp Hydro Associates	Boise (Idaho)	USA	-	USD	Enel Green Power North America Inc.	100.00%	32.00%	Line-by-line
					Chi Idaho Inc.		68.00%	
Bp Hydro Finance Partnership	Salt Lake City (Utah)	USA	-	USD	Bp Hydro Associates	100.00%	75.92%	Line-by-line
					Fulcrum Inc.		24.08%	
Buffalo Dunes Wind Project LLC	Topeka (Kansas)	USA	-	USD	EGPNA Development Holdings LLC	49.00%	49.00%	Equity
Business Venture Investments 1468 (Pty) Ltd	Lombardy East	South Africa	1,000	ZAR	Enel Green Power South Africa	100.00%	100.00%	Line-by-line

	Registered office	Country	Share capital	Currency	Held by	Group % holding	% holding of ordinary shares	Consolidation method
Bypass Limited	Boise (Idaho)	USA	-	USD	Northwest Hydro Inc.	100.00%	69.35%	Line-by-line
					El Dorado Hydro		1.00%	
					Chi West Inc.		29.65%	
Bypass Power Company	Los Angeles (California)	USA	1	USD	Chi West Inc.	100.00%	100.00%	Line-by-line
Calizas Elycar SL	Huesca	Spain	1,803,000	EUR	Enel Green Power España SL	15.00%	25.00%	Equity
Camposgen - Energia Lda	Oeiras	Portugal	5,000	EUR	Pp - Co-Geração SA	60.00%	20.00%	Line-by-line
					TP - Sociedade Térmica Portuguesa SA		80.00%	
Canastota Wind Power LLC	Wilmington (Delaware)	USA	-	USD	Essex Company	100.00%	100.00%	Line-by-line
Caney River Wind Project LLC	Topeka (Kansas)	USA	-	USD	Rocky Caney Wind LLC	100.00%	100.00%	Line-by-line
Carvemagere - Manutenção e Energías Renováveis Lda	Barcelos	Portugal	84,700	EUR	Finerge-Gestão de Projectos Energéticos SA	39.00%	65.00%	Line-by-line
Castle Rock Ridge Limited Partnership	Calgary (Alberta)	Canada	-	CAD	Enel Alberta Wind Inc.	100.00%	0.10%	Line-by-line
					Chi Hydroelectric Company Inc.		99.90%	
Central Hidráulica Güejar-Sierra SL	Seville	Spain	364,210	EUR	Enel Green Power España SL	19.98%	33.30%	Equity
Chi Black River Inc.	Wilmington (Delaware)	USA	100	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Chi Hydroelectric Company Inc.	St. John (Newfoundland)	Canada	223,727,429	CAD	Enel Green Power Canada Inc.	100.00%	100.00%	Line-by-line
Chi Idaho Inc.	Wilmington (Delaware)	USA	100	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Chi Minnesota Wind LLC	Wilmington (Delaware)	USA	-	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Chi Operations Inc.	Wilmington (Delaware)	USA	100	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Chi Power Inc.	Wilmington (Delaware)	USA	100	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Chi Power Marketing Inc.	Wilmington (Delaware)	USA	100	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Chi S F LP	Montreal (Quebec)	Canada	-	CAD	Enel Alberta Wind Inc.	100.00%	1.00%	Line-by-line
					Enel Green Power Canada Inc.		99.00%	
Chi West Inc.	Wilmington (Delaware)	USA	100	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Chisholm View Wind Project LLC	Oklahoma City (Oklahoma)	USA	-	USD	Enel Kansas LLC	75.00%	75.00%	Line-by-line
Cogeneración El Salto SL - in liquidation	Zaragoza	Spain	36,000	EUR	Enel Green Power España SL	12.00%	20.00%	-
Cogeneración Lipsa SL	Barcelona	Spain	720,000	EUR	Enel Green Power España SL	12.00%	20.00%	Equity
Companhia Térmica do Serrado ACE	Paços de Brandão	Portugal	-	EUR	TP - Sociedade Térmica Portuguesa SA	18.00%	30.00%	Equity
Companhia Térmica Hectare ACE	Alcochete	Portugal	-	EUR	TP - Sociedade Térmica Portuguesa SA	36.00%	60.00%	Line-by-line
Companhia Térmica Lusol ACE	Barreiro	Portugal	-	EUR	TP - Sociedade Térmica Portuguesa SA	57.00%	95.00%	Line-by-line
Companhia Térmica Oliveira Ferreira ACE - in liquidation	Riba de Ave	Portugal	-	EUR	TP - Sociedade Térmica Portuguesa SA	57.00%	95.00%	-
Companhia Térmica Ribeira Velha ACE	São Paio de Oleiros	Portugal	-	EUR	Pp - Co-Geração SA	60.00%	49.00%	Line-by-line
					TP - Sociedade Térmica Portuguesa SA		51.00%	
Companhia Térmica Tagol Lda	Algés	Portugal	5,000	EUR	TP - Sociedade Térmica Portuguesa SA	57.00%	95.00%	Line-by-line
Compañía Eólica Tierras Altas SA	Soria	Spain	13,222,000	EUR	Enel Green Power España SL	21.38%	35.63%	Equity
Coneross Power Corporation Inc.	Greenville (South Carolina)	USA	110,000	USD	Aquenergy Systems Inc.	100.00%	100.00%	Line-by-line
Consolidated Hydro New Hampshire Inc.	Wilmington (Delaware)	USA	130	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Consolidated Hydro New York Inc.	Wilmington (Delaware)	USA	200	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line

	Registered office	Country	Share capital	Currency	Held by	Group % holding	% holding of ordinary shares	Consolidation method
Consolidated Hydro Southeast Inc.	Wilmington (Delaware)	USA	100	USD	Enel Green Power North America Inc.	100.00%	95.00%	Line-by-line
					Gauley River Power Partners LP		5.00%	
Consolidated Pumped Storage Inc.	Wilmington (Delaware)	USA	550,000	USD	Enel Green Power North America Inc.	81.82%	81.82%	Line-by-line
Consorcio Eólico Marino Cabo de Trafalgar SL	Cádiz	Spain	200,000	EUR	Enel Green Power España SL	30.00%	50.00%	Equity
Copenhagen Associates	New York (New York)	USA	-	USD	Enel Green Power North America Inc.	100.00%	50.00%	Line-by-line
					Hydro Development Group Inc.		50.00%	
Corporación Eólica de Zaragoza SL	Zaragoza	Spain	1,021,600	EUR	Enel Green Power España SL	15.00%	25.00%	Equity
Courtenay Wind Farm LLC	Bismarck (North Dakota)	USA	-	USD	Enel Kansas LLC	100.00%	100.00%	Line-by-line
Cte - Central Térmica do Estuário Lda	Porto	Portugal	563,910	EUR	Finerge-Gestão de Projectos Energéticos SA	60.00%	100.00%	Line-by-line
De Rock'l Srl	Bucuresti	Romania	5,629,000	RON	Enel Green Power International BV	100.00%	0.25%	Line-by-line
					Enel Green Power Romania Srl		99.75%	
Depuracion Destilacion Reciclaje SL	Boiro	Spain	600,000	EUR	Enel Green Power España SL	24.00%	40.00%	Proportionate
Desarrollo de Fuerzas Renovables Srl de Cv	Mexico City	Mexico	3,000	MXN	Enel Green Power México Srl de Cv	100.00%	99.99%	Line-by-line
					Energía Nueva Energía Limpia México Srl de Cv		0.01%	
Dioflash (Pty) Ltd	Houghton	South Africa	1,000	ZAR	Enel Green Power South Africa	100.00%	100.00%	Line-by-line
Dominica Energía Limpia Srl de Cv	Colonia Guadalupe Inn	Mexico	13,252,205	MXN	Enel Green Power México Srl de Cv	100.00%	99.99%	Line-by-line
					Enel Green Power Guatemala SA		0.01%	
Eed - Empreendimentos Eólicos do Douro SA	Porto	Portugal	50,000	EUR	Finerge-Gestão de Projectos Energéticos SA	60.00%	100.00%	Line-by-line
Eevm - Empreendimentos Eólicos Vale do Minho SA	Porto	Portugal	200,000	EUR	Eol Verde Energia Eólica SA	22.50%	50.00%	Equity
Enel Green Power Gerônimo Holding Company Inc.	Wilmington (Delaware)	USA	1,000	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
EGP Jewel Valley LLC	Wilmington (Delaware)	USA	-	USD	Padoma Wind Power LLC	100.00%	100.00%	Line-by-line
EGP Solar 1 LLC	Wilmington (Delaware)	USA	-	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
EGP Stillwater Solar LLC	Wilmington (Delaware)	USA	-	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
EGP Timber Hills Project LLC	Los Angeles (California)	USA	-	USD	Padoma Wind Power LLC	100.00%	100.00%	Line-by-line
EGPNA Development Holdings LLC	Wilmington (Delaware)	USA	-	USD	Enel Green Power North America Development LLC	100.00%	100.00%	Line-by-line
El Dorado Hydro	Los Angeles (California)	USA	-	USD	Northwest Hydro Inc.	100.00%	17.50%	Line-by-line
					Chi West Inc.		82.50%	
Elcomex Eol Srl	Cernavodă	Romania	1,000,000	RON	Enel Green Power International BV	100.00%	0.10%	Line-by-line
					Enel Green Power Romania Srl		99.90%	
Elcomex Solar Energy Srl	Constanța	Romania	90,000	RON	Enel Green Power International BV	100.00%	0.10%	Line-by-line
					Enel Green Power Romania Srl		99.90%	
Electra Capital (Pty) Ltd	Cape Town	South Africa	755,000	ZAR	Enel Green Power South Africa	100.00%	100.00%	Line-by-line
Empreendimento Eólico de Rego Lda	Porto	Portugal	5,000	EUR	Finerge-Gestão de Projectos Energéticos SA	30.60%	51.00%	Line-by-line
Empreendimentos Eólicos da Serra do Sicó SA	Porto	Portugal	50,000	EUR	TP - Sociedade Térmica Portuguesa SA	31.43%	52.38%	Line-by-line
Empreendimentos Eólicos de Viade Lda	Porto	Portugal	5,000	EUR	Finerge-Gestão de Projectos Energéticos SA	48.00%	80.00%	Line-by-line
Empresa Eléctrica Panguipulli SA	Santiago	Chile	21,919,629,030	CLP	Enel Green Power Chile Ltda	99.91%	100.00%	Line-by-line
					Enel Green Power Latin America Ltda		0.01%	
Empresa Eléctrica Puyehue SA	Santiago	Chile	14,395,879,488	CLP	Enel Green Power Chile Ltda	99.82%	99.90%	Line-by-line
					Enel Green Power Latin America Ltda		0.01%	
Empresa Nacional de Geotermía SA	Santiago	Chile	12,647,752,517	CLP	Enel Green Power Chile Ltda	50.95%	51.00%	Line-by-line
Enel Alberta Wind Inc.	Calgary (Alberta)	Canada	16,251,021	CAD	Enel Green Power Canada Inc.	100.00%	100.00%	Line-by-line

	Registered office	Country	Share capital	Currency	Held by	Group % holding	% holding of ordinary shares	Consolidation method
Enel Atlantic Canada LP	St. John (Newfoundland)	Canada	-	CAD	Newind Group Inc.	100.00%	0.10%	Line-by-line
					Chi Hydroelectric Company Inc.		82.05%	
					Enel Green Power Canada Inc.		17.85%	
Enel Brasil Participações Ltda	Rio de Janeiro	Brazil	1,008,224,173	BRL	Enel Green Power International BV	100.00%	99.99%	Line-by-line
					Enel Green Power Latin America Ltda		0.01%	
Enel Cove Fort II LLC	Wilmington (Delaware)	USA	-	USD	Enel Geothermal LLC	100.00%	100.00%	Line-by-line
Enel Cove Fort LLC	Wilmington (Delaware)	USA	-	USD	EGPNA Development Holdings LLC	100.00%	100.00%	Line-by-line
Enel Fortuna SA	Panama	Panama	100,000,000	USD	Enel Green Power Panama SA	50.06%	50.06%	Line-by-line
Enel Geothermal LLC	Wilmington (Delaware)	USA	-	USD	Essex Company	100.00%	100.00%	Line-by-line
Enel Green Power & Sharp Solar Energy Srl	Rome	Italy	10,000	EUR	Enel Green Power SpA	50.00%	50.00%	Proportionate
Enel Green Power Bulgaria EAD	Sofia	Bulgaria	35,231,000	BGN	Enel Green Power International BV	100.00%	100.00%	Line-by-line
Enel Green Power Cabeça de Boi SA	Rio de Janeiro	Brazil	19,017,956	BRL	Enel Brasil Participações Ltda	100.00%	100.00%	Line-by-line
Enel Green Power CAI Agroenergy Srl	Rome	Italy	100,000	EUR	Enel Green Power SpA	51.00%	51.00%	Line-by-line
Enel Green Power Calabria Srl	Rome	Italy	10,000	EUR	Enel Green Power SpA	100.00%	100.00%	Line-by-line
Enel Green Power Canada Inc.	Montreal (Quebec)	Canada	85,681,857	CAD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Enel Green Power Canaro Srl	Rome	Italy	10,400	EUR	Enel Green Power SpA	100.00%	100.00%	Line-by-line
Enel Green Power Chile Ltda	Santiago	Chile	15,649,360,000	CLP	Hydromac Energy BV	99.91%	0.01%	Line-by-line
					Enel Green Power Latin America Ltda		99.99%	
Enel Green Power Colombia	Bogotá	Colombia	10,000	COP	Enel Green Power International BV	100.00%	100.00%	Line-by-line
Enel Green Power Costa Rica	San José	Costa Rica	27,500,000	USD	Enel Green Power International BV	100.00%	100.00%	Line-by-line
Enel Green Power Cristal Eólica SA	Rio de Janeiro	Brazil	100,000,000	BRL	Enel Green Power Desenvolvimento Ltda	100.00%	1.00%	Line-by-line
					Enel Brasil Participações Ltda		99.00%	
Enel Green Power Cutro Srl	Cutro (Crotone)	Italy	10,000	EUR	Enel Green Power SpA	100.00%	100.00%	Line-by-line
Enel Green Power Damascena Eólica SA	Rio de Janeiro	Brazil	1,000,000	BRL	Parque Eólico Serra Azul Ltda.	100.00%	1.00%	Line-by-line
					Enel Brasil Participações Ltda		99.00%	
Enel Green Power Desenvolvimento Ltda	Rio de Janeiro	Brazil	13,900,297	BRL	Enel Brasil Participações Ltda	100.00%	99.99%	Line-by-line
					Enel Green Power Latin America Ltda		0.01%	
Enel Green Power Dois Riachos Eólica SA	Rio de Janeiro	Brazil	1,000	BRL	Enel Green Power Partecipazioni Speciali Srl	100.00%	100.00%	Line-by-line
Enel Green Power El Salvador SA de Cv	San Salvador	El Salvador	3,448,800	SVC	Enel Green Power International BV	100.00%	100.00%	Line-by-line
Enel Green Power Emiliana Eólica SA	Rio de Janeiro	Brazil	13,509,360	BRL	Parque Eólico Curva dos Ventos Ltda	100.00%	1.00%	Line-by-line
					Enel Brasil Participações Ltda		99.00%	
Enel Green Power España SL	Madrid	Spain	11,153	EUR	Enel Green Power International BV	60.00%	60.00%	Line-by-line
Enel Green Power Esperança Eólica SA	Rio de Janeiro	Brazil	1,000,000	BRL	Enel Green Power Desenvolvimento Ltda	100.00%	1.00%	Line-by-line
					Enel Brasil Participações Ltda		99.00%	
Enel Green Power Fazenda SA	Rio de Janeiro	Brazil	12,834,623	BRL	Enel Brasil Participações Ltda	100.00%	100.00%	Line-by-line
Enel Green Power Finale Emilia Srl	Rome	Italy	10,000,000	EUR	Enel Green Power SpA	70.00%	70.00%	Line-by-line
Enel Green Power France Sas	Lyon	France	98,200,000	EUR	Enel Green Power International BV	100.00%	100.00%	Line-by-line
Enel Green Power Granadilla SL	Tenerife	Spain	3,012	EUR	Enel Green Power España SL	39.00%	65.00%	Line-by-line
Enel Green Power Guatemala SA	Guatemala	Guatemala	5,000	GTQ	Enel Green Power International BV	100.00%	98.00%	Line-by-line
					Enel Green Power Latin America Ltda		2.00%	

	Registered office	Country	Share capital	Currency	Held by	Group % holding	% holding of ordinary shares	Consolidation method
Enel Green Power Hellas SA	Maroussi	Greece	7,687,850	EUR	Enel Green Power International BV	100.00%	100.00%	Line-by-line
Enel Green Power International BV	Amsterdam	The Netherlands	244,532,298	EUR	Enel Green Power SpA	100.00%	100.00%	Line-by-line
Enel Green Power Jeotermal Enerji Yatirimlari AŞ	Istanbul	Turkey	50,000	TRY	Enel Green Power International BV	98.99%	98.99%	Line-by-line
Enel Green Power Joana Eólica SA	Rio de Janeiro	Brazil	13,067,280	BRL	Parque Eólico Curva dos Ventos Ltda	100.00%	1.00%	Line-by-line
					Enel Brasil Participações Ltda		99.00%	
Enel Green Power Latin America Ltda	Santiago	Chile	1,000,000	CLP	Enel Green Power International BV	99.91%	0.01%	Line-by-line
					Hydromac Energy BV		99.90%	
Enel Green Power Maniçoba Eólica SA	Rio de Janeiro	Brazil	1,000,000	BRL	Parque Eólico Serra Azul Ltda	100.00%	1.00%	Line-by-line
					Enel Brasil Participações Ltda		99.00%	
Enel Green Power México Srl de Cv	Mexico City	Mexico	308,628,665	MXN	Enel Green Power International BV	100.00%	99.99%	Line-by-line
					Enel Green Power Latin America Ltda		0.01%	
Enel Green Power Modelo I Eólica SA	Rio de Janeiro	Brazil	5,125,000	BRL	Enel Brasil Participações Ltda	99.00%	99.00%	Line-by-line
Enel Green Power Modelo II Eólica SA	Rio de Janeiro	Brazil	5,125,000	BRL	Enel Brasil Participações Ltda	99.00%	99.00%	Line-by-line
Enel Green Power North America Development LLC	Wilmington (Delaware)	USA	-	USD	Enel Green Power International BV	100.00%	100.00%	Line-by-line
Enel Green Power North America Inc.	Wilmington (Delaware)	USA	50	USD	Enel Green Power International BV	100.00%	100.00%	Line-by-line
Enel Green Power Panama SA	Panama	Panama	3,000	USD	Enel Green Power International BV	100.00%	100.00%	Line-by-line
Enel Green Power Partecipazioni Speciali Srl	Rome	Italy	10,000	EUR	Enel Green Power SpA	100.00%	100.00%	Line-by-line
Enel Green Power Pau Ferro Eólica SA	Rio de Janeiro	Brazil	14,520,000	BRL	Parque Eólico Fontes dos Ventos Ltda	99.99%	1.00%	Line-by-line
					Enel Brasil Participações Ltda		99.00%	
Enel Green Power Pedra do Gerônimo Eólica SA	Rio de Janeiro	Brazil	13,998,000	BRL	Parque Eólico Fontes dos Ventos Ltda	99.99%	1.00%	Line-by-line
					Enel Brasil Participações Ltda		99.00%	
Enel Green Power Perú SA	Lima	Peru	1,000	PEN	Enel Green Power International BV	99.91%	99.90%	Line-by-line
					Enel Green Power Latin America Ltda		0.01%	
Enel Green Power Primavera Eolica SA	Rio de Janeiro	Brazil	100,000,000	BRL	Enel Green Power Desenvolvimento Ltda	100.00%	1.00%	Line-by-line
					Enel Brasil Participações Ltda		99.00%	
Enel Green Power Puglia Srl	Rome	Italy	1,000,000	EUR	Enel Green Power SpA	100.00%	100.00%	Line-by-line
Enel Green Power Romania Srl	Sat Rusu de Sus Nuşeni	Romania	890,000,500	RON	Enel Green Power International BV	100.00%	100.00%	Line-by-line
Enel Green Power RSA (Pty) Ltd	Johannesburg	South Africa	1,000	ZAR	Enel Green Power South Africa	100.00%	100.00%	Line-by-line
Enel Green Power Salto Apiacás SA	São Domingos - Niterói - RJ	Brazil	14,412,120	BRL	Parque Eólico Serra Azul Ltda	100.00%	1.00%	Line-by-line
					Enel Brasil Participações Ltda		99.00%	
Enel Green Power San Gillio Srl	Rome	Italy	10,000	EUR	Enel Green Power SpA	80.00%	80.00%	Line-by-line
Enel Green Power São Judas Eolica SA	Rio de Janeiro	Brazil	100,000,000	BRL	Enel Green Power Desenvolvimento Ltda	100.00%	1.00%	Line-by-line
					Enel Brasil Participações Ltda		99.00%	
Enel Green Power South Africa	Amsterdam	The Netherlands	18,000	EUR	Enel Green Power International BV	100.00%	100.00%	Line-by-line
Enel Green Power Strambino Solar Srl	Turin	Italy	250,000	EUR	Enel Green Power SpA	60.00%	60.00%	Line-by-line
Enel Green Power Tacaicó Eólica SA	Rio de Janeiro	Brazil	8,972,400	BRL	Parque Eólico Fontes dos Ventos Ltda	99.99%	1.00%	Line-by-line
					Enel Brasil Participações Ltda		99.00%	
Enel Green Power TSS Srl	Rome	Italy	1,000,000	EUR	Enel Green Power Puglia Srl	100.00%	100.00%	Line-by-line
Enel Green Power Villoresi Srl	Rome	Italy	200,000	EUR	Enel Green Power SpA	51.00%	51.00%	Proportionate

	Registered office	Country	Share capital	Currency	Held by	Group % holding	% holding of ordinary shares	Consolidation method
Enel Kansas LLC	Wilmington (Delaware)	USA	-	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Enel Nevkan Inc.	Wilmington (Delaware)	USA	-	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Enel Salt Wells LLC	Wilmington (Delaware)	USA	-	USD	Enel Geothermal LLC	100.00%	100.00%	Line-by-line
Enel Soluções Energéticas Ltda	São Domingos - Niterói - RJ	Brazil	1,000,000	BRL	Enel Green Power Desenvolvimento Ltda	100.00%	0.01%	Line-by-line
					Enel Brasil Participações Ltda		99.99%	
Enel Stillwater LLC	Wilmington (Delaware)	USA	-	USD	Enel Geothermal LLC	100.00%	100.00%	Line-by-line
Enel Surprise Valley LLC	Wilmington (Delaware)	USA	-	USD	Enel Geothermal LLC	100.00%	100.00%	Line-by-line
Enel Texkan Inc.	Wilmington (Delaware)	USA	-	USD	Chi Power Inc.	100.00%	100.00%	Line-by-line
Enelpower do Brasil Ltda	Rio de Janeiro	Brazil	1,242,000	BRL	Enel Brasil Participações Ltda	100.00%	99.99%	Line-by-line
					Enel Green Power Latin America Ltda		0.01%	
ENEOP-Eólicas de Portugal SA	Paço de Arcos, Oeiras	Portugal	50,000	EUR	Finerge-Gestão de Projectos Energéticos SA	21.58%	17.98%	Equity
					TP - Sociedade Térmica Portuguesa SA		17.98%	
Enercampo - Produção de Energia Lda	Porto	Portugal	249,400	EUR	Finerge-Gestão de Projectos Energéticos SA	60.00%	100.00%	Line-by-line
Enercor - Produção de Energia ACE	Montijo	Portugal	-	EUR	Pp - Co-Geração SA	60.00%	30.00%	Line-by-line
					TP - Sociedade Térmica Portuguesa SA		70.00%	
Energética de Rosselló AIE	Barcelona	Spain	3,606,060	EUR	Enel Green Power España SL	16.20%	27.00%	Equity
Energía de la Loma SA	Jaén	Spain	4,450,000	EUR	Enel Green Power España SL	24.00%	40.00%	Equity
Energia Eolica Srl	Rome	Italy	4,840,000	EUR	Enel Green Power SpA	51.00%	51.00%	Line-by-line
Energía Global de México (Enermex) SA de Cv	Mexico City	Mexico	50,000	MXN	Enel Green Power International BV	99.00%	99.00%	Line-by-line
Energía Global Operaciones SA	San José	Costa Rica	10,000	CRC	Enel Green Power Costa Rica	100.00%	100.00%	Line-by-line
Energía Nueva de Iggu Srl de Cv	Mexico City	Mexico	10,003,000	MXN	Enel Green Power México Srl de Cv	99.91%	99.90%	Line-by-line
					Energía Nueva Energía Limpia Mexico Srl de Cv		0.01%	
Energía Nueva Energía Limpia México Srl de Cv	Mexico City	Mexico	5,339,650	MXN	Enel Green Power International BV	100.00%	99.96%	Line-by-line
					Enel Green Power Guatemala SA		0.04%	
Energías Alternativas del Sur SL	Las Palmas de Gran Canaria	Spain	601,000	EUR	Enel Green Power España SL	30.00%	50.00%	Proportionate
Energías de Aragón II SL	Zaragoza	Spain	18,500,000	EUR	Enel Green Power España SL	60.00%	100.00%	Line-by-line
Energías de Graus SL	Barcelona	Spain	1,298,160	EUR	Enel Green Power España SL	40.00%	66.67%	Line-by-line
Energías de la Mancha SA	Villarta de San Juan (Ciudad Real)	Spain	279,500	EUR	Enel Green Power España SL	41.05%	68.42%	Line-by-line
Energías Especiales de Careon SA	La Coruña	Spain	270,450	EUR	Enel Green Power España SL	46.20%	77.00%	Line-by-line
Energías Especiales de Peña Armada SA	Madrid	Spain	963,300	EUR	Enel Green Power España SL	48.00%	80.00%	Line-by-line
Energías Especiales del Alto Ulla SA	Madrid	Spain	1,722,600	EUR	Enel Green Power España SL	60.00%	100.00%	Line-by-line
Energías Especiales del Bierzo SA	Torre del Bierzo	Spain	1,635,000	EUR	Enel Green Power España SL	30.00%	50.00%	Proportionate
Energías Renovables la Mata SAPI de Cv	Mexico City	Mexico	656,615,400	MXN	Energía Nueva de Iggu Srl de Cv	100.00%	0.01%	Line-by-line
					Enel Green Power México Srl de Cv		99.99%	
Enerlasa SA - in liquidation	Madrid	Spain	1,021,701	EUR	Enel Green Power España SL	27.00%	45.00%	-
Enerlive Srl	Rome	Italy	6,520,000	EUR	Maicor Wind Srl	60.00%	100.00%	Line-by-line
Enerlousado Lda	Porto	Portugal	5,000	EUR	Finerge-Gestão de Projectos Energéticos SA	60.00%	50.00%	Line-by-line
					TP - Sociedade Térmica Portuguesa SA		50.00%	
Enexon Hellas S.A.	Maroussi	Greece	18,771,500	EUR	Enel Green Power Hellas SA	88.80%	88.80%	Line-by-line

	Registered office	Country	Share capital	Currency	Held by	Group % holding	% holding of ordinary shares	Consolidation method
Eol Verde Energia Eólica SA	Porto	Portugal	50,000	EUR	Finerge-Gestão de Projectos Energéticos SA	45.00%	75.00%	Line-by-line
Eolcinf - Produção de Energia Eólica Lda	Porto	Portugal	5,000	EUR	Finerge-Gestão de Projectos Energéticos SA	30.60%	51.00%	Line-by-line
Eolflor - Produção de Energia Eólica Lda	Porto	Portugal	5,000	EUR	Finerge-Gestão de Projectos Energéticos SA	30.60%	51.00%	Line-by-line
Eólica del Noroeste SL	La Coruña	Spain	36,100	EUR	Enel Green Power España SL	30.60%	51.00%	Line-by-line
Eólica del Principado SAU	Oviedo	Spain	90,000	EUR	Enel Green Power España SL	24.00%	40.00%	Equity
Eólica Valle del Ebro SA	Zaragoza	Spain	5,559,340	EUR	Enel Green Power España SL	30.30%	50.50%	Line-by-line
Eólica Zopiloapan SAPI de Cv	Mexico City	Mexico	1,877,201,538	MXN	Enel Green Power Partecipazioni Speciali Srl	96.48%	39.50%	Line-by-line
					Enel Green Power México Srl de Cv		56.98%	
Eólicas de Agaete SL	Las Palmas de Gran Canaria	Spain	240,400	EUR	Enel Green Power España SL	48.00%	80.00%	Line-by-line
Eólicas de Fuencaliente SA	Las Palmas de Gran Canaria	Spain	216,360	EUR	Enel Green Power España SL	33.00%	55.00%	Line-by-line
Eólicas de Fuerteventura AIE	Fuerteventura - Las Palmas	Spain	-	EUR	Enel Green Power España SL	24.00%	40.00%	Equity
Eólicas de la Patagonia SA	Buenos Aires	Argentina	480,930	ARS	Enel Green Power España SL	30.00%	50.00%	Proportionate
Eólicas de Lanzarote SL	Las Palmas de Gran Canaria	Spain	1,758,000	EUR	Enel Green Power España SL	24.00%	40.00%	Equity
Eólicas de Tenerife AIE	Santa Cruz de Tenerife	Spain	420,708	EUR	Enel Green Power España SL	30.00%	50.00%	Proportionate
Eólicas de Tirajana AIE	Las Palmas de Gran Canaria	Spain	-	EUR	Enel Green Power España SL	36.00%	60.00%	Line-by-line
Erecosalz SL - in liquidation	Zaragoza	Spain	18,000	EUR	Enel Green Power España SL	19.80%	33.00%	-
Erfei AIE - in liquidation	Tarragona	Spain	720,000	EUR	Enel Green Power España SL	25.20%	42.00%	-
Essex Company	Boston (Massachusetts)	USA	100	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Explotaciones Eólicas de Escucha SA	Zaragoza	Spain	3,505,000	EUR	Enel Green Power España SL	42.00%	70.00%	Line-by-line
Explotaciones Eólicas El Puerto SA	Teruel	Spain	3,230,000	EUR	Enel Green Power España SL	44.16%	73.60%	Line-by-line
Explotaciones Eólicas Saso Plano SA	Zaragoza	Spain	5,488,500	EUR	Enel Green Power España SL	39.00%	65.00%	Line-by-line
Explotaciones Eólicas Sierra Costera SA	Zaragoza	Spain	8,046,800	EUR	Enel Green Power España SL	54.00%	90.00%	Line-by-line
Explotaciones Eólicas Sierra La Virgen SA	Zaragoza	Spain	4,200,000	EUR	Enel Green Power España SL	54.00%	90.00%	Line-by-line
Fábrica do Arco - Recursos Energéticos SA	Santo Tirso	Portugal	500,000	EUR	Finerge-Gestão de Projectos Energéticos SA	30.00%	50.00%	Proportionate
Feneralt - Produção de Energia ACE	Barcelos	Portugal	-	EUR	TP - Sociedade Térmica Portuguesa SA	15.00%	25.00%	Equity
Finerge-Gestão de Projectos Energéticos SA	Porto	Portugal	750,000	EUR	Enel Green Power España SL	60.00%	100.00%	Line-by-line
Florence Hills LLC	Minneapolis (Minnesota)	USA	-	USD	Chi Minnesota Wind LLC	51.00%	51.00%	Line-by-line
Fulcrum Inc.	Boise (Idaho)	USA	1,003	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Futuresolar Srl	Bucuresti	Romania	30,100,000	RON	Enel Green Power International BV	100.00%	0.01%	Line-by-line
					Enel Green Power Romania Srl		99.99%	
Gauley Hydro LLC	Wilmington (Delaware)	USA	-	USD	Essex Company	100.00%	100.00%	Line-by-line
Gauley River Management Corporation	Willison (Vermont)	USA	1	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Gauley River Power Partners LP	Willison (Vermont)	USA	-	USD	Gauley River Management Corporation	100.00%	100.00%	Line-by-line
Generadora de Occidente Ltda	Guatemala	Guatemala	16,261,697	GTQ	Enel Green Power International BV	100.00%	99.00%	Line-by-line
					Enel Green Power Guatemala SA		1.00%	
Generadora Montecristo SA	Guatemala	Guatemala	3,820,000	GTQ	Enel Green Power International BV	100.00%	99.99%	Line-by-line
					Enel Green Power Guatemala SA		0.01%	
Geotérmica del Norte SA	Santiago	Chile	64,779,811,451	CLP	Enel Green Power Chile Ltda	50.95%	51.00%	Line-by-line
Geotérmica Nicaragüense SA	Managua	Nicaragua	63,161,750	NIO	Enel Green Power SpA	60.00%	60.00%	Line-by-line

	Registered office	Country	Share capital	Currency	Held by	Group % holding	% holding of ordinary shares	Consolidation method
Geronimo Huron Wind Farm LLC	Andover (Massachusetts)	USA	-	USD	Enel Kansas LLC	100.00%	100.00%	Line-by-line
Geronimo Wind Energy LLC	Minneapolis (Minnesota)	USA	-	USD	Enel Green Power Gerônimo Holding Company Inc.	49.20%	49.20%	Equity
Goodwell Wind Project LLC	Wilmington (Delaware)	USA	-	USD	Enel Kansas LLC	100.00%	100.00%	Line-by-line
Green Fuel Corporación SA - in liquidation	Madrid	Spain	1,717,050	EUR	Enel Green Power España SL	14.54%	24.24%	-
GV Energie Rigenerabili ITAL-RO Srl	Bucuresti	Romania	675,400	RON	Enel Green Power International BV	100.00%	0.01%	Line-by-line
					Enel Green Power Romania Srl		99.99%	
Hadley Ridge LLC	Minneapolis (Minnesota)	USA	-	USD	Chi Minnesota Wind LLC	51.00%	51.00%	Line-by-line
Hidroeléctrica de Ourol SL	Lugo	Spain	1,608,200	EUR	Enel Green Power España SL	18.00%	30.00%	Equity
Hidroelectricidad del Pacifico Srl de Cv	Mexico City	Mexico	30,891,536	MXN	Enel Green Power México Srl de Cv	99.99%	99.99%	Line-by-line
Highfalls Hydro Company Inc.	Wilmington (Delaware)	USA	-	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Hipotecaria de Santa Ana Ltda de Cv	Colonia Escalon	El Salvador	404,930	SVC	Enel Green Power El Salvador SA de Cv	20.00%	20.00%	Equity
Hispano Generación de Energía Solar SL	Jerez de los Caballeros (Badajoz)	Spain	3,500	EUR	Enel Green Power España SL	30.60%	51.00%	Line-by-line
Hope Creek LLC	Minneapolis (Minnesota)	USA	-	USD	Chi Minnesota Wind LLC	51.00%	51.00%	Line-by-line
Hydro Development Group Inc.	Albany (New York)	USA	12	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Hydro Energies Corporation	Willison (Vermont)	USA	5,000	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Hydro Finance Holding Company Inc.	Wilmington (Delaware)	USA	100	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Hydromac Energy BV	Amsterdam	The Netherlands	18,000	EUR	Enel Green Power International BV	100.00%	100.00%	Line-by-line
IMA Engineering Solutions Srl	Prahova	Romania	90,000	RON	Enel Green Power International BV	100.00%	1.10%	Line-by-line
					Enel Green Power Romania Srl		98.90%	
International Eolian of Grammatiko SA	Maroussi	Greece	436,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%	Equity
International Eolian of Korinthia SA	Maroussi	Greece	6,471,798	EUR	Enel Green Power Hellas SA	80.00%	80.00%	Line-by-line
International Eolian of Peloponnisos 1 SA	Maroussi	Greece	418,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%	Equity
International Eolian of Peloponnisos 2 SA	Maroussi	Greece	514,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%	Equity
International Eolian of Peloponnisos 3 SA	Maroussi	Greece	423,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%	Equity
International Eolian of Peloponnisos 4 SA	Maroussi	Greece	465,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%	Equity
International Eolian of Peloponnisos 5 SA	Maroussi	Greece	509,500	EUR	Enel Green Power Hellas SA	30.00%	30.00%	Equity
International Eolian of Peloponnisos 6 SA	Maroussi	Greece	447,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%	Equity
International Eolian of Peloponnisos 7 SA	Maroussi	Greece	418,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%	Equity
International Eolian of Peloponnisos 8 SA	Maroussi	Greece	418,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%	Equity
International Eolian of Skopelos SA	Maroussi	Greece	224,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%	Equity
International Wind Parks of Achaia SA	Maroussi	Greece	10,346,310	EUR	Enel Green Power Hellas SA	100.00%	100.00%	Line-by-line
Isamu Ikeda Energia SA	Rio de Janeiro	Brazil	61,474,476	BRL	Enel Brasil Participações Ltda	100.00%	100.00%	Line-by-line
Italgest Energy (PTY) LTD	Lombardy East	South Africa	1,000	ZAR	Enel Green Power South Africa	100.00%	100.00%	Line-by-line
Jack River LLC	Minneapolis (Minnesota)	USA	-	USD	Chi Minnesota Wind LLC	51.00%	51.00%	Line-by-line
Jessica Mills LLC	Minneapolis (Minnesota)	USA	-	USD	Chi Minnesota Wind LLC	51.00%	51.00%	Line-by-line
Julia Hills LLC	Minneapolis (Minnesota)	USA	-	USD	Chi Minnesota Wind LLC	51.00%	51.00%	Line-by-line

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Kalenta Ltd	Maroussi	Greece	2,367,000	EUR	Enel Green Power & Sharp Solar Energy Srl	50.00%	100.00%	Proportionate
Kings River Hydro Company Inc.	Wilmington (Delaware)	USA	100	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Kinneytown Hydro Company Inc.	Wilmington (Delaware)	USA	100	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
LaChute Hydro Company Inc.	Wilmington (Delaware)	USA	100	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
LaGeo SA de Cv	Ahuachapan	El Salvador	2,562,826,700	SVC	Enel Green Power SpA	36.20%	36.20%	Equity
Lawrence Hydroelectric Associates LP	Boston (Massachusetts)	USA	-	USD	Enel Green Power North America Inc.	100.00%	7.50%	Line-by-line
					Essex Company		92.50%	
Littleville Power Company Inc.	Boston (Massachusetts)	USA	1	USD	Hydro Development Group Inc.	100.00%	100.00%	Line-by-line
Little Elk Wind Project LLC	Oklahoma City (Oklahoma)	USA	-	USD	Enel Kansas LLC	100.00%	100.00%	Line-by-line
Lower Saranac Corporation	New York (New York)	USA	1	USD	Twin Saranac Holdings LLC	100.00%	100.00%	Line-by-line
Lower Saranac Hydro Partners LP	Wilmington (Delaware)	USA	-	USD	Twin Saranac Holdings LLC	100.00%	99.00%	Line-by-line
					Lower Saranac Corporation		1.00%	
Maicor Wind Srl	Rome	Italy	20,850,000	EUR	Enel Green Power SpA	60.00%	60.00%	Line-by-line
Management Buildings Company Srl	Comuna Podari	Romania	14,000	RON	Enel Green Power International BV	100.00%	0.71%	Line-by-line
					Enel Green Power Romania Srl		99.29%	
Marko PV Energy SA	Maroussi	Greece	420,000	EUR	Enel Green Power & Sharp Solar Energy Srl	50.00%	100.00%	Proportionate
Mascoma Hydro Corporation	Concord (New Hampshire)	USA	1	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Mason Mountain Wind Project LLC	Wilmington (Delaware)	USA	-	USD	Padoma Wind Power LLC	100.00%	100.00%	Line-by-line
Matrigenix (Proprietary) Limited	Houghton	South Africa	120	ZAR	Enel Green Power South Africa	100.00%	100.00%	Line-by-line
Metro Wind LLC	Minneapolis (Minnesota)	USA	-	USD	Chi Minnesota Wind LLC	51.00%	51.00%	Line-by-line
Mexicana de Hidroelectricidad Mexhidro Srl de Cv	Mexico City	Mexico	181,728,601	MXN	Enel Green Power México Srl de Cv	99.99%	99.99%	Line-by-line
Midway Farms Wind Project LLC	Dallas (Texas)	USA	-	USD	Trade Wind Energy LLC	100.00%	100.00%	Line-by-line
Mill Shoals Hydro Company Inc.	Wilmington (Delaware)	USA	100	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Minicentrales del Canal Imperial-Gallur SL	Zaragoza	Spain	1,820,000	EUR	Enel Green Power España SL	21.90%	36.50%	Equity
Missisquoi Associates GP	Los Angeles (California)	USA	-	USD	Sheldon Springs Hydro Associates LP	100.00%	99.00%	Line-by-line
					Sheldon Vermont Hydro Company Inc.		1.00%	
Molinos de Viento del Arenal SA	San José	Costa Rica	9,709,200	USD	Enel Green Power Costa Rica	49.00%	49.00%	Line-by-line
Mustang Run Wind Project LLC	Oklahoma City (Oklahoma)	USA	-	USD	Enel Kansas LLC	100.00%	100.00%	Line-by-line
Myrini Energiaki SA	Maroussi	Greece	420,000	EUR	Enel Green Power & Sharp Solar Energy Srl	50.00%	100.00%	Proportionate
Nevkan Renewables LLC	Wilmington (Delaware)	USA	-	USD	Enel Nevkan Inc.	100.00%	100.00%	Line-by-line
Newbury Hydro Company	Burlington (Vermont)	USA	-	USD	Enel Green Power North America Inc.	100.00%	99.00%	Line-by-line
					Sweetwater Hydroelectric Inc.		1.00%	
Newind Group Inc.	St. John (Newfoundland)	Canada	578,192	CAD	Enel Green Power Canada Inc.	100.00%	100.00%	Line-by-line
Northwest Hydro Inc.	Wilmington (Delaware)	USA	100	USD	Chi West Inc.	100.00%	100.00%	Line-by-line
Notch Butte Hydro Company Inc.	Wilmington (Delaware)	USA	100	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Odell Wind Farm LLC	Minneapolis (Minnesota)	USA	-	USD	Enel Kansas LLC	100.00%	100.00%	Line-by-line
Operación y Mantenimiento Tierras Morenas SA	San José	Costa Rica	30,000	CRC	Enel Green Power Costa Rica	85.00%	85.00%	Line-by-line

	Registered office	Country	Share capital	Currency	Held by	Group % holding	% holding of ordinary shares	Consolidation method
Origin Wind Energy LLC	Wilmington (Delaware)	USA	-	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Ottauquechee Hydro Company Inc.	Wilmington (Delaware)	USA	100	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Oxagesa AIE	Teruel	Spain	6,010	EUR	Enel Green Power España SL	20.00%	33.33%	Equity
Padoma Wind Power LLC	Los Angeles (California)	USA	-	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Papeleira Portuguesa SA	São Paio de Oleiros	Portugal	916,229	EUR	TP - Sociedade Térmica Portuguesa SA	1.57%	2.62%	Equity
Paravento SL	Lugo	Spain	3,006	EUR	Enel Green Power España SL	54.00%	90.00%	Line-by-line
Parc Eolic Els Aligars SL	Barcelona	Spain	1,313,100	EUR	Enel Green Power España SL	18.00%	30.00%	Equity
Parc Eolic La Tossa-La Mola D'en Pascual SL	Barcelona	Spain	1,183,100	EUR	Enel Green Power España SL	18.00%	30.00%	Equity
Parc Eolien de Bouville Sasu	Lyon	France	88,800	EUR	Enel Green Power France Sas	100.00%	100.00%	Line-by-line
Parc Eolien de Coulours SARL	Lyon	France	1,000	EUR	Enel Green Power France Sas	100.00%	100.00%	Line-by-line
Parc Eolien de la Grande Epine Sasu	Lyon	France	37,000	EUR	Enel Green Power France Sas	100.00%	100.00%	Line-by-line
Parc Eolien Des Ramiers Sasu	Lyon	France	88,800	EUR	Enel Green Power France Sas	100.00%	100.00%	Line-by-line
Parque Eólico A Capelada AIE	Santiago de Compostela	Spain	5,857,586	EUR	Enel Green Power España SL	60.00%	100.00%	Line-by-line
Parque Eólico Carretera de Arinaga SA	Las Palmas de Gran Canaria	Spain	1,603,000	EUR	Enel Green Power España SL	48.00%	80.00%	Line-by-line
Parque Eólico Curva dos Ventos Ltda	Bahia	Brazil	420,000	BRL	Enel Green Power Desenvolvimento Ltda	100.00%	1.00%	Line-by-line
					Enel Brasil Participações Ltda		99.00%	
Parque Eólico de Aragón AIE	Zaragoza	Spain	601,000	EUR	Enel Green Power España SL	48.00%	80.00%	Line-by-line
Parque Eólico de Barbanza SA	La Coruña	Spain	3,606,000	EUR	Enel Green Power España SL	45.00%	75.00%	Line-by-line
Parque Eolico de Belmonte SA	Madrid	Spain	120,400	EUR	Enel Green Power España SL	30.10%	50.16%	Line-by-line
Parque Eólico de Gevancas SA	Porto	Portugal	50,000	EUR	Finerge-Gestão de Projectos Energéticos SA	60.00%	100.00%	Line-by-line
Parque Eólico de San Andrés SA	La Coruña	Spain	552,920	EUR	Enel Green Power España SL	49.20%	82.00%	Line-by-line
Parque Eólico de Santa Lucía SA	Las Palmas de Gran Canaria	Spain	901,500	EUR	Enel Green Power España SL	39.40%	65.67%	Line-by-line
Parque Eólico do Alto da Vaca Lda	Porto	Portugal	125,000	EUR	Finerge-Gestão de Projectos Energéticos SA	45.00%	75.00%	Line-by-line
Parque Eólico do Vale do Abade Lda	Porto	Portugal	5,000	EUR	Finerge-Gestão de Projectos Energéticos SA	30.60%	51.00%	Line-by-line
Parque Eólico Engenho Geradora de Energia Ltda	Fortaleza	Brazil	685,423	BRL	Enel Green Power Desenvolvimento Ltda	100.00%	1.00%	Line-by-line
					Enel Brasil Participações Ltda		99.00%	
Parque Eólico Finca de Mogán SA	Las Palmas de Gran Canaria	Spain	3,810,340	EUR	Enel Green Power España SL	54.00%	90.00%	Line-by-line
Parque Eólico Fontes dos Ventos Ltda	Recife	Brazil	5,091,945	BRL	Enel Green Power Desenvolvimento Ltda	99.04%	0.04%	Line-by-line
					Enel Brasil Participações Ltda		99.00%	
Parque Eólico Montes de las Navas SA	Madrid	Spain	6,540,000	EUR	Enel Green Power España SL	45.30%	75.50%	Line-by-line
Parque Eólico Ouroventos Ltda	Bahia	Brazil	566,347	BRL	Enel Green Power Desenvolvimento Ltda	100.00%	1.00%	Line-by-line
					Enel Brasil Participações Ltda		99.00%	
Parque Eólico Punta de Teno SA	Tenerife	Spain	528,880	EUR	Enel Green Power España SL	31.20%	52.00%	Line-by-line
Parque Eólico Serra Azul Ltda	Bahia	Brazil	940,567	BRL	Enel Green Power Desenvolvimento Ltda	100.00%	1.00%	Line-by-line
					Enel Brasil Participações Ltda		99.00%	
Parque Eólico Serra da Capucha SA	Porto	Portugal	50,000	EUR	Finerge-Gestão de Projectos Energéticos SA	60.00%	50.00%	Line-by-line
					TP - Sociedade Térmica Portuguesa SA		50.00%	

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Parque Eólico Sierra del Madero SA	Soria	Spain	7,193,970	EUR	Enel Green Power España SL	34.80%	58.00%	Line-by-line
Parque Eólico Taltal SA	Santiago	Chile	20,878,010,000	CLP	Enel Green Power Chile Ltda	99.91%	99.99%	Line-by-line
					Enel Green Power Latin America Ltda		0.01%	
Parque Eólico Valle de los Vientos SA	Santiago	Chile	566,096,564	CLP	Enel Green Power Chile Ltda	99.91%	99.99%	Line-by-line
					Enel Green Power Latin America Ltda		0.01%	
Parque Eólico Ventania Geradora de Energia Ltda	Fortaleza	Brazil	440,267	BRL	Enel Green Power Desenvolvimento Ltda	100.00%	1.00%	Line-by-line
					Enel Brasil Participações Ltda		99.00%	
Parque Talinay Oriente SA	Santiago	Chile	66,092,165,171	CLP	Enel Green Power SpA	95.43%	34.57%	Line-by-line
					Enel Green Power Chile Ltda		60.92%	
Pelzer Hydro Company Inc.	Wilmington (Delaware)	USA	100	USD	Consolidated Hydro Southeast Inc.	100.00%	100.00%	Line-by-line
PH Chucas SA	San José	Costa Rica	100,000	CRC	Enel Green Power Costa Rica	62.48%	40.31%	Line-by-line
					Enel Green Power SpA		22.17%	
PH Don Pedro SA	San José	Costa Rica	100,001	CRC	Enel Green Power Costa Rica	33.44%	33.44%	Line-by-line
PH Guacimo SA	San José	Costa Rica	50,000	CRC	Enel Green Power Costa Rica	65.00%	65.00%	Line-by-line
PH Río Volcan SA	San José	Costa Rica	100,001	CRC	Enel Green Power Costa Rica	34.32%	34.32%	Line-by-line
Planta Eólica Europea SA	Seville	Spain	1,198,530	EUR	Enel Green Power España SL	33.67%	56.12%	Line-by-line
Powercer - Sociedade de Cogeração de Vialonga SA	Loures	Portugal	50,000	EUR	Finerge-Gestão de Projectos Energéticos SA	18.00%	30.00%	Equity
PowerCrop Srl	Bologna	Italy	4,000,000	EUR	Enel Green Power SpA	50.00%	50.00%	Proportionate
Pp - Co-Geração SA	São Paio de Oleiros	Portugal	50,000	EUR	TP - Sociedade Térmica Portuguesa SA	60.00%	100.00%	Line-by-line
Prairie Rose Transmission LLC	Minneapolis (Minnesota)	USA	-	USD	Prairie Rose Wind LLC	75.00%	100.00%	Line-by-line
Prairie Rose Wind LLC	New York (New York)	USA	-	USD	Enel Kansas LLC	75.00%	75.00%	Line-by-line
Primavera Energia SA	Rio de Janeiro	Brazil	36,965,445	BRL	Enel Brasil Participações Ltda	100.00%	100.00%	Line-by-line
Productor Regional de Energía Renovable III SA	Valladolid	Spain	88,398	EUR	Enel Green Power España SL	49.73%	82.89%	Line-by-line
Productor Regional de Energía Renovable SA	Valladolid	Spain	710,500	EUR	Enel Green Power España SL	51.00%	85.00%	Line-by-line
Productora de Energías SA	Barcelona	Spain	30,050	EUR	Enel Green Power España SL	18.00%	30.00%	Equity
Promociones Energéticas del Bierzo SL	Ponferrada	Spain	12,020	EUR	Enel Green Power España SL	60.00%	100.00%	Line-by-line
Proveedora de Electricidad de Occidente Srl de Cv	Mexico City	Mexico	89,708,335	MXN	Enel Green Power México Srl de Cv	99.99%	99.99%	Line-by-line
Proyectos Universitarios de Energías Renovables SL	Alicante	Spain	180,000	EUR	Enel Green Power España SL	20.00%	33.33%	Proportionate
Puignerel AIE - in liquidation	Barcelona	Spain	11,299,000	EUR	Enel Green Power España SL	15.00%	25.00%	-
Pulida Energy (Proprietary) Limited	Houghton	South Africa	1,000	ZAR	Enel Green Power South Africa	100.00%	100.00%	Line-by-line
Pyrites Associates GP	New York (New York)	USA	-	USD	Enel Green Power North America Inc.	100.00%	50.00%	Line-by-line
					Hydro Development Group Inc.		50.00%	
Quatiara Energia SA	Rio de Janeiro	Brazil	16,566,511	BRL	Enel Brasil Participações Ltda	100.00%	100.00%	Line-by-line
Rattlesnake Creek Wind Project LLC	Lincoln (Nebraska)	USA	-	USD	Enel Kansas LLC	100.00%	100.00%	Line-by-line
Renovables de Guatemala SA	Guatemala	Guatemala	1,924,465,600	GTQ	Enel Green Power International BV	93.84%	42.83%	Line-by-line
					Enel Green Power Guatemala SA		0.01%	
					Enel Green Power SpA		51.00%	
Rock Creek Limited Partnership	Los Angeles (California)	USA	-	USD	Northwest Hydro Inc.	100.00%	17.50%	Line-by-line
					Chi West Inc.		82.50%	
Rocky Caney Wind LLC	New York (New York)	USA	-	USD	Enel Kansas LLC	100.00%	100.00%	Line-by-line
Rocky Ridge Wind Project LLC	Oklahoma City (Oklahoma)	USA	-	USD	Rocky Caney Wind LLC	100.00%	100.00%	Line-by-line

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Ronfegen-Recursos Energeticos Lda	Oeiras	Portugal	5,000	EUR	Pp - Co-Geração SA	60.00%	10.00%	Line-by-line
					TP - Sociedade Térmica Portuguesa SA		90.00%	
Ruthton Ridge LLC	Minneapolis (Minnesota)	USA	-	USD	Chi Minnesota Wind LLC	51.00%	51.00%	Line-by-line
Salto de San Rafael SL	Seville	Spain	461,410	EUR	Enel Green Power España SL	30.00%	50.00%	Proportionate
San Juan Mesa Wind Project II LLC	Wilmington (Delaware)	USA	-	USD	Padoma Wind Power LLC	100.00%	100.00%	Line-by-line
Santo Rostro Cogeneración SA - in liquidation	Seville	Spain	207,000	EUR	Enel Green Power España SL	27.00%	45.00%	-
Se Hazelton A LP	Los Angeles (California)	USA	-	USD	Bypass Power Company	100.00%	1.00%	Line-by-line
					Chi West Inc.		99.00%	
Sealve - Sociedade Eléctrica de Alvaiázere SA	Porto	Portugal	50,000	EUR	Finerge-Gestão de Projectos Energéticos SA	60.00%	100.00%	Line-by-line
Serra do Moncoso Cambas SL	La Coruña	Spain	3,125	EUR	Enel Green Power España SL	60.00%	100.00%	Line-by-line
Servicio de Operación y Mantenimiento para Energías Renovables Srl de Cv	Mexico City	Mexico	3,000	MXN	Enel Green Power México Srl de Cv	100.00%	99.99%	Line-by-line
					Energía Nueva Energía Limpia México Srl de Cv		0.01%	
Sheldon Springs Hydro Associates LP	Wilmington (Delaware)	USA	-	USD	Sheldon Vermont Hydro Company Inc.	100.00%	100.00%	Line-by-line
Sheldon Vermont Hydro Company Inc.	Wilmington (Delaware)	USA	-	USD	Boott Sheldon Holdings LLC	100.00%	100.00%	Line-by-line
Sisconer - Exploração de Sistemas de Conversão de Energia Lda	Porto	Portugal	5,000	EUR	Finerge-Gestão de Projectos Energéticos SA	33.00%	55.00%	Line-by-line
Sistema Eléctrico de Conexión Montes Orientales SL	Granada	Spain	44,900	EUR	Enel Green Power España SL	10.02%	16.70%	Equity
Sistema Eléctrico de Conexión Valcaire SL	Madrid	Spain	175,200	EUR	Enel Green Power España SL	16.88%	28.13%	Equity
Sistemas Energeticos Mañón Ortigueira SA	La Coruña	Spain	2,007,750	EUR	Enel Green Power España SL	57.60%	96.00%	Line-by-line
Slate Creek Hydro Associates LP	Los Angeles (California)	USA	-	USD	Slate Creek Hydro Company Inc.	100.00%	100.00%	Line-by-line
Slate Creek Hydro Company Inc.	Wilmington (Delaware)	USA	100	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Smoky Hills Wind Farm LLC	Topeka (Kansas)	USA	-	USD	Texkan Wind LLC	100.00%	100.00%	Line-by-line
Smoky Hills Wind Project II LLC	Topeka (Kansas)	USA	-	USD	Nevkan Renewables LLC	100.00%	100.00%	Line-by-line
Snyder Wind Farm LLC	Dallas (Texas)	USA	-	USD	Texkan Wind LLC	100.00%	100.00%	Line-by-line
Socibe Energia SA	Rio de Janeiro	Brazil	19,969,032	BRL	Enel Brasil Participações Ltda	100.00%	100.00%	Line-by-line
Sociedad Eólica de Andalucía SA	Seville	Spain	4,507,591	EUR	Enel Green Power España SL	38.84%	64.74%	Line-by-line
Sociedad Eólica El Puntal SL	Seville	Spain	1,643,000	EUR	Enel Green Power España SL	30.00%	50.00%	Proportionate
Sociedad Eólica Los Lances SA	Cádiz	Spain	2,404,040	EUR	Enel Green Power España SL	36.00%	60.00%	Line-by-line
Società Agricola Trino Srl	Milan	Italy	50,000	EUR	Agatos Green Power Trino	40.00%	100.00%	Proportionate
Solar Morea Energiaki SA	Maroussi	Greece	4,000,890	EUR	Enel Green Power Hellas SA	100.00%	100.00%	Line-by-line
Soliloquoy Ridge LLC	Minneapolis (Minnesota)	USA	-	USD	Chi Minnesota Wind LLC	51.00%	51.00%	Line-by-line
Somersworth Hydro Company Inc.	Wilmington (Delaware)	USA	100	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Sotavento Galicia SA	Santiago de Compostela	Spain	601,000	EUR	Enel Green Power España SL	21.60%	36.00%	Equity
Soternix - Produção de Energia ACE	Barcelos	Portugal	-	EUR	TP - Sociedade Térmica Portuguesa SA	30.60%	51.00%	Line-by-line
South Fork Wind LLC	Minneapolis (Minnesota)	USA	-	USD	Enel Kansas LLC	100.00%	100.00%	Line-by-line
Southwest Transmission LLC	Minneapolis (Minnesota)	USA	-	USD	Chi Minnesota Wind LLC	51.00%	51.00%	Line-by-line

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Spartan Hills LLC	Minneapolis (Minnesota)	USA	-	USD	Chi Minnesota Wind LLC	51.00%	51.00%	Line-by-line
Stipa Nayaá SA de Cv	Colonia Cuauhtémoc	Mexico	1,811,016,348	MXN	Enel Green Power Partecipazioni Speciali Srl	95.37%	40.16%	Line-by-line
					Enel Green Power México Srl de Cv		55.21%	
Sublunary Trading (RF) (Proprietary) Limited	Johannesburg	South Africa	10,000	ZAR	Enel Green Power & Sharp Solar Energy Srl	28.50%	57.00%	Proportionate
Summit Energy Storage Inc.	Wilmington (Delaware)	USA	2,050,000	USD	Enel Green Power North America Inc.	75.00%	75.00%	Line-by-line
Sun River LLC	Minneapolis (Minnesota)	USA	-	USD	Chi Minnesota Wind LLC	51.00%	51.00%	Line-by-line
Sweetwater Hydroelectric Inc.	Concord (New Hampshire)	USA	250	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Taranto Solar Srl	Rome	Italy	100,000	EUR	Enel Green Power SpA	51.00%	51.00%	Line-by-line
Targusor Wind Farm Srl	Cernavodă	Romania	90,000	RON	Enel Green Power International BV	100.00%	0.10%	Line-by-line
					Enel Green Power Romania Srl		99.90%	
Tecnoguat SA	Guatemala	Guatemala	30,948,000	GTQ	Enel Green Power International BV	75.00%	75.00%	Line-by-line
Termotec Energía AIE - in liquidation	Valencia	Spain	481,000	EUR	Enel Green Power España SL	27.00%	45.00%	-
TERRAE Iniziative per lo sviluppo agroindustriale SpA	Rome	Italy	19,060,811	EUR	Enel Green Power SpA	20.00%	20.00%	Equity
Texkan Wind LLC	Wilmington (Delaware)	USA	-	USD	Enel Texkan Inc.	100.00%	100.00%	Line-by-line
Tirme SA	Palma de Mallorca	Spain	7,662,750	EUR	Enel Green Power España SL	24.00%	40.00%	Equity
Tko Power Inc.	Los Angeles (California)	USA	1	USD	Chi West Inc.	100.00%	100.00%	Line-by-line
Tobivox (Proprietary) Limited	Houghton	South Africa	120	ZAR	Enel Green Power South Africa	100.00%	100.00%	Line-by-line
Toledo Pv AEIE	Madrid	Spain	26,890	EUR	Enel Green Power España SL	20.00%	33.33%	Equity
Total Electric SA	Buzau	Romania	3,190,600	RON	Enel Green Power International BV	100.00%	0.01%	Line-by-line
					Enel Green Power Romania Srl		99.99%	
TP - Sociedade Térmica Portuguesa SA	Lisbon	Portugal	3,750,000	EUR	Finerge-Gestão de Projectos Energéticos SA	60.00%	100.00%	Line-by-line
Trade Wind Energy LLC	New York (New York)	USA	-	USD	Enel Kansas LLC	100.00%	99.00%	Line-by-line
					Chi Power Inc.		1.00%	
Tradewind Energy Inc.	Wilmington (Delaware)	USA	200,000	USD	Enel Kansas LLC	19.90%	19.90%	Equity
Transmisora de Energía Renovable SA	Guatemala	Guatemala	5,000	GTQ	Enel Green Power International BV	100.00%	99.98%	Line-by-line
					Generadora Montecristo SA		0.01%	
					Enel Green Power Guatemala SA		0.01%	
Triton Power Company	New York (New York)	USA	-	USD	Enel Green Power North America Inc.	100.00%	2.00%	Line-by-line
					Highfalls Hydro Company Inc.		98.00%	
Tsar Nicholas LLC	Minneapolis (Minnesota)	USA	-	USD	Chi Minnesota Wind LLC	51.00%	51.00%	Line-by-line
Twin Falls Hydro Associates	Seattle (Washington)	USA	-	USD	Twin Falls Hydro Company Inc.	51.00%	51.00%	Line-by-line
Twin Falls Hydro Company Inc.	Wilmington (Delaware)	USA	10	USD	Twin Saranac Holdings LLC	100.00%	100.00%	Line-by-line
Twin Lake Hills LLC	Minneapolis (Minnesota)	USA	-	USD	Chi Minnesota Wind LLC	51.00%	51.00%	Line-by-line
Twin Saranac Holdings LLC	Wilmington (Delaware)	USA	-	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Ufefys SL - in liquidation	Aranjuez	Spain	304,150	EUR	Enel Green Power España SL	24.00%	40.00%	-
Ukuqala Solar (Proprietary) Limited	Gauteng	South Africa	-	ZAR	Enel Green Power South Africa	100.00%	100.00%	Line-by-line
Upington Solar (Pty) Ltd	Lombardy East	South Africa	1,000	ZAR	Enel Green Power South Africa	100.00%	100.00%	Line-by-line
Varokub Green Energy Srl	Prahova	Romania	90,000	RON	Enel Green Power International BV	100.00%	0.10%	Line-by-line
					Enel Green Power Romania Srl		99.90%	
Vektör Enerji Üretim Anonim Şirketi	Istanbul	Turkey	500,000	TRY	Enel Green Power International BV	100.00%	100.00%	Line-by-line

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Western New York Wind Corporation	Albany (New York)	USA	300	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Willimantic Power Corporation	Hartford (Connecticut)	USA	1,000	USD	Enel Green Power North America Inc.	100.00%	100.00%	Line-by-line
Wind Park Kouloukonas SA	Maroussi	Greece	2,700,018	EUR	Enel Green Power Hellas SA	100.00%	100.00%	Line-by-line
Wind Park of Koryfao SA	Maroussi	Greece	60,000	EUR	Enel Green Power Hellas SA	100.00%	100.00%	Line-by-line
Wind Park of West Ktenias SA	Maroussi	Greece	70,000	EUR	Enel Green Power Hellas SA	100.00%	100.00%	Line-by-line
Wind Parks of Anatoli-Prinia SA	Maroussi	Greece	1,110,400	EUR	Enel Green Power Hellas SA	80.00%	80.00%	Line-by-line
Wind Parks of Bolibas SA	Maroussi	Greece	551,500	EUR	Enel Green Power Hellas SA	30.00%	30.00%	Equity
Wind Parks of Distomos SA	Maroussi	Greece	556,500	EUR	Enel Green Power Hellas SA	30.00%	30.00%	Equity
Wind Parks of Drimonakia SA	Maroussi	Greece	736,500	EUR	Enel Green Power Hellas SA	30.00%	30.00%	Equity
Wind Parks of Folia SA	Maroussi	Greece	424,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%	Equity
Wind Parks of Gagari SA	Maroussi	Greece	389,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%	Equity
Wind Parks of Goraki SA	Maroussi	Greece	551,500	EUR	Enel Green Power Hellas SA	30.00%	30.00%	Equity
Wind Parks of Gourles SA	Maroussi	Greece	555,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%	Equity
Wind Parks of Kafoutsi SA	Maroussi	Greece	551,500	EUR	Enel Green Power Hellas SA	30.00%	30.00%	Equity
Wind Parks of Kathara SA	Maroussi	Greece	296,500	EUR	Enel Green Power Hellas SA	80.00%	80.00%	Line-by-line
Wind Parks of Kerasia SA	Maroussi	Greece	252,000	EUR	Enel Green Power Hellas SA	80.00%	80.00%	Line-by-line
Wind Parks of Korinthia SA	Maroussi	Greece	3,504,500	EUR	Enel Green Power Hellas SA	80.00%	80.00%	Line-by-line
Wind Parks of Makrilakoma SA	Maroussi	Greece	614,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%	Equity
Wind Parks of Milia SA	Maroussi	Greece	399,000	EUR	Enel Green Power Hellas SA	80.00%	80.00%	Line-by-line
Wind Parks of Mirovigli SA	Maroussi	Greece	225,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%	Equity
Wind Parks of Mitika SA	Maroussi	Greece	255,500	EUR	Enel Green Power Hellas SA	80.00%	80.00%	Line-by-line
Wind Parks of Paliopirgos SA	Maroussi	Greece	200,000	EUR	Enel Green Power Hellas SA	80.00%	80.00%	Line-by-line
Wind Parks of Pelagia SA	Maroussi	Greece	653,500	EUR	Enel Green Power Hellas SA	30.00%	30.00%	Equity
Wind Parks of Petalo SA	Maroussi	Greece	575,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%	Equity
Wind Parks of Platanos SA	Maroussi	Greece	179,000	EUR	Enel Green Power Hellas SA	80.00%	80.00%	Line-by-line
Wind Parks of Sagias SA	Maroussi	Greece	601,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%	Equity
Wind Parks of Skoubi SA	Maroussi	Greece	472,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%	Equity
Wind Parks of Spilia SA	Maroussi	Greece	496,100	EUR	Enel Green Power Hellas SA	80.00%	80.00%	Line-by-line
Wind Parks of Strouboulas SA	Maroussi	Greece	576,500	EUR	Enel Green Power Hellas SA	30.00%	30.00%	Equity
Wind Parks of Trikorfo SA	Maroussi	Greece	260,000	EUR	Enel Green Power Hellas SA	29.25%	29.25%	Equity
Wind Parks of Vitalio SA	Maroussi	Greece	361,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%	Equity
Wind Parks of Vourlas SA	Maroussi	Greece	554,000	EUR	Enel Green Power Hellas SA	30.00%	30.00%	Equity
Winter's Spawn LLC	Minneapolis (Minnesota)	USA	-	USD	Chi Minnesota Wind LLC	51.00%	51.00%	Line-by-line
WP Bulgaria 1 EOOD	Sofia	Bulgaria	5,000	BGN	Enel Green Power Bulgaria EAD	100.00%	100.00%	Line-by-line
WP Bulgaria 10 EOOD	Sofia	Bulgaria	5,000	BGN	Enel Green Power Bulgaria EAD	100.00%	100.00%	Line-by-line
WP Bulgaria 11 EOOD	Sofia	Bulgaria	5,000	BGN	Enel Green Power Bulgaria EAD	100.00%	100.00%	Line-by-line
WP Bulgaria 12 EOOD	Sofia	Bulgaria	5,000	BGN	Enel Green Power Bulgaria EAD	100.00%	100.00%	Line-by-line
WP Bulgaria 13 EOOD	Sofia	Bulgaria	5,000	BGN	Enel Green Power Bulgaria EAD	100.00%	100.00%	Line-by-line
WP Bulgaria 14 EOOD	Sofia	Bulgaria	5,000	BGN	Enel Green Power Bulgaria EAD	100.00%	100.00%	Line-by-line
WP Bulgaria 15 EOOD	Sofia	Bulgaria	5,000	BGN	Enel Green Power Bulgaria EAD	100.00%	100.00%	Line-by-line
WP Bulgaria 19 EOOD	Sofia	Bulgaria	5,000	BGN	Enel Green Power Bulgaria EAD	100.00%	100.00%	Line-by-line
WP Bulgaria 21 EOOD	Sofia	Bulgaria	5,000	BGN	Enel Green Power Bulgaria EAD	100.00%	100.00%	Line-by-line
WP Bulgaria 26 EOOD	Sofia	Bulgaria	5,000	BGN	Enel Green Power Bulgaria EAD	100.00%	100.00%	Line-by-line
WP Bulgaria 3 EOOD	Sofia	Bulgaria	5,000	BGN	Enel Green Power Bulgaria EAD	100.00%	100.00%	Line-by-line
WP Bulgaria 6 EOOD	Sofia	Bulgaria	5,000	BGN	Enel Green Power Bulgaria EAD	100.00%	100.00%	Line-by-line

	Registered office	Country	Share capital	Currency	Held by	Group % holding	% holding of ordinary shares	Consolidation method
WP Bulgaria 8 EOOD	Sofia	Bulgaria	5,000	BGN	Enel Green Power Bulgaria EAD	100.00%	100.00%	Line-by-line
WP Bulgaria 9 EOOD	Sofia	Bulgaria	5,000	BGN	Enel Green Power Bulgaria EAD	100.00%	100.00%	Line-by-line
WP France 3 SAS	Lyon	France	1,000	EUR	Enel Green Power France Sas	100.00%	100.00%	Line-by-line
Yedesa-Cogeneración SA - in liquidation	Almería	Spain	234,000	EUR	Enel Green Power España SL	24.00%	40.00%	-
Zitsa Solar SA	Maroussi	Greece	252,000	EUR	Enel Green Power & Sharp Solar Energy Srl	50.00%	100.00%	Proportionate


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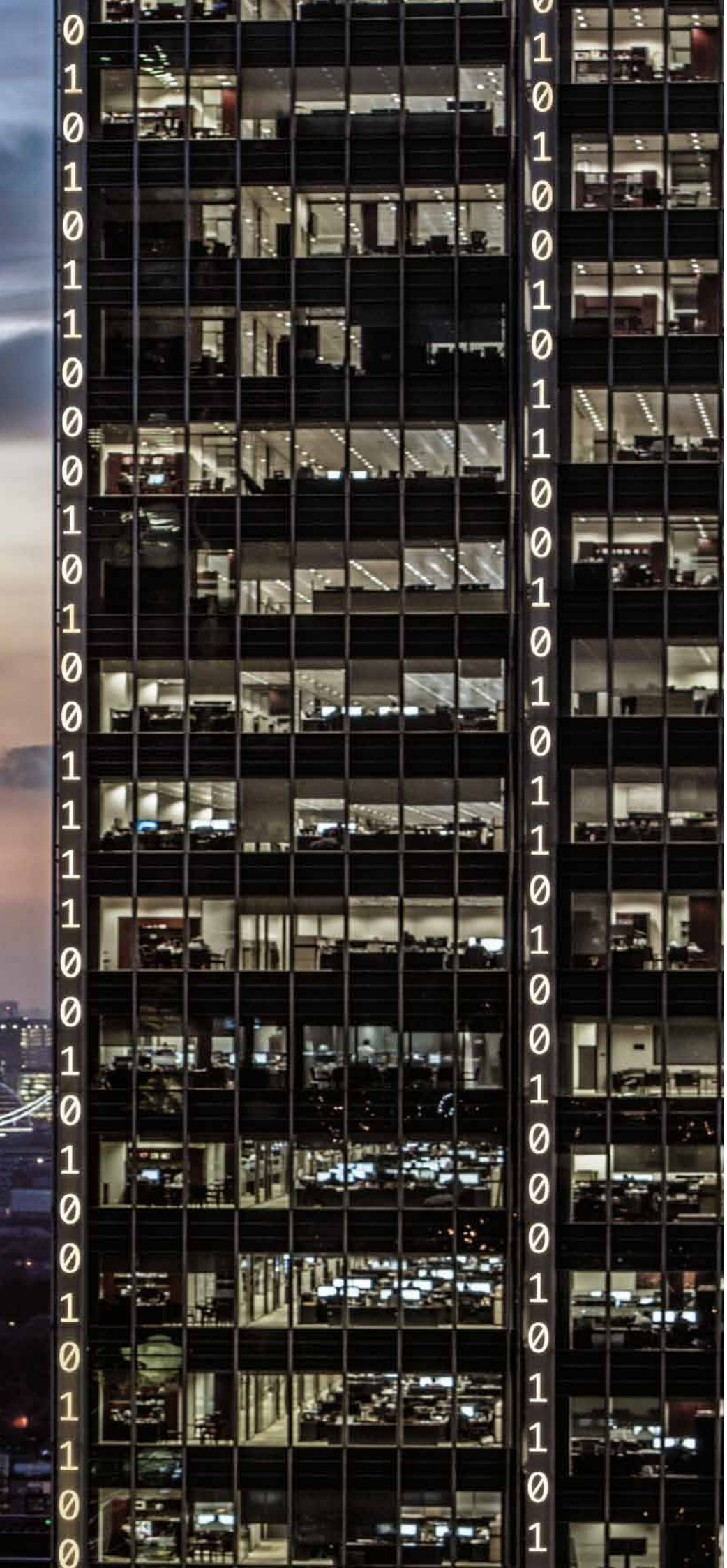

Reports

Report of the Independent Auditors on the 2013 consolidated financial statements of the Enel Green Power Group

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Building a better working world

Independent auditors' report
pursuant to articles 14 and 16 of Legislative Decree n. 39 dated January 27, 2010
(Translation from the original Italian text)

To the Shareholders of
Enel Green Power S.p.A.

1. We have audited the consolidated financial statements of Enel Green Power S.p.A. and its subsidiaries, ("Enel Green Power Group") as of December 31, 2013 and for the year then ended comprising the income statement, the statement of comprehensive income, the balance sheet, the statement of changes in shareholders' equity, the statement of cash flows and the related notes to the financial statements. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005 is the responsibility of Enel Green Power S.p.A.'s directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards, we planned and performed our audit to obtain the information necessary to determine whether the consolidated financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness of the accounting principles applied and the reasonableness of the estimates made by directors. We believe that our audit provides a reasonable basis for our opinion.

   The consolidated financial statements of the prior year are presented for comparative purposes. As described in the notes to the financial statements, the directors have restated certain comparative data related to the prior year with respect to the data previously presented, on which we issued our auditors' report on April 2, 2013. We have examined the method used to restate the comparative financial data and the information presented in the notes to the financial statements in this respect, for the purpose of expressing our opinion on the consolidated financial statements as of December 31, 2013 and for the year then ended.

3. In our opinion, the consolidated financial statements of the Enel Green Power Group as of December 31, 2013 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations and the cash flows of the Enel Green Power Group for the year then ended.

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4. The directors of Enel Green Power S.p.A. are responsible for the preparation, in accordance with the applicable laws and regulations, of the report on operations and the report on corporate governance and ownership structure published in the section *Governance* of Enel Green Power S.p.A.'s website. Our responsibility is to express an opinion on the consistency with the financial statements of the report on operations and of the information presented in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the report on corporate governance and ownership structure, as required by law. For this purpose, we have performed the procedures required under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the report on operations and the information presented in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2), letter b) in the report on corporate governance and ownership structure, are consistent with the consolidated financial statements of the Enel Green Power Group as of December 31, 2013.

Rome, April 9, 2014

Reconta Ernst & Young S.p.A.
Signed by: Riccardo Rossi, Partner

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Enel Green Power
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