



ENEL — Società per Azioni

(incorporated with limited liability in Italy)
as an Issuer and Guarantor and

ENEL FINANCE INTERNATIONAL N.V.

(a limited liability company incorporated in The Netherlands,
having its registered office at Herengracht 471,1017 BS Amsterdam, The Netherlands) as an Issuer

€30,000,000,000

Global Medium Term Note Programme

On 7 December 2000 ENEL — Società per Azioni (“ENEL” or the “Company”) entered into a Global Medium Term Note Programme (the “Programme”) and issued an offering circular on that date describing the Programme. The Programme was subsequently updated on 10 May 2001, 28 October 2002, 29 October 2003, 8 November 2005 (when ENEL Investment Holding B.V. ceased to be an issuer under the Programme and was replaced by Enel Finance International S.A. (“ENEL S.A.”), 4 May 2007, 18 July 2008, 3 September 2009 and 22 February 2011. This Offering Circular supersedes all previous Offering Circulars. Any Notes (as defined below) issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions herein. This does not affect any Notes already issued.

Under the Programme, each of ENEL and ENEL Finance International N.V. (“ENEL N.V.”) may from time to time issue notes (the “Notes”) denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined below). References in this Offering Circular to the “relevant Issuer” shall, in relation to any Tranche of Notes, be construed as references to the Issuer which is, or is intended to be, the Issuer of such Notes as indicated in the applicable Final Terms. The payment of all amounts owing in respect of Notes issued by ENEL N.V. will be unconditionally and irrevocably guaranteed by ENEL in its capacity as guarantor (the “Guarantor”).

ENEL N.V. has a right of substitution as set out in Condition 16(a) and Condition 16(c). ENEL N.V. may at any time, without the consent of the Noteholders, Receiptholders or the Couponholders, substitute for itself as principal debtor under the Notes, Receipts and the Coupons either ENEL as Issuer or any of ENEL’s Subsidiaries (as defined below). ENEL or the relevant Subsidiary (failing which, ENEL) shall indemnify each Noteholder, Receiptholder and Couponholder against any adverse tax consequences of such a substitution, except that neither ENEL nor the relevant Subsidiary shall be liable under such indemnity to pay any additional amounts either on account of “imposta sostitutiva” or on account of any other withholding or deduction in the event of payment of interest or other amounts paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information. When ENEL N.V. is to be substituted by another of ENEL’s Subsidiaries, such substitution may only take place if ENEL continues to guarantee the obligations of such Subsidiary. For further details regarding ENEL N.V.’s right of substitution see Condition 16(a) and Condition 16(c).

ENEL has a right of substitution as set out in Condition 16(b). ENEL may, at any time, without the consent of the Noteholders, Receiptholders or the Couponholders, substitute for itself as principal debtor under the Notes, Receipts and Coupons any of its Subsidiaries provided that ENEL shall guarantee the obligations of such Subsidiary. The relevant Subsidiary (failing which, ENEL) shall indemnify each Noteholder, Receiptholder and Couponholder against any adverse tax consequences of such a substitution, except that neither the relevant Subsidiary nor ENEL shall be liable under such indemnity to pay any additional amounts either on account of “imposta sostitutiva” or on account of any other withholding or deduction in the event of payment of interest or other amounts paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information. For further details regarding ENEL’s right of substitution, see Condition 16(b).

Notes may be issued in bearer or registered form (respectively “Bearer Notes” and “Registered Notes”). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €30,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under “Summary of the Programme” and any additional Dealer appointed under the Programme from time to time by the relevant Issuer (each a “Dealer” and together the “Dealers”), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the “relevant Dealer” shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to purchase such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these see “Risk Factors”.

This Offering Circular has been approved by the Central Bank of Ireland (the “Central Bank”), as competent authority under the Prospectus Directive 2003/71/EC (the “Prospectus Directive”). The Central Bank only approves this Offering Circular as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area. Application has been made to the Irish Stock Exchange for Notes issued under the Programme to be admitted to the Official List and trading on its regulated market. Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under “Terms and Conditions of the Notes”) of Notes will be set out in a final terms (the “Final Terms”) which, with respect to Notes to be listed on the Irish Stock Exchange, will be filed with the Central Bank.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the relevant Issuer and the Guarantor (where ENEL is not the relevant Issuer) and the relevant Dealer. The relevant Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market. The Notes issued by ENEL will constitute “*obbligazioni*” pursuant to Article 2410, and the Articles that follow such Article 2410, of the Italian Civil Code, which relate to the issuance of “*obbligazioni*” by corporations in Italy.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may include bearer notes that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold or, in the case of bearer notes, delivered within the United States or for the account or benefit of U.S. Persons (as defined in Regulation S under the Securities Act (“Regulation S”). The Notes will be offered and sold in offshore transactions to non-U.S. persons outside the United States in reliance on Regulation S under the Securities Act and, if so specified in the applicable Final Terms, within the United States to “qualified institutional buyers” (as defined in Rule 144A under the Securities Act) (“Rule 144A”), in transactions exempt from the registration requirements of the Securities Act. For a description of these and certain further restrictions on offers, sales and transfers of Notes and distribution of this Offering Circular see “Subscription and Sale” and “Transfer Restrictions”.

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor has any of the foregoing authorities passed upon or endorsed the merits of the offering of Notes or the accuracy or the adequacy of this Offering Circular. Any representation to the contrary is a criminal offence.

The relevant Issuer and the Guarantor (where ENEL is not the relevant Issuer) may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event (in the case of Notes intended to be listed on the Irish Stock Exchange) a supplementary Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Tranches of Notes to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended) on credit rating agencies (the “CRA Regulation”) will be disclosed in the relevant Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Arrangers

Deutsche Bank

Dealers

J.P. Morgan

Banca IMI
BofA Merrill Lynch
BNP PARIBAS
Citigroup
Credit Suisse
Goldman Sachs International
J.P. Morgan
Mitsubishi UFJ Securities
Morgan Stanley
Nomura
Santander Global Banking & Markets
UBS Investment Bank

Banco Bilbao Vizcaya Argentaria, S.A.
Barclays
Centrobanca
Crédit Agricole CIB
Deutsche Bank
HSBC
Mediobanca
Mizuho International plc
NATIXIS
The Royal Bank of Scotland
Société Générale Corporate & Investment
Banking
UniCredit Bank

This Offering Circular comprises a base prospectus in relation to each Issuer for the purposes of Article 5.4 of Directive 2003/71/EC (the “Prospectus Directive”).

Each of the Issuers and the Guarantor accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge of each of the Issuers and the Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

Copies of Final Terms will be available from the registered office of the relevant Issuer and the specified office of the Paying Agent.

This Offering Circular is to be read in conjunction with any supplement hereto and with all documents which are incorporated herein by reference (see “Documents Incorporated by Reference” below). This Offering Circular shall be read and construed on the basis that such documents are incorporated in, and form part of, this Offering Circular and in relation to any Tranche of Notes shall be read and construed together with the relevant Final Terms.

No representation, warranty or undertaking, express or implied, is made by any of the Dealers or any of their respective affiliates and no responsibility or liability is accepted by any of the Dealers or any of their respective affiliates as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by either Issuer or the Guarantor in connection with the Programme. None of the dealers or any of their affiliates accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by either Issuer or the Guarantor in connection with the Programme.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Offering Circular in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer, the Managers or the person named in or identifiable in the applicable Final Terms as the financial intermediaries (the “Financial Intermediaries”), as the case may be.

No person is or has been authorised by either Issuer or the Guarantor to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by either Issuer or the Guarantor or any of the Dealers.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by either Issuer or the Guarantor or any of the Dealers that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition, results of operations and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer and ENEL (where the relevant Issuer is not ENEL). Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and in the Final Terms of the relevant Tranche of Notes and reach their own views, based upon their own judgement and upon advice from such financial, legal and tax advisers as they have deemed necessary, prior to making any investment decision. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of either Issuer or the Guarantor or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning either Issuer or the Guarantor is correct at any time subsequent to the date hereof or that there has been no adverse change in the financial position of either the Issuer or the Guarantor since the date hereof or the date upon which this document has been most recently supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of either Issuer or the Guarantor during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted

by law in certain jurisdictions. The Issuers, the Guarantor and the Dealers do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuers, the Guarantor or the Dealers which is intended to permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom, France, The Netherlands and Italy) and Japan, see “Subscription and Sale and Selling and Transfer Restrictions”.

This Offering Circular has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Offering Circular as completed by the applicable Final Terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by applicable Final Terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or Final Terms, as applicable and the Issuer has consented in writing to its use for the purpose of such an offer. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer. The expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto including the 2010 PD Amending Directive to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010 / 73 / EU.

In making an investment decision, investors must rely on their own examination of the relevant Issuer and ENEL (where the relevant Issuer is not ENEL) and the terms of the Notes being offered, including the merits and risks involved. The Notes described herein have not been approved or disapproved by the United States Securities and Exchange Commission or any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Offering Circular. Any representation to the contrary is unlawful.

None of the Dealers, the Issuers or the Guarantor makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

U.S. INFORMATION

If so specified in the applicable Final Terms, this Offering Circular may be submitted on a confidential basis in the United States to a limited number of QIBs (as defined under “Form of the Notes”) for informational use solely in connection with the consideration of the purchase of the Notes being offered hereby. Its use for any other purpose in the United States is not authorized. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

If so specified in the applicable Final Terms, Registered Notes may be offered or sold within the United States only to QIBs in transactions exempt from registration under the Securities Act. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be being made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act.

Each initial and subsequent purchaser of Notes will be deemed, by its acceptance or purchase thereof, to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer of such Note, as described in this Offering Circular and the applicable Final Terms, and, in connection therewith, may be required to provide confirmation of its compliance with such resale or other transfer restrictions in certain cases. See “Form of the Notes” and “Subscription and Sale and Selling and Transfer Restrictions”. Unless otherwise stated, terms used in this paragraph have the meanings given to them in “Form of the Notes”.

Notwithstanding any limitation on disclosure provided for in this Offering Circular, its contents, or any associated Final Terms, and effective from the date of commencement of discussions concerning any of the transactions contemplated hereby (the “Transactions”), each recipient of this Offering Circular or any associated Final Terms (a “Recipient”) (and each employee, representative, or other agent of any such Recipient) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Transactions and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure, except to the extent that any such disclosure could reasonably be expected to cause this Programme, or any issue of Notes thereunder not to be in compliance with securities laws. For purposes of this paragraph, the tax treatment of the Transactions is the purported or claimed U.S. Federal income tax treatment of the Transactions, and the tax structure of the Transactions is any fact that may be relevant to understanding the purported or claimed U.S. Federal income tax treatment of the Transaction.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are “restricted securities” within the meaning of the Securities Act, each Issuer and the Guarantor has undertaken in a deed poll dated 22 February 2011 (the “Deed Poll”) to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, the relevant Issuer is neither a reporting company under Section 13 or

15(d) of the U.S. Securities Exchange Act of 1934, as amended, (the “Exchange Act”) nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

Each Issuer and the Guarantor is a corporation organised under the laws of its jurisdiction of incorporation, as set out on the front cover of this Offering Circular. All of the officers and directors named herein reside outside the United States and all or a substantial portion of the assets of each Issuer and the Guarantor and of such officers and directors are located outside the United States. As a result, it may not be possible for investors to effect service of process outside of any such Issuer’s or Guarantor’s jurisdiction of incorporation upon any such Issuer or Guarantor or such persons, or to enforce judgments against them obtained in courts outside of its jurisdiction of incorporation predicated upon its civil liabilities or such directors and officers under laws other than of its jurisdiction of incorporation law, including any judgment predicated upon United States federal securities laws. Each Issuer and Guarantor acknowledges that there is doubt as to the enforceability in its jurisdiction of incorporation in original actions or in actions for enforcement of judgments of United States courts of civil liabilities predicated solely upon the federal securities laws of the United States.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

ENEL maintains its financial books and records and prepares its financial statements in Euro in accordance with IFRS endorsed by the European Union and the Italian regulation implementing Article 9 of Legislative Decree No. 38/05 and ENEL N.V. maintains its financial books and records and prepares its financial statements in Euro in accordance with IFRS endorsed by the European Union, and title 9, Book 2 of The Netherlands Civil Code, both of which differ in certain important respects from generally accepted accounting principles in the United States.

All references in this document to “Euro” and “€” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended. In addition, references to “U.S.\$” refer to United States dollars and to “Sterling” and “£” refer to pounds sterling.

References to the “Group” or the “ENEL Group” are to ENEL S.p.A. together with its subsidiary companies under Article 2359 of the Italian Civil Code and under Article 93 of the Italian Unified Financial Act, unless the context requires otherwise.

Non-IFRS Financial Measures

This Offering Circular contains certain non-IFRS financial measures including the Group’s “gross operating margin,” which is otherwise referred to as the Group’s “EBITDA,” and the Group’s “Net Financial Debt (ENEL method) and Net Financial Debt (CESR standard).” EBITDA is calculated as “operating income” plus “depreciation, amortisation and impairment losses.” References to “Net Financial Debt (CESR standard)” are to the Group’s net financial debt as ascertained pursuant to paragraph 127 of the CESR/05-054b Recommendations, implementing EC Regulation 809/2004, and in accordance with the CONSOB instruction of 26 July 2007. References to “Net Financial Debt (ENEL method)” are to the Group’s net financial debt calculated as the Group’s Net Financial Debt (CESR standard) netted for long-term financial receivables and securities. Investors should not place undue reliance on these non-IFRS financial measures and should not consider any non-IFRS financial measure as: (i) an alternative to operating income or net income as determined in accordance with IFRS; (ii) an alternative to cash flow from operating, investing or financing activities (as determined in accordance with IFRS) as a measure of the Group’s ability to meet cash needs; or (iii) an alternative to any other measure of performance under IFRS. These measures are not indicative of the Group’s historical operating results; nor are they meant to be predictive of future results. These measures are, however, used by ENEL’s management to monitor the underlying performance of the Group. Since companies generally do not calculate similarly entitled non-IFRS financial measures in an identical manner, ENEL’s measures may not be consistent with similar measures used by other companies. For this reason also, investors should not place undue reliance on any non-IFRS financial measures.

Market Information

This Offering Circular contains statements related to, among other things, the following: (i) the size of the sectors and markets in which the ENEL Group operates; (ii) growth trends in the sectors and

markets in which ENEL operates; and (iii) ENEL's relative competitive position in the sectors and markets in which it operates and the position of its competitors in those same sectors and markets.

Whether or not this is stated, where such information is presented, such information is based on third-party studies and surveys as well as ENEL's experience, market knowledge, accumulated data and investigation of market conditions. While ENEL believes such information to be reliable and believes any estimates contained in such information to be reasonable, there can be no assurance that such information or any of the assumptions underlying such estimates are accurate or correct, and none of the internal surveys or information on which ENEL has relied have been verified by any independent sources. Accordingly, undue reliance should not be placed on such information. In addition, information regarding the sectors and markets in which ENEL operates is normally not available for certain periods and, accordingly, such information may not be current as of the date of this Offering Circular.

Restatement and Reclassification

The audited consolidated annual financial statements of ENEL for the financial year ended 31 December 2010 and the audited consolidated annual financial statements for the financial year ended 31 December 2011 present the prior year corresponding figures for comparative purposes. In particular, as a result of the determination of the final fair value of the assets acquired and the liabilities and contingent liabilities assumed as at the acquisition date (1 June 2010) in respect of the business combination with SE Hydropower, the figures for the consolidated financial statements at 31 December 2010 have been restated, with a consequent increase in consolidated equity pertaining to the shareholders of the parent company of €128 million and in equity pertaining to non-controlling interests of €193 million. Since the price paid in the transaction was entirely allocated to the value of the concessions, which took effect as from 1 January 2011, it was not necessary to restate the published income statement as the transaction did not have an impact on ENEL's profits or losses for the previous year. In addition, in order to present the effects recognised in the previous year associated with transactions in equity interests without loss of control, the comparative data were reclassified (in the amount of €796 million) from consolidated comprehensive income directly to equity reserves. The reclassification therefore did not have an impact on equity at 31 December 2010.

Reference should be made to the notes to the relevant financial statements for further details.

STABILISATION

In connection with the issue and distribution of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

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SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to this Offering Circular and any decision to invest in any Notes should be based on a consideration of this Offering Circular as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area no civil liability will attach to either of the Issuers or the Guarantor in any such Member State in respect of this summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Offering Circular. Where a claim relating to information contained in this Offering Circular is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating this Offering Circular before the legal proceedings are initiated.

Words and expressions defined in “Form of the Notes” and “Terms and Conditions of the Notes” shall have the same meanings in this summary.

Issuers

There can be two issuers under the Programme: (i) ENEL — Società per Azioni (“ENEL” or the “Company”) or (ii) ENEL FINANCE INTERNATIONAL N.V. (“ENEL N.V.”). Any Notes issued by ENEL N.V. shall be guaranteed by ENEL as described below.

ENEL — Società per Azioni

The ENEL Group is the leading electricity operator in both Italy and Spain and one of the leading global operators in the fields of generation, distribution and sales of electricity.

ENEL owns a 92.06 per cent. equity stake in Endesa S.A. (“Endesa”), the leading operator in the Spanish electricity sector with significant operations in other European countries and in Latin America.

The Group had operational generation plants (thermal, hydroelectric, geothermal and other plants) with a total net efficient capacity of 97.3 GW as of 31 December 2011 and 97.3 GW as of 31 December 2010. For the year ending on 31 December 2011, the net production of electricity amounted to 293.9 TWh and the distribution of electricity amounted to 435.0 TWh. For the year ending on 31 December 2010, the net production of electricity amounted to 290.2 TWh and the distribution of electricity amounted to 431.6 TWh.

The following table sets forth key operating data for the Group in 2011, in Italy and abroad.

	Year ended 31 December 2011			Year ended 31 December 2010		
	Italy	Abroad	Total	Italy	Abroad	Total
Net electricity production (TWh).....	79.0	214.9	293.9	81.6	208.6	290.2
Net efficient capacity (GW)....	39.9	57.4	97.3	40.5	56.8	97.3
Electricity conveyed through the grid (TWh)	246.0	189.0	435.0	247.0	184.6	431.6
Electricity sold (TWh) ⁽¹⁾	104.2	207.6	311.8	113.4	195.6	309.0
Number of end-users of the electricity business (million)	28.9	27.9	56.8	29.4	27.7	57.1

(1) Transfers to resellers excluded.

The ENEL Group is one of the principal international operators in the development and management of energy production, with a net efficient capacity of 97,336 MW, as of 31 December 2011.

The Group also imports and sells natural gas in Italy and Iberia. The Group sold approximately 8.9 billion cubic meters of gas worldwide in 2010 and 8.5 billion cubic meters of gas worldwide in 2011.

In 2011, the Group's total revenues were €79,514 million and the net income attributable to shareholders of ENEL was €4,148 million. In 2010, the Group's total revenues were €73,377 million, and the net income attributable to shareholders of ENEL was €4,390 million. As of 31 December 2011, the Group employed a total of 75,360 employees, of which 36,842 were employed in Italy and 38,518 were employed abroad.

The Company is incorporated under the laws of Italy as a joint stock company (*società per azioni*). Its registered office is at Viale Regina Margherita 137, in Rome, and its main telephone number is +39 06 83051. The Company is registered with the Italian Companies' Register of the Chamber of Commerce of Rome under registration no. 00811720580. Pursuant to Article 3 of the Company's articles of association, the Company shall remain in existence until 31 December 2100; however the Company's corporate duration may be further extended by a shareholder resolution.

The following table sets forth key financial data for the Group for the years ended at 31 December 2011 and 31 December 2010 and for the three month periods ended 31 March 2012 and 31 March 2011:

	Year ended at December 31		Three month period ended 31 March	
	2011	2010	2012	2011
	<i>Audited</i>	<i>Audited</i>	<i>Unaudited</i>	<i>Unaudited</i>
Income data				
Revenues.....	79,514	73,377	21,193	19,536
Operating income	11,366	11,258	2,902	3,036
Net income from continuing operations	5,358	5,673	1,501	1,526
Net income from discontinued operations.....	—	—	—	—
Net income for the period attributable to shareholders of the parent company.....	4,148	4,390	1,184	1,201
Financial data				
Net financial debt	(44,629)	(44,924)	(45,617)	(44,629) ⁽³⁾
Total shareholders' equity	54,440	53,866 ⁽¹⁾	55,577	54,440 ⁽³⁾
Cash flow from operating activities	11,713	11,725	67	7
Capital expenditure on tangible and intangible assets ⁽²⁾	7,484	7,090	1,314	1,132

(1) The figure has been restated as a result of the completion of the process of allocating the purchase price for the acquisition of SE Hydropower.

(2) Does not include €105 million in capital expenditure of units classified as "Held for sale" at December 31, 2011 (€97 million at December 31, 2010), €22 million at 31 March 2012 (€4 million at 31 March 2011).

(3) As of 31 December 2011.

For further information on the financial results of ENEL, please see the financial statements of ENEL for the years ended 31 December in each of 2011 and 2010 and for the three-month period ended 31 March 2012 incorporated by reference into this Offering Circular.

ENEL Finance International N.V.

ENEL N.V. is a limited liability company under the laws of The Netherlands. ENEL N.V. is registered with the trade register of the Dutch chamber of commerce under number 34313428. ENEL N.V.

operates as a finance company for the Group, raising funds through bond issuances, loans and other facilities. As finance company within the Group, ENEL N.V. is dependent on the parent company Enel S.p.A. to continue its operations. The issued share capital of ENEL N.V. amounts to €1,478,810,370 and is represented by 1,478,810,370 shares with a nominal value of €1 each.

Guarantor

ENEL

Risk Factors

There are certain factors that may affect the Issuers' and the Guarantor's ability to fulfil their obligations under Notes issued under the Programme. These are set out under "Risk Factors" below and include (i) the fact that ENEL is burdened by significant indebtedness, (ii) the fact that ENEL's ability to access credit and bond markets on acceptable terms is in part dependent on its credit ratings, which have come under scrutiny due to its level of indebtedness, (iii) the fact that ENEL faces risks and expenses due to the need to integrate several recently acquired companies of material size, (iv) the fact that ENEL is subject to different regulatory regimes in the various countries in which it operates, and that these regulatory regimes are complex and their changes could potentially affect the results of the Group, (v) the fact that ENEL is vulnerable to any decrease in demand for electricity resulting from the continuation or deepening of the current global recession, (vi) the fact that ENEL is exposed to the risk of increases in fuel costs or disruptions in fuel supply, and (vii) the fact that ENEL is controlled by the Italian Ministry of the Economy and Finance, which has significant influence over ENEL's actions. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "Risk Factors" and include the fact that the Notes may not be a suitable investment for all investors, certain risks relating to the structure of particular Series of Notes and certain market risks.

Notes issued under the Programme

Each Issuer may issue fully paid or partly paid Notes denominated in any currency agreed between the relevant Issuer and the relevant Dealer, at an issue price which is at par or at a discount to, or premium over, par and up to a maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme of €30,000,000,000 (or its equivalent in other currencies), subject to increase as described in this Offering Circular. The payments of all amounts due in respect of Notes issued by ENEL N.V. will be unconditionally and irrevocably guaranteed by ENEL.

The Notes will be issued in bearer or registered form. The Notes will constitute direct, unconditional and unsecured and unsubordinated obligations of the relevant Issuer and will rank *pari passu* without any preference among themselves and at least equally with all other outstanding unsecured and unsubordinated obligations of the relevant Issuer, present and future, other than obligations, if any, that are mandatorily preferred by statute or by operation of law.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "Overview of the Programme" and any additional Dealer appointed under the Programme from time to time by the Issuers, which appointment may be for a specific issue or on an ongoing basis.

Notes may be distributed by way of private or public placement, subject to the restrictions set out under “Subscription and Sale and Transfer and Selling Restrictions” below, and in each case on a syndicated or non-syndicated basis.

Notes may be issued as Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or structured Notes (including, but not limited to, Index Linked Notes and Dual Currency Notes).

Notes may be issued for such maturities as may be agreed between the relevant Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

Notes may be issued which cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or which are redeemable at the option of the relevant Issuer and/or the Noteholders upon giving notice to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the relevant Issuer and the relevant Dealer.

The issue of a Tranche of Notes by ENEL under the Programme will be authorised prior to the issue of each Tranche of Notes by the competent bodies in accordance with applicable laws and the relevant provisions of its by-laws.

The issue of a Tranche of Notes by ENEL N.V. under the Programme will be authorised prior to the issue of each Tranche of Notes by the competent bodies in accordance with applicable laws and the relevant provisions of its articles of association.

RISK FACTORS

Each Issuer and the Guarantor believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and neither of the Issuers nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Each Issuer and the Guarantor believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuers or the Guarantor to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuers and the Guarantor based on information currently available to them and which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views, based upon their own judgement and upon advice from such financial, legal and tax advisers as they have deemed necessary, prior to making any investment decision.

Words and expressions defined in the “Terms and Conditions of the Notes” below or elsewhere in this Offering Circular have the same meanings in this section.

Factors that may affect the Issuers’ and the Guarantor’s ability to fulfil their obligations under Notes issued under the Programme

Risks Related to the ENEL Group

The ENEL Group is burdened by significant indebtedness, which it must generate sufficient cash flow to service

As of 31 December 2011, the Net Financial Debt (ENEL method) of the Group was equal to €44,629 million (as compared to €44,924 million as of 31 December 2010). The “Net Financial Debt (ENEL method)” differs from “Net Financial Debt (ESMA standard)” in that it is calculated net of long-term financial receivables and securities, equal to €3,576 million and €2,567 million as of 31 December 2011 and 31 December 2010, respectively.

As of 31 December 2011, the repayment schedules of the Group’s long-term debt provide for the repayment of €9,672 million in 2012 and €3,866 million in 2013. The Group’s short-term financial debt (including current maturities of long-term debt) amounted to €14,471 million as of 31 December 2011. Any failure by the Group to make any of its scheduled debt repayments, or to reschedule such debt on favourable terms, would have a material adverse effect on the Group, its business prospects, its financial condition and its results of operations.

The credit agreements and bond agreements that the ENEL Group has entered into contain restrictive covenants that limit its operations

The contracts related to the long-term financial indebtedness of the Group contain covenants that must be complied with by the borrowers (ENEL, Endesa and the other companies of the Group) and, in certain instances, by ENEL, as Guarantor. The failure to comply with any of them could constitute a default, which could have a material adverse effect upon the Group, its business prospects, its financial condition or its results of operation. In addition, covenants such as “negative-pledge” clauses, “material change” clauses and covenants requiring the maintenance of particular financial ratios or credit ratings, constrain the Group’s ability to acquire or dispose of assets or incur new debt. Under the “gearing/financial leverage” clause contained in, *inter alia*, (i) the €8 billion Rollover Facility Agreement entered into on 16 April 2009 (the “Rollover Facility Agreement”) and (ii) the €3.2 billion Term Loan Facility Agreement entered into on 20 February 2012 (the “€3.2 billion Term Facility Agreement”), the Group’s Consolidated Total Net Borrowings (as defined in the above agreements) may not exceed 4.5 times the amount of the Group’s Consolidated EBITDA (as defined in the above agreements) for the preceding 12 months. Furthermore, pursuant to the Rollover Facility Agreement, the Group will be required to additionally maintain consolidated EBITDA equal to at least 4 times the amount of the net interest payable (as defined in the above agreements) by the Group at each measurement period. Such ratios are tested for compliance semi-annually.

A significant portion of the ENEL Group’s indebtedness is subject to floating interest rates, thus subjecting the Group to the risk of adverse interest rate fluctuations

As of 31 December 2011, 31 per cent. of the Net Financial Debt (ENEL method) of the Group was subject to variable interest rates. The Group has in place risk management policies that provide for

the use of derivative instruments to minimise the Group's interest rate risk. However, even taking all such hedging instruments into account, as of 31 December 2011, 4 per cent. of the Group's Net Financial Debt (ENEL method) remained fully exposed to interest rate fluctuations. Any significant increase in interest rates could therefore lead to a material increase in the Group's debt service expenses, which would have a material adverse effect on the Group, its business prospects, its financial condition and its results of operations.

ENEL's ability to access credit and bond markets on acceptable terms is in part dependent on its credit ratings, which have come under scrutiny due to its level of debt

ENEL's long-term debt is currently rated "BBB+" (stable outlook) by Standard & Poor's, "A-" (rating watch negative) by Fitch and "Baa1" (stable outlook) by Moody's Investors Service. Each of these ratings is near the low-end of the respective rating agency's scale of investment-grade ratings. ENEL's ability to access the capital markets and other forms of financing (or refinancing), and the costs connected with such activities, depend on the credit ratings assigned to the Company. Any worsening of credit ratings could limit ENEL's ability to access capital markets and other forms of financing (or refinancing), or increase the costs related thereto, with related adverse effects on the Company's and the Group's business prospects, financial condition and results of operations.

Certain credit agreements including, *inter alia*, the Rollover Facility Agreement and the €3.2 billion Term Facility Agreement, entered into by companies belonging to the ENEL Group, state that the overall pricing applicable to the loans thereunder may vary according to ENEL's credit rating by Standard & Poor's or Moody's Investor Service. Any downgrade could thus affect the amount of interest payable by ENEL. In addition, the possibility of access to the capital markets, to other forms of financing and the associated costs is also dependent, amongst other things, on the rating assigned to the Group. Therefore any reduction of such ratings could limit ENEL's access to the capital markets, and could increase the cost of borrowing and/or the refinancing of the existing debt. Any downgrade could therefore have adverse effects on the Company's and the Group's business prospects, financial condition and results of operations.

ENEL's ability to successfully execute its 2012-2016 Business Plan is not assured

On 8 March 2012, ENEL's Board of Directors presented the Group's 2012-2016 business plan (the "**Business Plan**"), which contains the strategic guidelines and growth objectives of the Group for the relevant period, as well as some forecasts with regards to the Group's expected results of operations.

The Business Plan and the projections contained therein are based on a series of critical assumptions, including assumptions regarding the evolution of demand and prices for electricity, gas and fuels in the markets in which the Group operates, trends in relevant macroeconomic variables, and the evolution of the regulatory frameworks applicable to the Group. The strategic priorities set forth in the Business Plan include consolidating the Group's leadership in mature markets, organic growth in the renewable sector as well as in Latin America, Russia and Eastern Europe, enhancing efficiency and operational excellence, strict control of investments and paying close attention to the innovation process and further consolidation of the Group's financial position.

In the event that one or more of the Business Plan's underlying assumptions proves incorrect or events evolve differently than assumed in the Business Plan (including because of events affecting the Group that may not be foreseeable or quantifiable as of the date hereof) the anticipated events and results of operations indicated in the Business Plan (and in this Offering Circular) could differ from actual events and results of operations. The Business Plan and the forecasts set out therein should not be relied upon in any way by any investor in making an investment decision with respect to any Notes offered hereunder.

Furthermore, this Offering Circular contains certain statements and estimates regarding the Group's competitive position in certain markets, including with respect to its preeminence in particular markets. Such statements are based on the best information available to the Group's management as of the date hereof. However, the Group faces competitive risks and its market positions may diverge from those expressed herein as a result of a variety of factors. Any failure by the Group to execute its Business Plan or maintain its market positions could have a material adverse effect upon the Group, its business prospects, its financial condition and its results of operations.

The ENEL Group may face risks and expenses in making acquisitions due to the difficulties involved in integrating acquired companies into the Group

Consistent with the Group's strategic plan, the Group may seek opportunities to further expand its operations in the future by way of strategic acquisitions. Although ENEL assesses each investment based on financial and market analysis, which include certain assumptions, the foregoing and other acquisitions expose the Group to risks connected to the integration of new companies into the ENEL Group. These risks may relate to: (i) difficulties related to the management of a significantly broader and more complex organisation spread over many jurisdictions; (ii) problems related to the coordination and consolidation of corporate and administrative functions (including internal controls and procedures relating to accounting and financial reporting); and (iii) the failure to achieve expected synergies. With respect to investments in companies that ENEL does not control, including companies in which it has minority shareholdings or companies that it jointly controls together with other shareholders, the risks are exacerbated by the need to coordinate the administration of such companies with such other shareholders (including under relevant shareholder agreements). The inability to successfully manage one or more of the foregoing circumstances, given the potential economic impact and geographical scope, could have a material adverse effect on ENEL's and the Group's business prospects, financial condition and results of operations.

The Group faces risks relating to political, social or economic instability in some of the countries (outside of Italy) where the Group operates. In addition the sovereign debt crisis in the eurozone has escalated and could lead to instability of the euro currency and the banking system

The Group's revenues from sales and services from markets outside of Italy represented approximately 60.5 per cent. of its revenues for the year ended 31 December 2011. The Group's activities outside of Italy (in particular Russia and certain Latin America countries) are subject to a range of country-specific business risks, including changes to government policies or regulations in the countries in which it operates, changes in the commercial climate, the imposition of monetary and other restrictions on the movement of capital for foreign corporations, economic crises, state expropriation of assets, the absence, loss or non-renewal of favourable treaties or similar agreements with foreign tax authorities and general political, social and economic instability. Such countries may also be characterised by inadequate creditors' protection due to a lack of efficient bankruptcy procedures, investment restrictions and significant exchange rate volatility. ENEL cannot exclude the possibility that its exposure to unstable emerging markets may ultimately lead to effects or circumstances that are material and adverse to the business prospects, results of operations and financial condition of ENEL and the Group. In order to mitigate this form of risk, ENEL has adopted a country risk calculation model (using a shadow rating approach) that specifically monitors the level of country risk in the areas in which the Group operates. During 2011, the political upheavals in North Africa and the economic crisis in Greece were especially significant. The North African economies are expected to reap gains from such developments, benefiting from greater access to world markets and rising prices of raw materials. By contrast, the Greek debt crisis substantially increases the risk that no payback will be forthcoming on investments made in Greece. Within the ENEL Group, there has been an increase in the number of countries classified as being of the highest risk, while there has been a gradual decline in those at the lowest risk. As a result, the country risk premium rose slightly, reflecting the pressure exerted by financial markets on the sovereign debt of the developed economies and concerns about their failure to grow following the global financial crisis. By contrast, the emerging economies are showing the first signs of recovery. The greatest areas of concern for 2012 centre on the United States' debt reduction policy (urged by the major rating agencies) and the capacity of the European Union to deal with the sovereign debt crisis, which affected core countries like Italy and France and that could undermine the stability of the Euro, the strength of the European banking system and ultimately lead certain weaker countries to exit from the Euro. Access to credit by eurozone borrowers has already been significantly and adversely impacted by the financial crisis with credit supply from both bank lenders and the capital markets shrinking and terms becoming more onerous.

ENEL conducts its business in several different currencies and is exposed to exchange rate risks, particularly in relation to the rate of exchange between the Euro and the U.S. dollar

The Group is exposed to exchange rate risks in relation to cash flows connected to the purchase and/or sale of fuels and electricity on the international markets, cash flows related to investments or other financial income or expenses denominated in foreign currencies, such as dividends deriving from non-consolidated foreign subsidiaries, flows related to the purchase or sale of equity participations, and

indebtedness in currencies different from those used in the countries where the Group has its principal operations (such debt being equal, as of 31 December 2011, to €14.8 billion). The principal foreign exchange exposure for the Group is that with respect to U.S. dollars — an exposure equal to €8.8 billion, as of 31 December 2011 (considering the long term gross debt). Although the Group uses derivative instruments to mitigate its exchange rate risks, no assurance can be given that future significant variations in exchange rates (in particular of the Euro against the U.S. dollar, which has recently been subject to market volatility, and the currencies of the Latin American countries in which the Group is present) would not materially and adversely affect ENEL's and the Group's financial condition and results of operations.

Revenues and costs denominated in foreign currencies may be significantly affected by exchange rate fluctuations, which may have an impact on commercial margins (economic risk), and commercial and financing payables and receivables denominated in foreign currencies may be significantly affected by conversion rates used for profit and loss computation.

Furthermore, since the Group's consolidated financial statements are expressed in euro, negative fluctuations, in exchange rates (in particular of the Euro against the U.S. dollar, which has recently been subject to market volatility, and the currencies of the Latin American countries in which the Group is present) could negatively affect the value of consolidated foreign subsidiaries' assets, income and equity, with a concomitant adverse effect on the Group's consolidated financial statements.

ENEL is exposed to credit risk

In its commercial and financial activities, the Group is exposed to the risk that its counterparties might not be able to discharge all or part of their obligations, whether these involve payment for goods already delivered and services rendered or payment of the expected cash flows under financial derivatives contracts. In order to minimise such risks, the Group assesses in advance the creditworthiness of each counterparty with which it may establish its largest exposures on the basis of information supplied by independent providers and internal rating models. This process provides for the attribution of an exposure limit for each counterparty, the request for appropriate guarantees for exposures exceeding such limits and periodic monitoring of such exposure limits. For certain segments of its customer portfolio, the Group also enters into insurance contracts with leading credit insurance companies. Notwithstanding such risk management policies and insurance, default by one or more significant counterparties of the Group may adversely affect the Group's results of operations and financial condition.

ENEL is subject to a large variety of litigation and regulatory proceedings and cannot offer assurances regarding the outcomes of any particular proceedings

In the ordinary course of its business, the Group is subject to numerous civil and administrative proceedings, as well as some criminal and arbitral proceedings. ENEL has accrued in its consolidated financial statements provisions for contingent liabilities related to particular proceedings in accordance with the advice of internal and external legal counsel. As of 31 December 2011, these provisions amounted to €846 million. The foregoing amount does not include €117.4 million of allowances made in respect of the property tax litigation described under “*Description of ENEL — Litigation — Municipal Property Tax Issues.*” Notwithstanding the foregoing, the Group has not recorded provisions in respect of all of the proceedings to which it is subject. In particular, it has not recorded provisions in cases in which it is not possible to quantify any negative outcome and in cases in which it currently believes that negative outcomes are not likely. There can be no assurance, therefore, that the Group will not be ordered to pay an amount of damages with respect to a given matter for which it has not recorded an equivalent provision, or any provision at all. For further information, see “*Description of ENEL—Litigation*”.

Risks Related to the Energy Industry and Markets

The ENEL Group is subject to different regulatory regimes in all the countries in which it operates. These regulatory regimes are complex and their changes could potentially affect the financial results of the Group

The Group is subject to the laws of various countries and jurisdictions, including Italy, Spain and the European Union, as well as the regulations of particular regulatory agencies, including, in Italy, the Authority for Electricity and Gas (*Autorità per l'Energia Elettrica e il Gas*) and, in Spain, the *Comisión Nacional de Energía* (“CNE”).

Sectoral regulation affects many aspects of the Group's business and, in many respects, determines the manner in which the Group conducts its business and sets the fees it charges or obtains for its

products and services, including in respect of electricity generation (both traditional and from renewable resources). See the section entitled “Regulation” herein.

Future changes in the directives, laws and regulations issued by the European Union, the Italian Republic, Spain, the Authority for Electricity and Gas, or governments or authorities in the other countries and/or markets in which the Group operates could materially and adversely affect ENEL’s and the Group’s business prospects, financial condition and results of operations.

The Group is vulnerable to any decrease in demand for electricity, including as may occur as a result of the continuation or deepening of the current global recession

The environment in which the Group currently operates is marked by the recent crisis that affected the world’s banking system and financial markets, and the consequent deterioration of macroeconomic conditions worldwide, including decreases in consumption and industrial production. These conditions have imposed barriers to banks providing credit, created a low level of liquidity in the financial markets, and created high volatility in the equity and bond markets.

Electricity and gas consumption are strongly affected by the level of economic activity in a country. In the last quarter of 2008, a reduction in electricity consumption occurred in Italy for the first time since 1981. According to Terna, the Italian transmission system operator, electricity consumption in Italy is far from indicative of a recovery, since it has decreased by 1.9 per cent. during the first quarter of 2012 in comparison to the same period in 2011. The recent crises in the banking system and financial markets, together with other factors, have resulted in economic recessions in many of the countries where the Group operates, such as Italy, Spain, Russia, other countries in the European Union and the United States. In the event that such economic recessions continue for a significant period of time, or worsen, energy consumption may decrease or continue to decrease in such markets, and this could result in a material adverse effect on the business prospects, results of operations and financial condition of ENEL and the Group.

Risks related to hydrological conditions

ENEL’s electric power generation involves hydroelectric generation and, accordingly, ENEL is dependent upon hydrological conditions prevailing from time to time in the geographic regions where the relevant hydroelectric generation facilities are located. If hydrological conditions result in droughts or other conditions that negatively affect ENEL’s hydroelectric generation business, ENEL’s results of operations could be materially adversely affected.

The Group faces risks relating to the process of energy market liberalisation, which continues to unfold in many of the markets in which the Group is present. The Group may face new competition in the markets in which it operates

The energy markets in which the Group operates are undergoing a process of gradual liberalisation, which is being implemented through different approaches and on different timetables in the various countries in which the Group operates. As a result of the process of liberalisation, new competitors may enter many of the Group’s markets in the future. The Group’s ability to develop its businesses and improve its financial results may be constrained by such new competition. The Group may moreover be unable to offset the financial effects of decreases in production and sales of electricity through efficiency improvements, or expansion into new business areas or markets.

Though the Group has sought to face the challenge of liberalisation by increasing its presence and client base in free (non-regulated) areas of the energy markets in which it competes, it may not be successful in doing so. Moreover, it remains active in regulated market segments, where it faces certain risks.

In Spain, Royal Decree-Law 5/2005, as amended and restated, required that to the extent that the revenues of the electricity industry generated by the Spanish regulated market were not sufficient to cover the costs of providing service to that market, certain industry operators would have to finance such difference (which is referred to as a “tariff deficit”) based on percentages for each operator set forth in the aforementioned decree. Since the royal decree-law, costs have exceeded revenues and the nominated operators have therefore been obligated to finance the deficit. The amounts financed by each company are recognised as receivables to be recovered from end-users through tariffs at a future date, as contemplated by the decree. According to Royal Decree-Law 5/2005 (later replaced by Royal Decree-Law 6/2009) Endesa has been assigned responsibility for financing 44.16 per cent. of the peninsular deficit.

Royal Decree-Law 6/2009 of 30 April (as amended by Royal Decree-Law 6/2010 of 13 April) introduced some new measures aimed at relieving Spanish electricity companies from these deficit-financing obligations. The Royal Decree-Law provides for the establishment of a structured fund to which recovery rights for deficits generated and not passed on to third parties can be transferred, and which will issue securities backed by a state guarantee. During 2011, Endesa transferred tariff deficit collection rights to the fund totalling Euro 5,115 million. Additionally, the Royal Decree-Law provides for industry-wide caps on the amount of the deficit of €3.5 billion in 2009, €3.0 billion in 2010, €2.0 billion in 2011 and €1.0 billion in 2012, requiring that tariffs be increased so that these caps are not exceeded. Maximum yearly amounts of deficit ex-ante have been recently revised by Royal Decree-Law 14/2010 published on 24 December 2010, which increased the 2011 and 2012 caps up to €3.0 billion and €1.5 billion respectively and in practice sets the cap for 2010 at €5.5 billion. According to a resolution published on 26 January 2011, the total amount of the system-wide recovery rights for financing the deficit pending recovery as of 31 December 2010, eligible to be transferred to the fund, is €16,694 million (the amount includes 2011 deficit ex-ante and does not include the temporary mismatch for 2010). Under the Royal Decree-Law 6/2009 (as amended), beginning in 2013, tariffs are to be set so as to generate sufficient proceeds to cover the total cost of providing regulated services, thus avoiding the incurrence of further ex ante deficits. However, there can be no assurance that the above measures introduced by the Spanish government will function or continue to function as intended and/or that they will not be amended or revoked, or that a Spanish electricity company such as Endesa will not incur additional costs related to such deficit, or be unable to recover the existing deficit. As of 31 December 2011, the Group had the recognised right to collect approximately Euro 5,379 million in connection with several Spanish regulatory matters, the main part of these to be collected by their transfer to the structure fund: €3,281 million for financing the revenue shortfall from regulated activities and €2,099 million in compensation for stranded costs in non-mainland electricity generation (See “*Description of ENEL – Regulation*”).

The Group faces significant costs associated with environmental regulation and may be exposed to significant environmental liabilities

The Group’s businesses are subject to extensive environmental regulation on a national, European, and international scale. Applicable environmental regulations address, among other things, carbon dioxide (“CO₂”) emissions, water pollution, the disposal of substances deriving from energy production (including as a result of the decommissioning of nuclear plants), and atmospheric contaminants such as sulphur dioxide (“SO₂”), nitrogen oxides (“No_x”) and particulate matter, among other things.

The Group incurs significant costs to keep its plants and businesses in compliance with the requirements imposed by various environmental regulations. Such regulations require the Group to adopt preventative or remedial measures and influence the Group’s business decisions and strategy.

Considering the current public focus on environmental matters, it is not possible to exclude the possibility that more rigorous environmental rules may be introduced at the Italian, Spanish or European level, or that more rigorous measures may be introduced in other countries where the Group operates, which could increase costs or cause the Group to face environmental liabilities. Such environmental liabilities could in themselves increase costs, including clean-up costs, for the Group. ENEL is not able to foresee the nature or the potential effects of future regulations on its results of operations. Due to tariff regulations in Italy and other countries in which the Group operates, the Group is largely unable to offset increases in costs incurred for environmental protection with price increases of its own. As a result, new environmental regulation could have a material adverse effect on the Group’s business prospects, results of operations and financial condition.

With respect to the control of CO₂ emissions, current European regulations place burdens on the electricity sector relating to the generation or purchase of CO₂ allowances, and these burdens are likely to become more severe in the future. The future introduction of more stringent burdens relating to CO₂ emissions, or any reduction in the availability of CO₂ allowances or offsets on the market (combined with the potential insufficiency of the Group’s strategies aimed to reduce its own CO₂ emissions through the use of new technologies), could have a material adverse effect on the business prospects, results of operations and the financial condition of ENEL and the Group. See “*Description of ENEL – Regulation*” for more information about carbon dioxide-related regulations.

The Group relies on time-limited government concessions in order to conduct many of its business activities

Group companies are concession-holders in Italy for the management of the Group’s electricity distribution networks and hydroelectric power stations. The Group’s hydroelectric power stations in

Italy are managed under administrative concessions that are set to expire in 2029, with the exception of those in respect of the power stations located in the autonomous provinces of Trento and Bolzano. The concessions in the province of Trento will expire in 2020 and those in the province of Bolzano will expire in 2040. In respect of the hydroelectric concessions in the province of Bolzano, ENEL and Sel S.p.A (a company controlled by the province of Bolzano) have entered into an agreement in order to jointly manage the hydroelectric concessions, via a newly incorporated company (SE Hydropower, owned by Sel S.p.A. with a 60 per cent. shareholding and by ENEL with a 40 per cent. shareholding). Currently, SE Hydropower holds 10 concessions in the autonomous provinces of Bolzano. Several proceedings have been filed at the *Tribunale Superiore delle Acque Pubbliche* (TSAP) by other competitors, for alleged violations of the concession. These proceedings are currently pending.

Endesa's hydroelectric power stations in Spain also operate under administrative concessions, which are set to expire between 2012 and 2067.

Any of the Group's concessions, including concessions not specifically described above, may not be renewed after they expire or may be renewed only on economic terms that are more burdensome for the Group. In either case, the Group could experience material and adverse effects upon its business prospects, results of operations and financial condition.

The Group faces risks relating to interruptions in service at its facilities or plants

The Group is continuously exposed to the risk of malfunctions and/or interruptions in service resulting from events outside of the Group's control, including accidents, defects or failures in machinery or control systems. It is also subject to the risk of casualties or other similar extraordinary events. Any such events could result in economic losses, cost increases, or the necessity to revise the Group's investment plans. Additionally, service interruptions, malfunctions or casualties or other significant events could result in the Group being exposed to litigation, which in itself could generate obligations to pay damages. Although the Group has insurance coverage, such coverage may prove insufficient to fully offset the cost of paying such damages. Therefore, the occurrence of one or more of the events described above, or other similar events, could have a material adverse effect on the business prospects, results of operations and financial condition of ENEL and the Group.

The Group faces risks related to the potential liabilities resulting from energy production through nuclear power plants

The Group is in the business of nuclear power generation as a result of the Group's interests in Endesa and Slovenské elektrárne.

Although ENEL believes that Endesa's and Slovenské elektrárne's nuclear power plants use technologies that are internationally recognised and that they are managed according to Western European standards, ownership and operation of nuclear power plants nonetheless exposes the Group to a series of inherent risks, including those relating to the manipulation, treatment, disposal and storage of radioactive substances and the potential adverse effects thereof on the environment and human health.

Slovakia and Spain have ratified international treaties (i.e. Slovakia has ratified the 1963 Vienna Convention on Civil Liability for Nuclear Damage and Spain has ratified the 1960 Paris Convention on Third Party Liability in the Field of Nuclear Energy and the 1963 Brussels Supplementary Convention, as amended) providing for limitations on liabilities resulting from nuclear accidents, such that the Group could be exposed to liabilities within such limitations, towards other countries that have ratified the same international treaties. The Slovakian liability limit is up to Euro 75 million per event. The Spanish liability limit is €700 million (with pending revision up to €1,200 million) for damages caused in countries that signed both the 1960 Paris Convention and the 1963 Brussels Convention, as amended; and (ii) €700 million for damages caused in countries that either signed only the 1960 Paris Convention, but not the 1963 Brussels Supplementary Convention, or do not have nuclear power plants in their own territories. Any nuclear accident or other harmful incident could have a material adverse effect on the business prospects, results of operations and financial condition of ENEL and the Group.

Potential risks also arise in relation to the decommissioning of nuclear power plants. The Slovakian government has established a fund to finance the present and future costs associated with the decommissioning of nuclear reactors. The deficit of this fund has not been officially quantified, and the Group could potentially face future costs relating to decommissioning work at Bohunice or Mochovce, in addition to the amounts that it is already required to contribute to the aforementioned

fund pursuant to law (currently equal to €13.428,26 per installed MW, per year, plus 5.95 per cent. of the revenues derived from Slovenské elektrárne's nuclear generation plants.

The Group is exposed to the risk of increases in the costs of fuel or other raw materials, or disruptions in their supply; it is also exposed to the risk of decreases in the prices obtained for its electricity

In the ordinary course of business, the Group is exposed to the risk of increases in the costs of fuel or other raw materials, or disruptions in their supply. It is also exposed to the risk of decreases in the prices obtained for its electricity. To mitigate such exposures, the Group has developed a strategy of stabilising margins by contracting for supplies of fuel and for its deliveries of electricity to end-users in advance. The Group has also implemented a formal procedure that provides for the measurement of its commodity risk, the specification of a ceiling for maximum acceptable risk and the implementation of a hedging strategy using derivatives. In order to limit the risk of interruptions in fuel supplies, the Group has diversified fuel sources, using suppliers from different geographical areas and encouraging the construction of transportation and storage infrastructure. Furthermore, the Group is committed to limit its exposure to commodity price risk through the use of derivative instruments. Nonetheless, the Group has not eliminated its exposures and significant variations in fuel, raw material or electricity prices, or any relevant interruption in supplies, could have a material adverse effect on the business prospects, results of operations and financial condition of ENEL and the Group. Moreover, the hedging strategies pursued by the Group may create new risks and exposures and we cannot offer assurance that they will function as intended. In addition, because hedging contracts for the price of electricity and/or fuels are available in the market only for limited durations, any hedging effect will not protect against prolonged price movements.

Risk related to the extension of the application of the property tax (“Imposta comunale sugli immobili” – ICI)

Article 1-*quinquies* of Legislative Decree No. 44 of 31 March 2005 states that Article 4 of Royal Decree No. 652 of 13 April 1939 (governing land registries) shall be interpreted, with regard to power plants alone, such that buildings and permanent constructions, as well as those parts that are structurally attached to them, even temporarily, which may be joined by any means of connection with movable parts for the purpose of creating a single complex asset, all consist of part of the land. ENEL has objected to this Article 1-*quinquies* of Legislative Decree No. 44, especially with respect to the inclusion of turbines, and has commenced litigation. ENEL and others have raised issues concerning the constitutionality of the decree.

Seeking clarity, the Regional Tax Commission of Emilia Romagna, in Ordinance No. 16/13/06 (filed on 13 July 2006), referred the issue of the constitutionality of Article 1-*quinquies* of Legislative Decree No. 44 to the Italian Constitutional Court.

On 20 May 2008, the Constitutional Court, in Judgment No. 162/08, ruled that the issues regarding the constitutionality of the decree raised by ENEL and others, and referred to the Constitutional Court by the Regional Tax Commission of Emilia Romagna, had no foundation and, therefore, confirmed the legitimacy of the interpretation. The Group expects the effects of this to be as follows: (i) the inclusion of the value of turbines in land registry values; (ii) the power for local land registry offices to modify taxes from past years retroactively; and (iii) the probable limitation of the retroactive effects of Article 1-*quinquies* to certain power plants that to date have been the subject of comments by the land registry offices.

The Group notes that, to date, no valuation criterion has been introduced for movable assets considered relevant for the determination of land registry values either with regard to the valuation method or the effective identification of the object of the valuation, and the above ruling does not appear to provide any guidance on this issue.

Accordingly, with regard to pending litigation, ENEL Produzione and ENEL Green Power shall continue to pursue the case to request a substantial reduction of the values originally assigned by the land registry offices to the removable parts of their plants. They have, however, allocated what they believe to be an adequate amount to the “provisions for litigation, risks and charges” to cover fully the potential charges that would result from an unfavourable outcome, including the information that has emerged from new assessments. At the same time, they do not feel that further provisions are necessary to take into account possible retroactive application of the rule to other plants, which to date have not been the subject of comments by the land registry offices. In any event, the most part of such plants are small in size.

With respect to the specific criteria used to assess the risk of a potential unfavourable outcome in pending property tax litigation, ENEL takes into account all of the amounts contained in each of the

assessments delivered to the relevant Group companies, as well as properties susceptible to similar disputes. As of 31 December 2011, the total amount set aside for ENEL Produzione was equal to €100.2 million and the corresponding amount for ENEL Green Power was equal to €12.8 million.

Should the pending property tax litigation have an unfavourable outcome and/or the municipalities start seeking additional property tax also in connection with small plants, the Group may become liable to pay additional property tax to the relevant municipalities. Such event may trigger harmful consequences on the activities, business and financial position of the Group.

Furthermore on this point, it is worth mentioning that Article 13 of Law Decree No. 201 of 6 December 2011, converted into Law No. 214 of 22 December 2011, has brought forward the application from 2012 of the municipal tax on real estate (“*Imposta Municipale Unica*” – IMU) which was originally supposed to become effective only from 2014 onward (pursuant to Article 8 of Legislative Decree No. 23 of 14 March 2011 introducing the general reform of municipal and federal taxes). Such tax will apply at the rate of 0.76 per cent. with an increase of approximately 0.1 per cent. with respect to the ICI rates on average applied by the Group on the assets held during the last tax periods.

In accordance with such new legislation, the municipalities are allowed to (i) increase the standard rate by up to 0.3 per cent.; and/or (ii) reduce the ordinary rate by up to 0.4 per cent. in certain cases, including, *inter alia*, for assets held by entities subject to corporate income tax.

The taxable base for IMU purposes will be calculated according to most of the principles currently applicable for the calculation of the taxable base for ICI purposes (provided for by Legislative Decree No. 504 of 30 December 1992), save for the increase of certain parameters utilised in order to determine the value of the real estate (in particular, for industrial buildings, such parameters have been increased from 50 to 60 for 2012 and to 65 for 2013 onward. (For further info, please see “*Description of ENEL — Litigation — Municipal Property Tax Issues*” herein)).

The Group faces risks relating to the variability of weather

Electricity and natural gas consumption levels change significantly as a result of climatic changes. Changes in the weather can produce significant differences in energy demand and the Group’s sales mix. In addition, weather changes (for example, low wind or rain levels) affect the Group’s production from certain renewable sources. Furthermore, adverse weather conditions can affect the regular delivery of energy due to network damage and the consequent service disruption. Significant changes of such nature could adversely affect the business prospects, results of operations and financial condition of ENEL and the Group.

The Group is exposed to a number of different tax uncertainties, which would have an impact on its tax results

The Group is required to pay taxes in multiple jurisdictions. The Group determines the taxation it is required to pay based on its interpretation of the applicable tax laws and regulations in the jurisdictions in which it operates. The Group may be subject to unfavourable changes in the respective tax laws and regulations to which it is subject (e.g. including in respect of interest deductibility and the tax treatment of finance companies in the Netherlands as well as the increase of the additional income tax (the so-called “Robin Hood tax”). The above mentioned tax (increased from 6.5 per cent. to 10.5 per cent.) is applicable for three tax periods — *i.e.* 2011, 2012 and 2013— to a number of taxpayers, including companies engaged in the energy business, and has been extended to the Italian energy distribution sector in which Enel Distribuzione SpA operates.

The financial position of the Group and its ability to service the obligations under its indebtedness may be adversely affected by new laws or changes in the interpretation of existing laws.

Risks Relating to ENEL’s Ordinary Shares

ENEL is controlled by the Italian Ministry of the Economy and Finance (the “MEF”), which has significant influence over ENEL’s actions

As of the date of this Offering Circular, ENEL is controlled by the MEF, pursuant to Article 93 of the Italian Unified Financial Act, which holds a 31.24 per cent. direct stake in ENEL’s ordinary shares.

As long as the MEF remains ENEL’s principal shareholder, it will exercise significant influence in matters requiring shareholder approval, including dividend distributions, capital increases and amendments to ENEL’s articles of association. More importantly, the MEF’s vote, when exercised, will be decisive in appointing the majority of the directors of ENEL, in accordance with the slate-

based voting mechanism set forth in Article 14 of ENEL's articles of association. As a result, other shareholders' ability to influence decisions on matters submitted to a vote of ENEL's shareholders may be limited.

In a letter dated March 2004 the MEF opined that, notwithstanding its total shareholding in ENEL, the discipline concerning management and coordination of companies outlined in Article 2497 of the Italian Civil Code was not applicable to the MEF. This was recently confirmed by Article 19, paragraph 6 of Law Decree No. 78/2009, as implemented by Law No. 102/2009.

Moreover, on 26 March 2009, the Court of Justice of the European Community declared that in defining the criteria for the exercise of the aforementioned special MEF powers, Italy had breached its obligations arising from Article 43 (freedom of establishment) and Article 56 (free circulation of capital) of the European Community Treaty. According to such decision, Italian Prime Minister Decree No. 45711 of 20 May 2010 abrogated the criteria for the exercise of the special powers of the MEF referred to under Article 1, paragraph 2, of the above the Prime Minister's Decree of 10 June 2004. The implications of this decree are not yet clear. This uncertainty should be taken into account by potential investors in the Notes.

Thereafter, the Decree of the President of the Council of Ministers dated 20 May 2010 abrogated the provisions of the aforesaid Prime Minister's Decree of 10 June 2004 censured by the Court of Justice of the European Community. According to this decree, the "special powers" may be exercised "only in the event of relevant and unavoidable reasons of general interest, with particular reference to public order, security, health and defence, in the form and through means which are suitable and proportional to safeguard such interests, also through the possible provision of appropriate time constraints, without prejudice to national and EU rules, and among those, in first instance, the non-discrimination principle".

Factors which are Material for the purpose of assessing the Market Risks Associated with Notes Issued under the Programme

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) consider all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (v) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (vi) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial, tax or legal adviser) to evaluate how the Notes will perform under the changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features (which however are not intended to be an exhaustive description):

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At these times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index Linked Notes and Dual Currency Notes

The Issuers may issue Notes with principal or interest determined by reference to an index (which may reference, among other things, exchange rates, inflation rates or interest rates) or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a “Relevant Factor”). In addition, the Issuers may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The levels or prices of the Relevant Factor (and of securities or other components comprised in an index) may go down as well as up throughout the term of the Notes. Such fluctuations may affect the value of the Notes. Furthermore, the levels or prices of the Relevant Factor at any specific date may not reflect their prior or future performance or evolution. There can be no assurance as to the future performance or evolution of any Relevant Factor.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of its particular circumstances. In addition, in recent years, the value and performance of underlying indices have been volatile and prospective investors should be aware that such volatility may continue in the future.

Partly-paid Notes

The Issuers may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Variable Rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes (also known as Reverse Floating Rate Notes) have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Certain Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the relevant Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on such Fixed/Floating Rate Notes may be less favourable than the prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification, waivers and substitution

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes provide that ENEL N.V. may, at any time, without the consent of the Noteholders, the Receiptholders or the Couponholders (each as defined below), substitute for itself as principal debtor under the Notes, Receipts and the Coupons (each as defined below) either ENEL as Issuer or any of ENEL's Subsidiaries, in the circumstances described in Conditions 16(a) and 16(c) of the conditions of the Notes.

The conditions of the Notes also provide that, where ENEL is the Issuer, ENEL may at any time, without the consent of the Noteholders, the Receiptholders or the Couponholders, substitute for itself as principal debtor under the Notes, Receipts and Coupons any of ENEL's Subsidiaries, in the circumstances described in Condition 16(b) of the Notes.

In either case, the relevant Subsidiary, failing which, ENEL shall indemnify the Noteholders against any adverse tax consequences of such substitution, as described in Conditions 16(a)(i), 16(b)(i) and 16(c)(i) of the Conditions of the Notes, except that neither ENEL nor the relevant Subsidiary shall be liable under such indemnity to pay any additional amounts either on account of "imposta sostitutiva" or on account of any other withholding or deduction in the event of payment of interest or other amounts paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information.

EU Savings Directive

Under EU Council Directive 2003/48/EC on the taxation of savings income (the "EU Savings Directive"), Member States are required to provide to the tax authorities of another Member State details of payments of interest (and other similar income) paid by a person within its jurisdiction to an individual resident or to certain other persons in another Member State, except that Luxembourg

and Austria instead operate a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period they elect otherwise. The European Commission has proposed certain amendments to the EU Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above. A number of third countries and territories including Switzerland have adopted similar measures to the EU Savings Directive.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the relevant Issuer nor any paying agent nor any other person would be obliged to pay additional amounts to the holder of the Notes or to otherwise compensate the holder of Notes for the reduction in the amounts that they will receive as a result of the imposition of such withholding tax. However, the relevant Issuer is required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the EU Savings Directive (if such a state exists).

Taxation

The tax regime in Italy, in The Netherlands and in any other relevant jurisdiction (including, without limitation, the jurisdiction in which each Noteholder is resident for tax purposes) may be relevant to the acquiring, holding and disposing of Notes and the receiving of payments of interest, principal and/or other income under the Notes. Prospective investors in the Notes should consult their own tax advisers as to which countries' tax laws could be relevant and the consequences of such actions under the tax laws of those countries.

Change of law

The conditions of the Notes are based on English law in effect as at the date of this Offering Circular, save that provisions related to the convening of meetings of holders of Notes issued by ENEL and the appointment of a Noteholders' Representative in respect of any Series of Notes issued by ENEL are subject to compliance with mandatory provisions of Italian law. No assurance can be given as to the impact of any possible judicial decision or change to English law and/or Italian law (as the case may be) or administrative practice after the date of this Offering Circular.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuers

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg. While the Notes are represented by one or more Global Notes, the Issuers will discharge their payment obligations under the Notes by making payments to the common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuers have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes. Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

Delisting of the Notes

Application may be made for Notes issued under the Programme to be listed on the official list of the Irish Stock Exchange and admitted to trading on the regulated market of the Irish Stock Exchange and Notes issued under the Programme may also be admitted to trading, listing and/or quotation by any other listing authority, stock exchange or quotation system (each, a "listing"), as specified in the relevant Final Terms. Such Notes may subsequently be delisted despite the best efforts of the relevant Issuer to maintain such listing and, although no assurance is made as to the liquidity

of the Notes as a result of listing, any delisting of the Notes may have a material effect on a Noteholder's ability to resell the Notes on the secondary market.

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severe adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The relevant Issuer will pay principal and interest on the Notes and, if relevant, the Guarantor will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the investor's currency-equivalent yield on the Notes, (2) the investor's currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Notwithstanding the above, any adverse change in an applicable credit rating could adversely affect the trading price for the Notes issued under the Programme.

Tranches of Notes issued under the Programme may be rated or unrated. Where a tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) assigned to ENEL at the date of this Offering Circular or to other Notes issued under the Programme.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the Irish Stock Exchange shall be incorporated in, and form part of, this Offering Circular:

- (a) the auditors report and audited consolidated financial statements of ENEL for the financial year ended 31 December 2010 contained in ENEL's Annual Report 2010;
- (b) the auditors report and audited consolidated financial statements of ENEL for the financial year ended 31 December 2011 contained in ENEL's Annual Report 2011;
- (c) the unaudited interim financial report of ENEL for the three month period ended 31 March 2012;
- (d) the auditors' report and audited consolidated financial statements of ENEL N.V. for the financial year ended 31 December 2010; and
- (e) the auditors' report and audited consolidated financial statements of ENEL N.V. for the financial year ended 31 December 2011.

Following the publication of this Offering Circular a supplement may be prepared by the Issuers and approved by the Central Bank in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Circular or in a document which is incorporated by reference in this Offering Circular. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular can be obtained from the registered office of each of the Issuers and from the specified offices of the Paying Agents for the time being in London and Ireland.

The Issuers and the Guarantor will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Offering Circular which is capable of affecting the assessment of any Notes, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Notes.

The following information from ENEL's annual reports is incorporated by reference, and the following cross-reference lists are provided to enable investors to identify specific items of information so incorporated:

Document	Information incorporated	Location
ENEL's audited consolidated annual financial statements for the financial year ended 31 December 2010	Financial information concerning ENEL Group's assets and liabilities, financial position and profits and losses:	
	Consolidated Income Statement	p. 144
	Statement of consolidated comprehensive income	p. 145
	Consolidated Balance Sheet	pp. 146 – 147
	Statement of changes in consolidated shareholders' equity	pp. 148-149
	Consolidated Statement of Cash Flows	p. 150
	Notes to the Financial Statements	pp. 151 – 241
ENEL's audited consolidated annual financial statements for the financial year ended 31 December 2011	Report of the Independent Auditors	pp. 337 – 338
	Financial information concerning ENEL Group's assets and liabilities, financial position and profits and losses, significant events and summary of the regulatory framework in which ENEL Group operates:	
	Sub-section "Regulatory and rate issues" of section "Reference scenario"	pp. 86-105

Document	Information incorporated	Location
	Significant events in 2011	pp. 67-74
	Consolidated Income Statement	p. 146
	Statement of Comprehensive Income	p. 147
	Consolidated Balance Sheet	pp. 148-9
	Statement of Changes in Consolidated Shareholders' Equity	p. 150
	Consolidated Statement of Cash Flows	p. 151
	Notes to the Financial Statements	pp. 152-272
	Report of the Independent Auditors	Provided separately
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OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the Summary of the Programme and the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The relevant Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only and if appropriate, a supplemental Offering Circular will be published.

This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive.

Words and expressions defined in “Form of the Notes” and “Terms and Conditions of the Notes” below shall have the same meanings in this overview.

Issuers	ENEL — Società per Azioni (“ENEL”) ENEL FINANCE INTERNATIONAL N.V. (“ENEL N.V.”)
Guarantor	ENEL
Description	Global Medium Term Note Programme
Arrangers	Deutsche Bank AG, London Branch, J.P. Morgan Securities Ltd.
Dealers	Banca IMI S.p.A. Banco Bilbao Vizcaya Argentaria, S.A. Banco Santander, S.A. Barclays Bank PLC BNP PARIBAS Centrobanca – Banca di Credito Finanziario e Mobiliare S.p.A. Citigroup Global Markets Limited Crédit Agricole Corporate and Investment Bank Credit Suisse Securities (Europe) Limited Deutsche Bank AG, London Branch Goldman Sachs International HSBC Bank plc J.P. Morgan Securities Ltd. Mediobanca – Banca di Credito Finanziario S.p.A. Merrill Lynch International Mitsubishi UFJ Securities International plc Mizuho International plc Morgan Stanley & Co. International plc NATIXIS Nomura International plc The Royal Bank of Scotland plc Société Générale UBS Limited UniCredit Bank AG and any other Dealers appointed in accordance with the Programme Agreement.

Certain Restrictions Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “Subscription and Sale and Selling and Transfer Restrictions”) including the following restrictions applicable at the date of this Offering Circular:

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have

a denomination of at least £100,000 or its equivalent (see “Subscription and Sale and Selling and Transfer Restrictions”).

Principal Paying Agent	The Bank of New York Mellon
Registrar	The Bank of New York Mellon (Luxembourg) S.A.
Programme Size	Up to €30,000,000,000 (or its equivalent in other currencies) outstanding at any time. The Issuers and the Guarantor may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies	Subject to any applicable legal or regulatory restrictions, any currency agreed between the relevant Issuer and the relevant Dealer.
Redenomination	The applicable Final Terms may provide that certain Notes may be redenominated in Euro.
Maturities	Such maturities as may be agreed between the relevant Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency.
Issue Price	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par. Special tax rules may apply to Notes which are issued at a discount to par, see “Taxation”.
Form of Notes	The Notes will be issued in bearer or registered form as described in “Form of the Notes”. Registered Notes will not be exchangeable for Bearer Notes and vice versa.
Fixed Rate Notes	Fixed interest will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer.
Floating Rate Notes	<p>Floating Rate Notes will bear interest at a rate determined:</p> <ul style="list-style-type: none">(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or(ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or(iii) on such other basis as may be agreed between the relevant Issuer and the relevant Dealer. <p>The margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer for each Series of Floating Rate Notes.</p>
Index Linked Notes	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the relevant Issuer and the relevant Dealer may agree.

Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes

Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the relevant Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the relevant Issuer and the relevant Dealer.

Dual Currency Notes

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the relevant Issuer and the relevant Dealer may agree.

Zero Coupon Notes

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Redemption

The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders upon giving notice to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the relevant Issuer and the relevant Dealer.

The applicable Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see “Certain Restrictions — Notes having a maturity of less than one year” above.

Denomination of Notes

Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see “Certain Restrictions — Notes having a maturity of less than one year” above and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or, if the Notes are denominated in a currency other than Euro, the equivalent amount in such currency).

Taxation

All payments in respect of the Notes will be made without deduction or withholding for or on account of tax imposed by any Tax Jurisdiction (as defined in Condition 8), subject as provided in Condition 8. In the event that any such deduction or withholding is made, the relevant Issuer or the Guarantor, as the case may be, will, except in certain limited circumstances provided in Condition 8, be required to pay additional amounts to cover the amounts so deducted.

Negative Pledge

The terms of the Notes will contain a negative pledge provision as further described in Condition 4.

Cross Default	The terms of the Notes will contain a cross default provision as further described in Condition 10.
Status of the Notes	The Notes will constitute direct, unconditional and (subject to the provisions of Condition 4), unsecured and unsubordinated obligations of the relevant Issuer and will rank <i>pari passu</i> without any preference among themselves and at least equally with all other outstanding unsecured and unsubordinated obligations of the relevant Issuer, present and future, other than obligations, if any, that are mandatorily preferred by statute or by operation of law.
Guarantee	Notes issued by ENEL N.V. will be unconditionally and irrevocably guaranteed by ENEL. The obligations of ENEL under its guarantee will be direct, unconditional and (subject to the provisions of Condition 4) unsecured and unsubordinated obligations of ENEL and will rank at least equally with all other outstanding unsecured and unsubordinated obligations of ENEL, present and future, other than obligations, if any, that are mandatorily preferred by statute or by operation of law.
Rating	The rating of certain series of Notes to be issued under the Programme may be specified in the applicable Final Terms.
Listing	<p>This Offering Circular has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Directive. Application has been made to the Irish Stock Exchange for Notes issued under the Programme to be admitted to the Official List and trading on its regulated market. This Offering Circular constitutes the base prospectus in connection with the application for the Notes to be admitted to the Official List of the Irish Stock Exchange. Notes may also be listed or admitted to trading on such other or further stock exchange(s) as may be agreed between the relevant Issuer and the relevant Dealer in relation to each Series.</p> <p>Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The applicable Final Terms will state whether or not the relevant Notes are to be listed and or admitted to trading, and, if so, on which stock exchange(s).</p>
Governing Law	The Notes and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, English law. Provisions relating to the meetings of holders of Notes issued by ENEL and the appointment of a representative of holders of Notes are subject to and governed by the laws of Italy.
Selling Restrictions	<p>There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United Kingdom, France, The Netherlands and Italy) and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see “Subscription and Sale and Selling and Transfer Restrictions”.</p> <p>In connection with the offering and sale of a particular Tranche of Notes, additional restrictions may be imposed which will be set out in the relevant Final Terms.</p> <p>Each Tranche of Notes in bearer form will be issued either in compliance with U.S. Treas. Reg. 1.163-5(c)(2)(i)(D) (the “TEFRA D Rules”) or with U.S. Treas. Reg. 1.163-5(c)(2)(i)(C) (the “TEFRA C Rules”) unless the Notes are only in registered form and/or the applicable Final Terms specifies that the TEFRA Rules are not applicable.</p>

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons (“Coupons”) attached, or registered form, without Coupons attached. Bearer Notes will be issued outside the United States in reliance on Regulation S under the Securities Act (“Regulation S”) and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A.

Bearer Notes

Each Tranche of Bearer Notes will be initially issued in the form of either a temporary bearer global note (a “Temporary Bearer Global Note”) or a permanent bearer global note (a “Permanent Bearer Global Note”) as indicated in the applicable Final Terms, which, in either case, will:

- (i) if the Global Notes are intended to be issued in new global note (“NGN”) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the “Common Safekeeper”) for Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”); and
- (ii) if the Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depository (the “Common Depository”) for Euroclear and Clearstream, Luxembourg.

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note if the Temporary Global Note is not intended to be issued in NGN form) outside the United States and its possessions and only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the “Exchange Date”) which is 40 days after a Temporary Bearer Global Note is issued, beneficial interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) for definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership thereof as required by U.S. Treasury Regulations as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made outside the United States and its possessions and through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon either (i) not less than 60 days’ written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent as described therein or (ii) only upon the occurrence of an Exchange Event or (iii) at any time at the request of the Issuer. For these purposes, “Exchange Event” means that (i) an Event of Default (as defined in Condition 10) has occurred and is continuing, (ii) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the

relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes with a maturity of more than one year and on all receipts, interest coupons or talons relating to such Notes:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The provisions of the Code referred to in the legend generally provide that any United States person who holds a Bearer Note with a maturity of more than one year, with certain exceptions, will not be allowed to deduct any loss sustained on the sale, exchange or other disposition of such Bearer Note, and will be subject to tax at ordinary income rates (as opposed to capital gain rates) on any gain recognised on such sale, exchange or other disposition.

Notes which are represented by a Temporary Bearer Global Note and/or Permanent Bearer Global Note will only be transferable in accordance with the then current rules and procedures of Euroclear or Clearstream, Luxembourg, as the case may be.

Registered Notes

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form, without Receipts or Coupons (a “Regulation S Global Note”). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Registered Notes of each Tranche may only be offered and sold in the United States or to U.S. persons in private transactions to “qualified institutional buyers” within the meaning of Rule 144A under the Securities Act (“QIBs”). The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form, without Receipts or Coupons (a “Rule 144A Global Note” and, together with a Regulation S Global Note, the “Registered Global Notes”).

Registered Global Notes will either (i) be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company (“DTC”); (ii) be deposited with a custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream, Luxembourg or (iii) be deposited with a common depository or common safekeeper for Euroclear and Clearstream, Luxembourg and registered in the name of such common depository or common safekeeper, as specified in the applicable Final Terms.

Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

The Rule 144A Global Note will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6(d)) as the registered holder of the Registered Global Notes. None of the relevant Issuer, ENEL (where ENEL is not the relevant Issuer), any Paying Agent and the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6(d)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, “Exchange Event” means that (i) an Event of Default has occurred and is continuing, (ii) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the relevant Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act or (iii) in the case of Notes registered in the name of a common depository or common safekeeper for Euroclear or Clearstream, Luxembourg, the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available or (iv) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the relevant Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. **Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see “Subscription and Sale and Selling and Transfer Restrictions”.**

General

Pursuant to the Agency Agreement (as defined under “Terms and Conditions of the Notes”), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number which are different from the common code, ISIN, CUSIP and CINS assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a Bearer Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the relevant Issuer and the Guarantor (where ENEL is not the relevant Issuer) and its/their agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the relevant Issuer, the Guarantor (where ENEL is not the relevant Issuer) and its/their agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly.

So long as DTC or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Agency Agreement and such Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

A Note may be accelerated automatically by the holder thereof in certain circumstances described in Condition 10. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then the Global Note will become void at 8.00 p.m. (London time) on such day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, will become entitled to proceed directly against the relevant Issuer on the basis of statements of account provided by Euroclear, Clearstream, Luxembourg and DTC on and subject to the terms of a deed of covenant (the "Deed of Covenant") dated 22 February 2011 and executed by the relevant Issuer. In addition, holders of interests in such Global Note credited to their accounts with DTC may require DTC to deliver Definitive Notes in registered form in exchange for their interest in such Global Note in accordance with DTC's standard operating procedures.

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of less than €100,000 (or its equivalent in another currency).

[ENEL N.V. may at any time, without the consent of the Noteholders, Receiptholders or the Couponholders, substitute for itself as principal debtor under the Notes, Receipts and the Coupons either ENEL or any of ENEL's Subsidiaries (as defined in Condition 16 of the Notes) as Issuer. ENEL or the relevant Subsidiary (failing which, ENEL), as the case may be, shall indemnify each Noteholder, Receiptholder and Couponholder against (A) any tax, duty, assessment or governmental charge which is imposed on such Noteholder, Receiptholder or Couponholder by (or by any authority in or of) the Republic of Italy with respect to any Note, Receipt or Coupon and which would not have been so imposed had the substitution not been made and (B) any tax, duty, assessment or governmental charge, and any cost or expense relating to the substitution, except that neither ENEL nor the relevant Subsidiary shall be liable under such indemnity to pay any additional amounts either on account of "imposta sostitutiva" or on account of any other withholding or deduction in the event of payment of interest or other amounts paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information. Where ENEL N.V. is to be substituted by another of ENEL's Subsidiaries, such substitution may only take place if ENEL continues to guarantee the obligations of such Subsidiary.]¹

[ENEL may at any time, without the consent of the Noteholders, Receiptholders or the Couponholders, substitute for itself as principal debtor under the Notes, Receipts and the Coupons any of its Subsidiaries (as defined in the Terms and Conditions of the Notes). The relevant Subsidiary, failing which, ENEL, shall indemnify each Noteholder, Receiptholder and Couponholder against (A) any tax, duty, assessment or governmental charge which is imposed on such Noteholder, Receiptholder or Couponholder by (or by any authority in or of) the jurisdiction of incorporation of the Subsidiary with respect to any Note, Receipt or Coupon and which would not have been so imposed had the substitution not been made and (B) any tax, duty, assessment or governmental charge, and any cost or expense relating to the substitution, except that neither the relevant Subsidiary nor ENEL shall be liable under such indemnity to pay any additional amounts either on account of "imposta sostitutiva" or on account of any other withholding or deduction in the event of payment of interest or other amounts paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information. Such substitution may only take place if ENEL continues to guarantee the obligations of such Subsidiary.

In certain circumstances, Notes will be subject to a withholding tax or a substitutive tax at the rate of 20 per cent. in respect of interest and premium (if any). Condition 8 of the Notes provides that in certain cases, neither the Issuer nor the Guarantor will be required to pay any additional amounts to Noteholders in relation to any such withholding.]²

[Date]

¹ Delete where the relevant Issuer is ENEL.

² Delete where the relevant Issuer is ENEL Finance International N.V.

[ENEL — Società per Azioni (incorporated with limited liability in Italy)/ENEL FINANCE INTERNATIONAL N.V., a limited liability company incorporated in The Netherlands with its corporate seat in Amsterdam, The Netherlands, and its registered address at Herengracht 471, 1017 BS Amsterdam, The Netherlands]³

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
issued under the €30,000,000,000
Global Medium Term Note Programme**

[The Offering Circular referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area (each, a “Relevant Member State”) which has implemented Directive 2003/71/EC as amended by Directive 2010/73/EU (collectively, the “Prospectus Directive”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement to a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in paragraph 3 of Part B below, provided such person is one of the persons mentioned in paragraph 3 of Part B below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances].⁴

[The Offering Circular referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area (each, a “Relevant Member State”) which has implemented Directive 2003/71/EC as amended by Directive 2010/73/EU (collectively, the “Prospectus Directive”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances].⁵

**PART A
CONTRACTUAL TERMS**

This document constitutes the Final Terms relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated [●] May 2012 [and the Supplemental Offering Circular dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. This document contains the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Offering Circular [as so supplemented]. Full information on the Issuer, [the Guarantor], and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular [as so supplemented]. The Offering Circular [and the Supplemental Offering Circular] [is] [are] available for viewing at [website][and] during normal business hours at [address], and copies may be obtained from, the Issuer [and the Guarantor] at [its/their] registered office[s].

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) contained in the Agency Agreement dated [original date] and set forth in the Offering Circular dated [original date] [and the Supplemental Offering Circular dated [●]]. This document contains the Final Terms of the Notes described herein for the purposes of Article 5.4 of the

³ Delete as applicable.

⁴ Include this legend where a non-exempt offer of Notes is anticipated.

⁵ Include this legend where only an exempt offer of Notes is anticipated.

Prospectus Directive and must be read in conjunction with the Offering Circular dated [●] May 2012 [and the Supplemental Offering Circular dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Offering Circular dated [original date] [and the Supplemental Offering Circular dated [original date]] and are attached hereto. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circulars dated [●] May 2012 and [previous date] [and the Supplemental Offering Circulars dated [●]]. Copies of such Offering Circulars [and the Supplemental Offering Circulars] are available for viewing [at [website]] and during normal business hours at [address] and copies may be obtained free of charge at the registered office[s] of the Issuer [and the Guarantor].

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]

- | | | |
|---|--|---|
| 1 | (i) Issuer: | [ENEL — Società per Azioni/ENEL FINANCE INTERNATIONAL N.V.] |
| | (ii) [Guarantor: | ENEL — Società per Azioni] |
| 2 | (i) Series Number: | [●] |
| | (ii) Tranche Number: | [●] |
| | | <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)</i> |
| 3 | Specified Currency or Currencies: | [●] |
| 4 | Aggregate Nominal Amount: | |
| | (i) Series: | [●] |
| | (ii) Tranche: | [●] |
| 5 | (i) Issue Price: | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] <i>(in the case of fungible issues only, if applicable)</i>] |
| | (ii) Net Proceeds: | [●] <i>(Required only for listed issues)</i> |
| 6 | (i) Specified Denominations: <i>(In the case of Registered Notes, this means the minimum integral amount in which transfers can be made)</i> | [●] <i>(N.B. If an issue of Notes is (i) NOT admitted to trading on a European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €1,000 minimum denomination is not required.)</i> |
| | (ii) Calculation Amount <i>(Applicable to Notes in definitive Form.)</i> | <i>(If only one Specified Denomination, insert the Specified Denomination.
If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)</i> |
| 7 | (i) Issue Date: | [●] |
| | (ii) Interest Commencement Date: | [specify/Issue Date/Not Applicable] <i>(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)</i> |
| 8 | Maturity Date: | [Fixed rate — specify date/Floating rate — Interest Payment Date falling in or nearest to [specify month]] |
| 9 | Interest Basis: | [[●] per cent. Fixed Rate] |

- [[LIBOR/EURIBOR] +/- [●] per cent.
Floating Rate]
[Zero Coupon]
[Index Linked Interest]
[Dual Currency Interest]
[specify other]
(further particulars specified below)
- 10 Redemption/Payment Basis: [Redemption at par]
[Index Linked Redemption]
[Dual Currency Redemption]
[Partly Paid]
[Instalment]
[specify other]
(N.B. If Index Linked Interest or Redemption applies, and/or if the Final Redemption Amount is other than 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Commission Regulation (EC) no. 809/2004 of 29 April 2004 (the "Prospectus Directive Regulation") will apply.)
- 11 Change of Interest Basis or Redemption/
Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]
- 12 Put/Call Options [Investor Put]
[Issuer Call]
[(further particulars specified below)]
- 13 (a) Status of the Notes: Senior
(b) Status of the Guarantee: Senior
(c) Date [Board] approval for issuance of Notes [and Guarantee] obtained: [●]
- (N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)*
- 14 Method of distribution: [Syndicated/Non-syndicated]
- Provisions Relating to Interest (if any) Payable**
- 15 Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate(s) of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/other (specify)] in arrear]
(If payable other than annually, consider amending Condition 5)
- (ii) Interest Payment Date(s): [●] in each year up to and including the Maturity Date/[specify other] *(NB: This will need to be amended in the case of long or short coupons)*
- (iii) Fixed Coupon Amount(s): *(Applicable to Notes in definitive form)* [●] per Calculation Amount
- (iv) Broken Amount(s): [●] per Calculation Amount, payable on the *(Applicable to Notes in definitive form)* Interest Payment Date falling on [●]
- (v) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or specify other]
- (vi) Determination Date(s): [●] in each year
[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon (NB: This will need to be amended in the case of regular interest payment dates

		<i>which are not of equal duration) (NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))]</i>
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/Give details]
16	Floating Rate Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Specified Period(s)/Specified Interest Payment Dates:	[●]
	(ii) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ <i>specify other</i>]
	(iii) Additional Business Centre(s):	[●]
	(iv) Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/ <i>specify other</i>]
	(v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[●]
	(vi) Screen Rate Determination:	
	– Reference Rate:	[●] <i>(Either LIBOR, EURIBOR or other, although additional information is required if other — including fallback provisions in the Agency Agreement)</i>
	– Interest Determination Date(s):	[●] <i>(Second day in London on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) prior to the start of each Interest Period if LIBOR (other than Sterling or Euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or Euro LIBOR)</i>
	– Relevant Screen Page:	[●] <i>(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)</i>
	(vii) ISDA Determination:	
	– Floating Rate Option:	[●]
	– Designated Maturity:	[●]
	– Reset Date:	[●]
	– ISDA Definitions	[2000/2006]
	(viii) Margin(s):	[+/-] [●] per cent. per annum
	(ix) Minimum Rate of Interest:	[●] per cent. per annum
	(x) Maximum Rate of Interest:	[●] per cent. per annum
	(xi) Day Count Fraction:	[Actual/Actual (ISDA) Actual/365 (Fixed) Actual/365 (Sterling) Actual/360]

30/360
 30E/360
 30E/360 (ISDA)
 Other]
(See Condition 5 for alternatives)

- (xii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:
- 17 Zero Coupon Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Accrual Yield: per cent. per annum
- (ii) Reference Price:
- (iii) Any other formula/basis of determining amount payable:
- (iv) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 7(e)(iii) and 7(j) apply/specify other]
(Consider applicable day count fraction if not U.S. dollar denominated)
- 18 Index Linked Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
 [Standard Determination: Applicable]
(If other, include details below)
- (i) Index/Formula: [HICP] [other] [give or annex details]
- (ii) Index Rate: [As specified in Condition 5(b)(ii)(C)] [Other]
- (iii) Index Performance: [As specified in Condition 5(b)(ii)(C)] [Other]
- (iv) Margin:
- (v) Calculation Agent: [give name and address]
- (vi) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent):
- (vii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [Amendments to Index]
 [Delay in Publication of the Index]
 [Cessation in Publication of the Index]
 [Change of Base]
 [Manifest Error in Publication]
[If different from those set out in the Terms and Conditions of the Notes, include a description of market disruption or settlement disruption events and adjustment provisions]
- (viii) Specified Period(s)/Specified Interest Payment Dates:
- (ix) Interest Period End Dates:
- | | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|
| Interest Period | | | |
| End Date | Index _N | Index _{N-1} | |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
- [Insert in tabular format for Index Linked Interest Notes where Standard Determination applies]*
- (x) Specified Number of

Index Determination Days

- (xi) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]
- (xii) Additional Business Centre(s): [●]
- (xiii) Minimum Rate of Interest: [●] per cent. per annum
- (xiv) Maximum Rate of Interest: [●] per cent. per annum
- (xv) Day Count Fraction: [●]
- 19 Dual Currency Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
[(N.B.: If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply)]
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): [●]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [●] *[If appropriate, include a description of market disruption or settlement disruption events and adjustment provisions]*
- (iv) Person at whose option Specified Currency(ies) is/are payable: [●]

Provisions Relating to Redemption

- 20 Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[●] per Calculation Amount/*specify other*/see Appendix]
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [●]
- (b) Maximum Redemption Amount: [●]
- (iv) Notice period (if other than as set out in the Conditions): [●]
- (N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*

- 21 Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[●] per Calculation Amount/specify other/see Appendix]
- (iii) Notice period (if other than as set out in the Conditions): [●]
(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)
- 22 Final Redemption Amount: [[●] per Calculation Amount/specify other/see Appendix]
(N.B. If Index Linked Interest or Redemption applies, and/or if the Final Redemption Amount is other than 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
- 23 Early Redemption Amount payable on redemption for taxation reasons or on Event of Default and/or the method of calculating the same (if required or if different from that set out in Condition 7(e)): [[●] per Calculation Amount/specify other/see Appendix]

General Provisions Applicable to the Notes

- 24 Form of Notes:
- (a) Form: [Bearer Notes:
 [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]
 [Temporary Bearer Global Note exchangeable for Definitive Notes on and after the Exchange Date]
 [Permanent Bearer Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]
 [Registered Notes:
 Regulation S Global Note ([●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)]
 Rule 144A Global Note ([●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)]

(Ensure that this is consistent with the wording in the “Form of the Notes” section in the Offering Circular and the Notes themselves.)

- (b) New Global Note: [Yes][No]
- 25 Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details]
- (Note that this paragraph relates to the place of payment and not Interest Period end dates to which paragraphs 16(iii) and 18(vi) relate)*
- 26 Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
- 27 Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details. NB: new forms of Global Notes may be required for Partly Paid issues.]
- 28 Details relating to Instalment Notes:
- (i) Instalment Amount(s): [Not Applicable/give details]
- (ii) Instalment Date(s): [Not Applicable/give details]
- 29 Redenomination applicable: Redenomination [not] applicable
(if Redenomination is applicable, specify the terms of Redenomination in an Annex to the Final Terms)
- 30 [US Federal Income Tax considerations: [Not applicable/give details]]
- 31 Other final terms: [Not Applicable/give details]
(when adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive)
(Consider including a term providing for tax certification if required to enable interest to be paid gross by issuers.)

Distribution

- 32 (i) If syndicated, names [and addresses] of Managers [and underwriting commitments]: [Not Applicable/give names [and addresses and underwriting commitments]] *(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)*
- (ii) Date of [Subscription] Agreement: [●]
- (iii) Stabilising Manager (if any): [Not Applicable/give name]
- 33 If non-syndicated, name of relevant Dealer: [●]
- 34 Total commission and concession: [●] per cent. of the Aggregate Notional Amount
- 35 U.S. Selling Restrictions: [Reg. S Category 2; TEFRA D/TEFRA C/TEFRA not applicable]
- 36 Non exempt Offer: [Not Applicable] *[An offer of the Notes may be made by the Managers [and [specify names of other financial intermediaries/ placers making non-exempt offers, to the extent*

known or consider a generic description of other parties involved in non-exempt offers (e.g. “other parties authorised by the Managers”) or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known]] (together with the Managers, the “Financial Intermediaries”) other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) — which must be jurisdictions where the Offering Circular and any supplements have been passported (in addition to the jurisdiction where approved and published)] (the “Public Offer Jurisdictions”) during the period from [specify date] until [specify date or a formula such as “the Issue Date” or “the date which falls [●] Business Days thereafter”] (the “Offer Period”). See further paragraph 3 of Part B below.

(N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/passported.)

37 Additional selling restrictions:

[Not Applicable/give details]

Purpose of Final Terms

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on [the Irish Stock Exchange] [specify, if relevant, listing on an official list] of the Notes described herein pursuant to the €30,000,000,000 Global Medium Term Note Programme of ENEL FINANCE INTERNATIONAL N.V. as Issuer and ENEL — Società per Azioni as Issuer and Guarantor.

Responsibility

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms. [Relevant third party information, for example in compliance with Annex XII to the Prospectus Directive Regulation in relation to an index or its components has been extracted from [specify source].] The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [specify source], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of the Issuer:

[Signed on behalf of the Guarantor:]

By:
Duly authorised

By:
Duly authorised

PART B OTHER INFORMATION

1 Listing and Admission to Trading

[Application has been made by the Issuer (or on its behalf) for the Notes [to list on the official list and] to trade on the regulated market of the Irish Stock Exchange with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes [to list on the official list and] to trade on the regulated market of the Irish Stock Exchange with effect from [●].] [Not Applicable.]

2 Ratings

Ratings:

The Notes to be issued have been rated:

[S & P: [●]]

[Moody's: [●]]

[[Other]: [●]]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

Insert one (or more) of the following options, as applicable:

[[Insert credit rating agency/ies] [is]/[are] established in the European Union and [has]/[have each] applied for registration under Regulation (EC) No 1060/2009 (as amended), although the result of such application has not yet been notified by the relevant competent authority.]

[[Insert credit rating agency/ies] [is]/[are] established in the European Union and registered under Regulation (EC) No 1060/2009 (as amended).]

[Insert credit rating agency] is established in the EU and is neither registered nor has it applied for registration under Regulation (EC) No 1060/2009 (as amended).

[Insert credit rating agency] is not established in the EU but the rating it has given to the Notes is endorsed by [credit rating agency], which is established in the EU and registered under Regulation (EC) No 1060/2009 (as amended).

[Insert credit rating agency] is not established in the EU but is certified under Regulation (EC) No 1060/2009 (as amended).

[Insert credit rating agency] is not established in the EU and is not certified under Regulation (EC) No 1060/2009 (as amended) (the "CRA Regulation") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EU and registered under the CRA Regulation.

3 [Public Offers

- (a) Offer Period: [●] to [●]
(Should be from the date of publication of the Final Terms to a specified date or a formula such as “the Issue Date” or “the date which falls [●] Business Days thereafter”.)
- (b) Offer Price: [The Issuer has offered the Notes to the Managers at the initial issue price of [●] less a total commission of [●]. OR *(where the price is not determined at the date of the Final Terms)* The issue price of the Notes will be determined by the Issuer and the [Managers] on or about [●] in accordance with market conditions then prevailing, including [supply and demand for the Notes and other similar securities] [and] [the then current market price of *[insert relevant benchmark security, if any]*].
- (c) Conditions to which the offer is subject: [Offers of the Notes are conditional on their issue [and on any additional conditions set out in the standard terms of business of the Financial Intermediaries, notified to investors by such relevant Financial Intermediaries]]
- [(d)] [Description of the application process: N/A unless full application process is being followed in relation to the issue]
- [(e)] [Details of the minimum and/or maximum amount of application: N/A unless full application process is being followed in relation to the issue]
- [(f)] [Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: N/A unless full application process is being followed in relation to the issue]
- [(g)] Details of the method and time limits for paying up and delivering the Notes: [The Notes will be issued on the Issue Date against payment to the Issuer of the net subscription moneys. Investors will be notified by the relevant Financial Intermediary of their allocations of Notes and the settlement arrangements in respect thereof]
- [(h)] [Manner and date in which results of the offer are to be made public: *N/A unless the issue is an “up to” issue when disclosure must be included]*
- [(i)] [Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: N/A unless full application process is being followed in relation to the issue]
- [(j)] Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: [Offers may be made by the Financial Intermediaries in *[insert jurisdiction where the Prospectus has been approved and published and jurisdictions into which it has been passported]* to any person *[insert suitability criteria, if any are deemed appropriate pursuant to any applicable conduct of business rules]*. In other EEA countries, offers will only be made by the Financial Intermediaries pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus.]
- [(k)] [Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: *[Process for notification — N/A unless full application process is being followed in relation to the issue.]*
- No dealings in the Notes on a regulated market for the purposes of the Markets in Financial

Instruments Directive 2004/39/EC may take place prior to the Issue Date.]

[(l)] [Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not applicable/give details]]]

[(m)] [Name(s) and address(es), to the extent known to the Issuer, of the places in the various countries where the offer takes place: [None/give details]]]

4 **Interests of Natural and Legal Persons Involved in the Issue**

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. — *Amend as appropriate if there are other interests*]

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)]

5 **Reasons for the Offer, Estimated Net Proceeds and Total Expenses**

[(i) Reasons for the offer [●]
(See [“Use of Proceeds”] wording in Offering Circular — if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]

[(ii) Estimated net proceeds: [●]
(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds are insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii) Estimated total expenses: [●]. *[Expenses are required to be broken down into each principal intended “use” and presented in order of priority of such “uses”.]*
(N.B.: If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)

6 **Yield (Fixed Rate Notes only)** Indication of yield:

[●]

[Calculated as *[include details of method of calculation in summary form]* on the Issue Date.]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

7 **[Historic Interest Rates (Floating Rate Notes only)**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

8 **[Performance of Index/Formula, Explanation of Effect on Value of Investment and Associated Risks and Other Information Concerning the Underlying (Index-Linked Notes only)**

[Include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident]

[Need to include details of where past and future performance and volatility of the index/formula can be obtained.]

[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained.]

[Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

[(When completing the above paragraphs, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)]

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information]

9 **[Performance of Rate[s] of Exchange and Explanation of Effect on Value of Investment**

(Dual Currency Notes only)

[If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident]

(N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]

[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)]

10 **Operational Information**

- | | |
|--|---|
| (i) ISIN Code: | <input type="checkbox"/> |
| (ii) Common Code: | <input type="checkbox"/> |
| (iii) CUSIP: | <input type="checkbox"/> |
| (iv) CINS: | <input type="checkbox"/> |
| (v) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): | [Not Applicable/give name(s) and number(s) and address(es)] |
| (vi) Delivery: | Delivery [against/free of] payment |
| (vii) Names and addresses of additional Paying Agent(s) (if any): | <input type="checkbox"/> |
| (viii) Intended to be held in a manner which would allow Eurosystem eligibility: | [Yes] [No]
[Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][include this text for registered notes] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]
[include this text if “yes” selected in which case bearer Notes must be issued in NGN form] |

11 Further Information in Respect of the Issuer

[Delete where the Issuer is ENEL FINANCE INTERNATIONAL N.V.]

[The mandatory information set out in this Schedule pursuant to Article 2414 of the Italian Civil Code may need to be updated if, at the time of issue of the Notes, any of it has changed since the date on which the Programme was established.]

Corporate object: [The objects of the Issuer, as set out in Article 4 of its by-laws are:

The purpose of the Company shall be to acquire and manage equity holdings in Italian or foreign companies and firms, as well as to provide such subsidiary companies and firms with strategic guidelines and coordination with regard to both their industrial organisation and the business activities in which they engage.

Through affiliates or subsidiaries the Company shall operate especially:

- (a) in the electricity industry, including the activities of production, importation and exportation, distribution and sale, as well as transmission within the limits of existing legislation;
- (b) in the energy industry in general, including fuels, and in the field of environmental protection, as well as in the water sector;
- (c) in the communications, telematics and information-technology industries and those of multimedia and interactive services;
- (d) in network-based sectors (electricity, water, gas, district heating, telecommunications) or those which, in any case, provide urban services locally;
- (e) in other sectors:
 - in any way related to or connected with the activities carried out in the sectors mentioned above;
 - allowing the facilities, resources and expertise employed in the sectors mentioned above (such as, by way of example and without limitation: publishing, real estate and services to firms) to be enhanced and better utilised;
 - allowing the profitable use of the goods produced and the services provided in the sectors mentioned above;
- (f) in the carrying out of activities involving systems and installations design, construction, maintenance and management; the production and sale of equipment; research, consulting and assistance; as well as the acquisition, sale, marketing and trading of goods and services, all activities connected with the sectors mentioned above under (a), (b), (c) and (d).

In the interest of its affiliates or subsidiaries, the Company may also carry out directly any activity connected with or instrumental to its own business or that of its affiliates or subsidiaries themselves.

To this end, the Company shall in particular see to:

- the coordination of the managerial resources of its affiliates or subsidiaries, including the carrying out of appropriate training initiatives;
- the administrative and financial coordination of its affiliates or subsidiaries, effecting in their favour all appropriate transactions, including granting loans and, more in general, the framework and management of their financial activities;
- the supply of other services in favour of its affiliates or subsidiaries in areas of specific business interest.

In order to attain its corporate purpose, the Company may also carry out all transactions that are instrumentally necessary or useful or at any rate related, such as, by way of example: the provision of collateral and/or personal guarantees for both its own and third-party commitments; transactions involving movables and real-estate and commercial operations; and anything else that is connected with its corporate purpose or that allows better use of its own facilities and/or resources or those of its affiliates or subsidiaries, with the exception of accepting monetary deposits from the public and providing investment services as defined by legislative decree No. 58 of 24 February 1998, as well as the activities referred to in section 106 of legislative decree No. 385 of 1 September 1993 insofar as they are also exercised vis-à-vis the public.

Registered Office:	[Viale Regina Margherita 137, Rome, Italy.]
Company's Registered Number:	[Companies' Registry of Rome No. 00811720580, Chamber of Commerce of Rome, Italy.]
Amount of share capital and reserves:	Share capital: euro [●], consisting of [●] ordinary shares with a nominal value of euro [●] each and [●] non-convertible savings shares with a nominal value of euro [●] each. Reserves: euro [●]
Date of resolutions authorising the issue of the Notes:	Resolution passed on [●] and registered at the Companies' Registry of Rome on [●]

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of at least €100,000 (or its equivalent in another currency).

[ENEL N.V. may at any time, without the consent of the Noteholders, Receiptholders or the Couponholders, substitute for itself as principal debtor under the Notes, Receipts and the Coupons either ENEL or any of ENEL's Subsidiaries (as defined in Condition 16 of the Notes) as Issuer. ENEL or the relevant Subsidiary (failing which, ENEL), as the case may be, shall indemnify each Noteholder, Receiptholder and Couponholder against (A) any tax, duty, assessment or governmental charge which is imposed on such Noteholder, Receiptholder or Couponholder by (or by any authority in or of) the Republic of Italy with respect to any Note, Receipt or Coupon and which would not have been so imposed had the substitution not been made and (B) any tax, duty, assessment or governmental charge, and any cost or expense relating to the substitution, except that neither ENEL nor the relevant Subsidiary shall be liable under such indemnity to pay any additional amounts either on account of "imposta sostitutiva" or on account of any other withholding or deduction in the event of payment of interest or other amounts paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information. When ENEL N.V. is to be substituted by another of ENEL's Subsidiaries, such substitution may only take place if ENEL continues to guarantee the obligations of such Subsidiary.]⁶

[ENEL may at any time, without the consent of the Noteholders, Receiptholders or the Couponholders, substitute for itself as principal debtor under the Notes, Receipts and the Coupons any of its Subsidiaries (as defined in the Terms and Conditions of the Notes). The relevant Subsidiary, failing which, ENEL, shall indemnify each Noteholder, Receiptholder and Couponholder against (A) any tax, duty, assessment or governmental charge which is imposed on such Noteholder, Receiptholder or Couponholder by (or by any authority in or of) the jurisdiction of incorporation of the Subsidiary with respect to any Note, Receipt or Coupon and which would not have been so imposed had the substitution not been made and (B) any tax, duty, assessment or governmental charge, and any cost or expense relating to the substitution, except that neither ENEL nor the relevant Subsidiary shall be liable under such indemnity to pay any additional amounts either on account of "imposta sostitutiva" or on account of any other withholding or deduction in the event of payment of interest or other amounts paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information. Such substitution may only take place if ENEL continues to guarantee the obligations of such Subsidiary.

In certain circumstances, Notes will be subject to a withholding tax or a substitutive tax at the rate of 20 per cent. in respect of interest and premium (if any). Condition 8 of the Notes provides that in certain cases, neither the Issuer nor the Guarantor will be required to pay any additional amounts to Noteholders in relation to any such withholding.]⁷

[Date]

⁶ Delete where the relevant Issuer is ENEL.

⁷ Delete where the relevant Issuer is ENEL FINANCE INTERNATIONAL N.V.

[ENEL — Società per Azioni (incorporated with limited liability in Italy)/**ENEL FINANCE INTERNATIONAL N.V.**, a limited liability company incorporated in The Netherlands with its corporate seat at Amsterdam, The Netherlands, and its registered address at Herengracht 471, 1017 BS Amsterdam, The Netherlands]⁸

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
issued under the €30,000,000,000
Global Medium Term Note Programme**

**PART A
CONTRACTUAL TERMS**

This document constitutes the Final Terms relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 30 May 2012 [and the Supplemental Offering Circular dated [●]] which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC as amended by Directive 2010/73/EU (collectively, the “Prospectus Directive”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular [as so supplemented]. Full information on the Issuer [, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular [as so supplemented]. The Offering Circular [and the Supplemental Offering Circular] [is][are] available for viewing [at [website]] [and] during normal business hours at [address] [and copies may be obtained from the Issuer [and the Guarantor] at [its/their] registered office(s)].

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) contained in the Agency Agreement dated [original date] and set forth in the Offering Circular dated [original date] [and the Supplemental Offering Circular dated [●]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC as amended by Directive 2010/73/EU (collectively, the “Prospectus Directive”) and must be read in conjunction with the Offering Circular dated 30 May 2012 [and the Supplemental Offering Circular dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Offering Circular dated [original date] [and the Supplemental Offering Circular dated [original date]] and are attached hereto. Full information on the Issuer [, the Guarantor(s)] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circulars dated [●] May 2012 and [original date] [and the Supplemental Offering Circular dated [●]]. Copies of such Offering Circulars [and the Supplemental Offering Circulars] are available for viewing [at [website]] [and] during normal business hours at [address] [and copies may be obtained from [address]].

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination [must/may need to] be £100,000 or its equivalent in any other currency].

- | | | | |
|---|------|----------------|---|
| 1 | (i) | Issuer: | [ENEL — Società per Azioni/ENEL FINANCE INTERNATIONAL N.V.] |
| | (ii) | [Guarantor: | [ENEL — Società per Azioni] |
| 2 | (i) | Series Number: | [●] |

⁸ Delete as applicable.

(ii)	Tranche Number:	[●] <i>(If fungible with an existing Series, details of that Series including the date on which the Notes become fungible)</i>
3	Specified Currency or Currencies:	[●]
4	Aggregate Nominal Amount:	[●]
(i)	Series:	[●]
(ii)	Tranche:	[●]
5	(i) Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
(ii)	Net Proceeds:	[●] (Required only for listed issues)
6	(i) Specified Denominations: <i>(in the case of Registered Notes, this means the minimum integral amount in which transfer can be made)</i>	[●] <i>(Note — where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed: “[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].”) (N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the [€100,000] minimum denomination is not required.)</i>
(ii)	Calculation Amount <i>(Applicable to Notes in definitive Form):</i>	[●] <i>(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)</i>
7	(i) Issue Date:	[●]
(ii)	Interest Commencement Date:	[specify/Issue Date/Not Applicable] <i>(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)</i>
8	Maturity Date:	[Fixed rate — specify date/Floating rate — Interest Payment Date falling in or nearest to [specify month]]
9	Interest Basis:	[[●] per cent. Fixed Rate] [[LIBOR/EURIBOR] +/-[●] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Dual Currency Interest] [specify other] (further particulars specified below)

- 10 Redemption/Payment Basis: [Redemption at par]
[Index Linked Redemption]
[Dual Currency Redemption]
[Partly Paid]
[Instalment]
[specify other]
(N.B. If Index Linked Interest or Redemption applies, and/or if the Final Redemption Amount is other than 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Commission Regulation (EC) no. 809/2004 of 29 April 2004 (the "Prospectus Directive Regulation") will apply)
- 11 Change of Interest Basis or Redemption/Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]
- 12 Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
- 13 (i) Status of the Notes: Senior
(ii) [Status of the Guarantee: Senior
(iii) [Date [Board] approval for issuance of Notes [and Guarantee] obtained: [and , respectively]]
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)
- 14 Method of distribution: [Syndicated/Non-syndicated]
- Provisions Relating to Interest (if any) Payable**
- 15 Fixed Rate Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate(s) of Interest: per cent. per annum [payable [annually/semi annually/quarterly/other (specify)] in arrear]
(If payable other than annually, consider amending Condition 5)
- (ii) Interest Payment Date(s): [[] in each year up to and including the Maturity Date]/[specify other]
(N.B. This will need to be amended in the case of long or short coupons)
- (iii) Fixed Coupon Amount(s): per Calculation Amount
(Applicable to Notes in definitive form.)
- (iv) Broken Amount(s): per Calculation Amount, payable on the Interest Payment Date falling on []
(Applicable to Notes in definitive form.)
- (v) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or [specify other]]
- (vi) [Determination Date(s):] in each year
[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon
(N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration)
(N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))]

(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/give details]
16 Floating Rate Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Specified Period(s)/Specified Interest Payment Dates:	[●]
(ii) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ <i>specify other</i>]
(iii) Additional Business Centre(s):	[●]
(iv) Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/ <i>specify other</i>]
(v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[●]
(vi) Screen Rate Determination:	[●]
– Reference Rate:	[●] (Either LIBOR, EURIBOR or other, although additional information is required if other — including fallback provisions in the Agency Agreement)
– Interest Determination Date(s):	[●] (Second day in London on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) prior to the start of each Interest Period if LIBOR (other than Sterling or Euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or Euro LIBOR)
– Relevant Screen Page:	[●] (In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
(vii) ISDA Determination:	[●]
– Floating Rate Option:	[●]
– Designated Maturity:	[●]
– Reset Date:	[●]
ISDA Definitions:	[2000/2006]
(viii) Margin(s):	[+/-] [●] per cent. per annum
(ix) Minimum Rate of Interest:	[●] per cent. per annum
(x) Maximum Rate of Interest:	[●] per cent. per annum
(xi) Day Count Fraction:	[Actual/Actual (ISDA) Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 30E/360 30E/360 (ISDA)]

	Other]		
	(See Condition 5 for alternatives)		
(xii)	Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●]	
17	Zero Coupon Note Provisions	[Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)	
(i)	Accrual Yield:	[●] per cent. per annum	
(ii)	Reference Price:	[●]	
(iii)	Any other formula/basis of determining amount payable:	[●]	
(iv)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Conditions 7(e)(iii) and 7(j) apply/specify other] (Consider applicable day count fraction if not U.S. dollar denominated)	
18	Index Linked Interest Note Provisions	[Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph) [Standard Determination: Applicable] (If other, include details below)	
(i)	Index/Formula:	[HICP] [other][give or annex details]	
(ii)	Index Rate	[As specified in Condition 5(b)(ii)(C)] [Other]	
(iii)	Index Performance	[As specified in Condition 5(b)(ii)(C)] [Other]	
(iv)	Margin:	[●]	
(v)	Calculation Agent:	[Give name and address]	
(vi)	Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent):	[●]	
(vii)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[Amendments to Index] [Delay in Publication of the Index] [Cessation of the Publication of the Index] [Change of Base] [Manifest Error in Publication] <i>[if different from those set out in the Terms and Conditions of the Notes, include a description of market disruption or settlement disruption events and adjustment provisions]</i>	
(viii)	Specified Period(s)/Specified Interest Payment Dates:	[●]	
(ix)	Interest Period End Dates:	[●]	
		Interest Period	
		End Date	
			Index _N Index _{N-1}
		[●]	[●] [●]
		[●]	[●] [●]
			<i>[Insert in tabular format for Index Linked Interest Notes where Standard Determination applies]</i>
(x)	Specified Number of Index Determination Days:	[●]	
(xi)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day	

	Convention/Preceding Business Day Convention/ <i>specify other</i>]
(xii) Additional Business Centre(s):	[●]
(xiii) Minimum Rate of Interest:	[●] per cent. per annum
(xiv) Maximum Rate of Interest:	[●] per cent. per annum
(xv) Day Count Fraction:	[●]
19 Dual Currency Interest Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i> <i>(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)</i>
(i) Rate of Exchange/method of calculating Rate of Exchange:	<i>[give details]</i>
(ii) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent):	[●]
(iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	<i>[if appropriate, include a description of market disruption or settlement disruption events and adjustment provisions]</i>
(iv) Person at whose option Specified Currency(ies) is/are payable:	[●]
Provisions Relating to Redemption	
20 Issuer Call:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Optional Redemption Date(s):	[●]
(ii) Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount/ <i>specify other</i> /see Appendix]
(iii) If redeemable in part:	
(a) Minimum Redemption Amount:	[●]
(b) Maximum Redemption Amount:	[●]
(iv) Notice period (if other than as set out in the Conditions):	[●]
	<i>(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)</i>
21 Investor Put:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Optional Redemption Date(s):	[●]
(ii) Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount/ <i>specify other</i> /see Appendix]
(iii) Notice period (if other than as set out in the Conditions):	[●]
	<i>(N.B. If setting notice periods which are different to</i>

those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

22 Final Redemption Amount:

[[●] per Calculation Amount/specify other/see Appendix]

(N.B. If Index Linked Interest or Redemption applies, and/or if the Final Redemption Amount is other than 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)

23 Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7(e)):

[[●] per Calculation Amount/specify other/see Appendix]

General Provisions Applicable to the Notes

24 Form of Notes:

(a) [Form:]

[Bearer Notes:

Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]

[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]

[Registered Notes:

Regulation S Global Note ([●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)]

Rule 144A Global Note ([●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)]

(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Offering Circular and the Notes themselves. N.B. The exchange upon notice at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified

Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)

- (b) [New Global Note: [Yes][No]]
- 25 Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details]
(Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 16(iii) and 18(vii) relate)
- 26 Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
- 27 Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details. N.B. a new form of Global Note may be required for Partly Paid issues]
- 28 Details relating to Instalment Notes:
(i) Instalment Amount(s): [Not Applicable/give details]
(ii) Instalment Date(s): [Not Applicable/give details]
- 29 Redenomination applicable: Redenomination [not] applicable [(If Redenomination is applicable, specify the terms of the redenomination in an Annex to the Final Terms)]
- 30 [US Federal Income Tax considerations: [Not applicable/give details]]
- 31 Other final terms: [Not Applicable/give details]
[(When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)]
(Consider including a term providing for tax certification if required to enable interest to be paid gross by issuers.)

Distribution

- 32 (i) If syndicated, names [and addresses] of Managers [and underwriting commitments]: [Not Applicable/give names [and addresses and underwriting commitments]]
[(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies,] include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)
- (ii) Date of [Subscription] Agreement: [●]
(The above is only relevant if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies)
- (iii) Stabilising Manager(s) (if any): [●]
- 33 If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
- 34 Total commission and concession: [●] per cent. of the Aggregate Notional Amount
- 35 U.S. Selling Restrictions: [Reg. S Category 2; TEFRA D/TEFRA C/TEFRA not applicable]
- 36 Additional selling restrictions: [Not Applicable/give details]

Purpose of Final Terms

These Final Terms comprise the final terms required for issue and admission to trading on [*the Regulated Market of the Irish Stock Exchange*] [*specify, if relevant, listing on an official list*] of the Notes described herein pursuant to the €30,000,000,000 Global Medium Term Note Programme of ENEL FINANCE INTERNATIONAL N.V. as Issuer and ENEL — Società per Azioni as Issuer and Guarantor.

Responsibility

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms. [Relevant third party information, for example in compliance with Annex XII to the Prospectus Directive Regulation in relation to an index or its components has been extracted from [*specify source*].] The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

[Signed on behalf of the Guarantor:]

By:
Duly authorised

By:
Duly authorised

**PART B
OTHER INFORMATION**

1 Listing and Admission to Trading

- (i) Listing and Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes [to list on the official list and] to trade on the regulated market of the Irish Stock Exchange with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes [to list on the official list and] to trade on the regulated market of the Irish Stock Exchange with effect from [●].] [Not Applicable.]
- (ii) Estimate of total expenses related to admission to trading: [●]

2 Ratings

Ratings: The Notes to be issued have been rated:
[S&P: [●]]
[Moody's: [●]]

[[Other]: [●]]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.) Insert one (or more) of the following options, as applicable:

[[Insert credit rating agency/ies] [is]/[are] established in the European Union and [has]/[have each] applied for registration under Regulation (EC) No 1060/2009 (as amended), although the result of such application has not yet been notified by the relevant competent authority.]

[[Insert credit rating agency/ies] [is]/[are] established in the European Union and registered under Regulation (EC) No 1060/2009 (as amended).]

[Insert credit rating agency] is established in the EU and is neither registered nor has it applied for registration under Regulation (EC) No 1060/2009 (as amended).

[Insert credit rating agency] is not established in the EU but the rating it has given to the Notes is endorsed by [credit rating agency], which is established in the EU and registered under Regulation (EC) No 1060/2009 (as amended).

[Insert credit rating agency] is not established in the EU but is certified under Regulation (EC) No 1060/2009 (as amended).

[Insert credit rating agency] is not established in the EU and is not certified under Regulation (EC) No 1060/2009 (as amended) (the "CRA Regulation") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EU and registered under the CRA Regulation.

3 **Interests of Natural and Legal Persons Involved in the Issue**

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. — Amend as appropriate if there are other interests]

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)]

4 **Reasons for the Offer, Estimated Net Proceeds and Total Expenses**

[(i) Reasons for the offer

[●]

(See [“Use of Proceeds”] wording in Offering Circular — if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]

[(ii) Estimated net proceeds:

[●]

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds are insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii) Estimated total expenses:

[●].

[Expenses are required to be broken down into each principal intended “use” and presented in order of priority of such “uses”.]

(N.B.: If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)

Yield (Fixed Rate Notes Only)

Indication of yield:

[●]

[Calculated as [include details of method of calculation in summary form] on the Issue Date.]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

5 **Historic Interest Rates (Floating Rate Notes only)**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

6 **Performance of Index/Formula, Explanation of Effect on Value of Investment and Associated Risks and Other Information Concerning the Underlying (Index-Linked Notes Only)**

[Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

[Need to include details of where past and future performance and volatility of the index/formula can be obtained.]

[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained.]

[Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

[(When completing the above paragraphs, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)]

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information]

7 Performance of Rate[s] of Exchange and Explanation of Effect on Value of Investment

(Dual Currency Notes only)

[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]

[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)]

(N.B. This paragraph 7 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

8 Operational Information

- (i) ISIN Code:
- (ii) Common Code:
- (iii) CUSIP:
- (iv) CINS:
- (v) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s) and address(es)]
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any):
Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]

[Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper.] *[include this text for registered notes]* and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] *[include this text if “yes” selected in which case bearer Notes must be issued in NGN form]*

9 [Further Information in Respect of the Issuer

[Delete where the Issuer is ENEL FINANCE INTERNATIONAL N.V.]

[The mandatory information set out in this Schedule pursuant to Article 2414 of the Italian Civil Code may need to be updated if, at the time of issue of the Notes, any of it has changed since the date on which the Programme was established.]

Corporate object: [The objects of the Issuer, as set out in Article 4 of its by-laws are:

The purpose of the Company shall be to acquire and manage equity holdings in Italian or foreign companies and firms, as well as to provide such subsidiary companies and firms with strategic guidelines and coordination with regard to both their industrial organisation and the business activities in which they engage.

Through affiliates or subsidiaries the Company shall operate especially:

- (a) in the electricity industry, including the activities of production, importation and exportation, distribution and sale, as well as transmission within the limits of existing legislation;
- (b) in the energy industry in general, including fuels, and in the field of environmental protection, as well as in the water sector;
- (c) in the communications, telematics and information-technology industries and those of multimedia and interactive services;
- (d) in network-based sectors (electricity, water, gas, district heating, telecommunications) or those which, in any case, provide urban services locally;
- (e) in other sectors:
 - in any way related to or connected with the activities carried out in the sectors mentioned above;
 - allowing the facilities, resources and expertise employed in the sectors mentioned above (such as, by way of example and without limitation: publishing, real estate and services to firms) to be enhanced and better utilised;
 - allowing the profitable use of the goods produced and the services provided in the sectors mentioned above;
- (f) in the carrying out of activities involving systems and installations design, construction, maintenance and management; the production and sale of equipment; research, consulting and assistance; as well as the acquisition, sale, marketing and trading of goods and services, all activities connected with the sectors mentioned above under (a), (b), (c) and (d).

In the interest of its affiliates or subsidiaries, the Company may also carry out directly any activity connected with or instrumental to its own business or that of its affiliates or subsidiaries themselves.

To this end, the Company shall in particular see to:

- the coordination of the managerial resources of its affiliates or subsidiaries, including the carrying out of appropriate training initiatives;
- the administrative and financial coordination of its affiliates or subsidiaries, effecting in their favour all appropriate transactions, including granting loans and, more in general, the framework and management of their financial activities;
- the supply of other services in favour of its affiliates or subsidiaries in areas of specific business interest.

In order to attain its corporate purpose, the Company may also carry out all transactions that are instrumentally necessary or useful or at any rate related, such as, by way of example: the provision of collateral and/or personal guarantees for both its own and third-party commitments; transactions involving movables and real-estate and commercial operations; and anything else that is connected with its corporate purpose or that allows better use of its own facilities and/or resources or those of its affiliates or subsidiaries, with the exception of accepting monetary deposits from the public and providing investment services as defined by legislative decree No. 58 of 24 February 1998, as well as the activities referred to in section 106 of legislative decree No. 385 of 1 September 1993 insofar as they are also exercised vis-à-vis the public.

Registered Office:

[Viale Regina Margherita 137, Rome, Italy.]

Company's Registered Number:

[Companies' Registry of Rome No. 00811720580, Chamber of Commerce of Rome, Italy.]

Amount of share capital and reserves:

Share capital: euro [●], consisting of [●] ordinary shares with a nominal value of euro [●] each and [●] non-convertible savings shares with a nominal value of euro [●] each.

Reserves: euro [●]

Date of resolutions authorising the issue of the Notes:

Resolution passed on [●] and registered at the Companies' Registry of Rome on [●]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the relevant Issuer, the Guarantor (where ENEL is not the relevant Issuer) and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to “Form of the Notes” for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by whichever of ENEL — Società per Azioni (“ENEL”) or ENEL FINANCE INTERNATIONAL N.V. (“ENEL N.V.”) is specified as the “Issuer” in the applicable Final Terms (as defined below) and references to the “Issuer” shall be construed accordingly. This Note is issued pursuant to the Agency Agreement (as defined below).

References herein to the “Notes” shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Notes represented by a global Note (a “Global Note”), units of each Specified Denomination in the Specified Currency;
- (ii) any Global Note;
- (iii) any definitive Notes in bearer form (“Bearer Notes”) issued in exchange for a Global Note in bearer form; and
- (iv) any definitive Notes in registered form (“Registered Notes”) (whether or not issued in exchange for a Global Note in registered form).

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated agency agreement (the “Agency Agreement”) dated 30 May 2012 made between ENEL N.V. as an Issuer, ENEL in its capacity as both an Issuer and as Guarantor (as defined below) of Notes issued by ENEL N.V., The Bank of New York Mellon as issuing and principal paying agent and agent bank (the “Principal Paying Agent”, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the “Paying Agents”, which expression shall include any additional or successor paying agents), The Bank of New York Mellon as exchange agent (the “Exchange Agent” which expression shall include any successor exchange agent) and as transfer agent and the other transfer agents named therein (the “Transfer Agents”, which expression shall include any additional or successor transfer agents) and The Bank of New York Mellon (Luxembourg) S.A. as registrar (the “Registrar”, which expression shall include any successor registrar).

Interest bearing definitive Bearer Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons (“Coupons”) and, if indicated in the applicable Final Terms, talons for further Coupons (“Talons”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts (“Receipts”) for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions (the “Conditions”) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the “applicable Final Terms” are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

Notes issued by ENEL N.V. will be unconditionally and irrevocably guaranteed by ENEL (in such capacity, the “Guarantor”) pursuant to a deed of guarantee (the “Guarantee”) dated 22 February 2011. Under the Guarantee, ENEL has guaranteed the due and punctual payment of all amounts due under such Notes and the Deed of Covenant (as defined below) executed by ENEL N.V. as and when the same shall become due and payable.

The original of the Guarantee is held by the Principal Paying Agent on behalf of the Noteholders, the Receiptholders and the Couponholders at its specified office. References herein to the Guarantor shall only be relevant where the Issuer is ENEL N.V.

Any reference to “Noteholders” or “holders” in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to “Receiptholders” shall mean the holders of the Receipts and any reference herein to “Couponholders” shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, “Tranche” means Notes which are identical in all respects (including as to listing and admission to trading) and “Series” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the deed of covenant (the “Deed of Covenant”) dated 22 February 2011 and made by the Issuer. The original of the Deed of Covenant is held by the common depository for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement, the Guarantee, a deed poll (the “Deed Poll”) dated 22 February 2011 and made by the Issuer and the Guarantor and the Deed of Covenant are available for inspection during normal business hours at the registered office of each of the Principal Paying Agent, the Registrar and the other Paying Agents and Transfer Agents (such Agents and the Registrar being together referred to as the “Agents”). Copies of the applicable Final Terms are available for viewing and obtainable during normal business hours at the registered office of the Issuer and the specified office of each of the Agents and copies may be obtained from those offices save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the relevant Issuer and the relevant Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed Poll, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1 Form, Denomination and Title

The Notes are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and vice versa.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Guarantor and any Agent will (except as otherwise required by law or ordered by a court having jurisdiction or an official authority) deem and treat the

bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Bearer Global Note held on behalf of Euroclear Bank S.A./N.V. (“Euroclear”) and/or Clearstream Banking, société anonyme (“Clearstream, Luxembourg”), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note shall be treated by the Issuer, the Guarantor and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly.

For so long as The Depository Trust Company (“DTC”) or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Agency Agreement and the Notes except to the extent that in accordance with DTC’s published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg, as the case may be. References to DTC, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

2 Transfers of Registered Notes

(a) Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferees and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Note shall be limited to transfers of such Registered Global Note, in whole but not in part, to a nominee of DTC or to a successor of DTC or such successor’s nominee.

(b) Transfers of Registered Notes in definitive form

Subject as provided in paragraphs (e), (f) and (g) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (i) the holder or holders must (a) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (b) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the

Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 9 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent by uninsured mail to the address of the transferor.

(c) *Registration of transfer upon partial redemption*

In the event of a partial redemption of Notes under Condition 7, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

(d) *Costs of registration*

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(e) *Transfers of interests in Regulation S Global Notes*

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person will only be made:

- (i) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a "Transfer Certificate"), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or
- (ii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

In the case of (i) above, such transferee may take delivery through a Legended Note in global or definitive form. After expiry of the applicable Distribution Compliance Period (i) beneficial interests in Regulation S Global Notes may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (ii) such certification requirements will no longer apply to such transfers.

(f) *Transfers of interests in Legended Notes*

Transfers of Legended Notes or beneficial interests therein may be made:

- (i) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or

- (ii) to a transferee who takes delivery of such interest through a Legended Note where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
- (iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States, and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the Legend, the Registrar shall deliver only Legended Notes or refuse to remove such Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

(g) Exchanges and transfers of Registered Notes generally

Holders of Registered Notes in definitive form may exchange such Notes for interests in a Registered Global Note of the same type at any time.

(h) Definitions

In this Condition, the following expressions shall have the following meanings:

“Distribution Compliance Period” means the period that ends 40 days after the later of the commencement of the offering and the completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue);

“Legended Note” means Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A;

“QIB” means a “qualified institutional buyer” within the meaning of Rule 144A;

“Regulation S” means Regulation S under the Securities Act;

“Regulations S Global Note” means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S;

“Rule 144A” means Rule 144A under the Securities Act; and

“Securities Act” means the United States Securities Act of 1933, as amended.

3 Status of the Notes and the Guarantee

(a) Status of the Notes

The Notes and any relative Receipts and Coupons are direct, unconditional and (subject to the provisions of Condition 4) unsecured and unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and at least equally with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, other than obligations, if any, that are mandatorily preferred by statute or by operation of law.

(b) Status of the Guarantee

The obligations of the Guarantor under the Guarantee are direct, unconditional and (subject to the provisions of Condition 4) unsecured and unsubordinated obligations of the Guarantor and rank at least equally with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, other than obligations, if any, that are mandatorily preferred by statute or by operation of law.

4 Negative Pledge

Neither the Issuer nor the Guarantor will, so long as any of the Notes remain outstanding (as defined in the Agency Agreement), create or have outstanding (other than by operation of law) any mortgage, lien, pledge or other charge upon the whole or any part of its assets or revenues, present or future, to secure any Indebtedness unless:

- (a) the same security shall forthwith be extended equally and rateably to the Notes, the Receipts and the Coupons; or
- (b) such other security as shall be approved by an Extraordinary Resolution of the Noteholders shall previously have been or shall forthwith be extended equally and rateably to the Notes, the Receipts and the Coupons.

As used herein, “Indebtedness” means any present or future indebtedness for borrowed money of the Issuer or the Guarantor which is in the form of, or represented by, bonds, notes, debentures or other securities and which is or are intended to be quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other established securities market.

5 Interest

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest from and including the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, “Fixed Interest Period” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (i) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (ii) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this Condition 5(a):

- (i) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
 - (A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “Accrual Period”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

- (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In the Conditions:

“Determination Period” means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

“Euro” means the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty establishing the European Union, as amended.

“sub-unit” means, with respect to any currency other than Euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to Euro, one cent.

(b) Interest on Floating Rate Notes and Index Linked Interest Notes

(i) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, (1) in respect of Index Linked Interest Notes where Standard Determination is specified in the applicable Final Terms, each Interest Period End Date, or (2) in respect of Floating Rate Notes, each date (each such date, together with each Specified Interest Payment Date, an “Interest Payment Date”) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in the Conditions, mean (x) in respect of Index Linked Interest Notes where Standard Determination is specified in the applicable Final Terms, the period from (and including) an Interest Period End Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Period End Date, where “Interest Period End Date” means each date specified in the applicable Final Terms, or (y) in respect of all other Index Linked Interest Notes and any Floating Rate Notes, the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 5(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B)

each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, “Business Day” means a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than that of any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in Euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which launched on 19 November 2007 or any successor thereto (the “TARGET System”) is open.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), “ISDA Rate” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the “ISDA Definitions”) and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is a period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London interbank offered rate (“LIBOR”) or on the Euro-zone interbank offered rate (“EURIBOR”), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), “Floating Rate”, “Calculation Agent”, “Floating Rate Option”, “Designated Maturity” and “Reset Date” have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

Notwithstanding the above, if “EUR CMS — X Years” is specified as the applicable Reference Rate in the applicable Final Terms and such rate does not appear on the Relevant Screen Page on the Interest Determination Date, the EUR CMS rate for that number of years (“X”) shall be determined by the Calculation Agent in accordance with the Floating Rate Option “EUR-Annual Swap Rate Reference Banks” (as defined in the ISDA Definitions), with the Designated Maturity being that which is specified in the Final Terms and the Reset Date being the first date of the Interest Period. If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(C) Standard Determination for Index Linked Interest Notes

Where Standard Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined in respect of Index Linked Interest Notes, the Rate of Interest for each Interest Period will be the applicable Index Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (C), “Index Rate” for an Interest Period means a rate equal to the following, unless otherwise stated in the applicable Final Terms:

$$\text{Index Rate} = \text{Maximum } [0.00 \text{ per cent.}, \text{ Index Performance}]$$

Where:

“Index Performance”, unless otherwise stated in the applicable Final Terms, will be calculated in accordance with the following formula:

$$[\text{Index}_N / \text{Index}_{N-1}] - 1$$

“Index_N” and “Index_{N-1}” mean, in relation to the Interest Period End Date on which an Interest Period ends, the levels of the Index for the dates that correspond to such Interest Period End Date as set out in the table in the applicable Final Terms.

Where HICP is specified in the applicable Final Terms as the applicable Index, “Index” shall mean the Unrevised Harmonised Index of Consumer Prices for the Euro-Zone excluding tobacco calculated on a monthly basis by EUROSTAT, as published on Bloomberg Index page CPTFEMU, where “EUROSTAT” means the statistical office of the European Communities.

If the Index in respect of Index Linked Interest Notes is specified in the applicable Final Terms as being other than HICP, the Index in respect of such Notes will be that as provided in the applicable Final Terms.

The “Index Sponsor” means the entity that publishes or announces (directly or through an agent) the level of the relevant Index.

In determining the Rate of Interest, any or all of the following provisions may, if specified in the applicable Final Terms, apply:

(1) Amendments to Index

The method of calculation of the Index may change from time to time. Such changes shall not give rise to any right of Noteholders to an early redemption of the Notes or to any adjustment to the amount payable under the Notes. If the Index Sponsor announces that it will make a material change to an Index, the Calculation Agent shall make any such adjustments to the Index necessary for the modified Index to continue as the Index.

(2) Delay in Publication of the Index

If the level of the Index for a month relevant to the calculation of a payment of interest has not been published or announced by the day that is five Business Days prior to the relevant Interest Payment Date and/or Maturity Date, the Calculation Agent shall determine the relevant level of the Index using the following methodology:

$$\text{Substitute Index Level} = \text{Base Level} \times (\text{Latest Level} / \text{Reference Level})$$

where:

“Base Level” means the level of the Index (excluding any “flash” estimates) published or announced by the Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Index Level is being determined;

“Latest Level” means the latest level of the Index (excluding any “flash” estimates) published or announced by the Index Sponsor prior to the month in respect of which the Substitute Index Level is being calculated; and

“Reference Level” means the level of the Index (excluding any “flash” estimates) published or announced by the Index Sponsor in respect of the month that is 12 calendar months prior to the month referred to in “Latest Level” above. For the avoidance of doubt, any relevant index level published or announced at any time after the day that is five Business Days prior to the next Interest Payment Date and/or the Maturity Date, as the case may be, will not be used in any calculations and the Substitute Index Level so determined pursuant to this sub-paragraph (2) will be the definitive level.

(3) Cessation of Publication of the Index

If the level of the Index has not been published or announced for two consecutive months, or the Index Sponsor announces that it will no longer continue to publish or announce the Index, the Calculation Agent shall select an alternative index (in lieu of any previously applicable Index) that, in its opinion, constitutes a reasonable substitute for the Index. The Calculation Agent shall make such adjustments to such alternative index, if any, as it deems to be necessary in order to preserve the economic intention of these Conditions. Such alternative index, as so adjusted, shall thereafter become the Index.

(4) Change of Base

If the Index is re-based, the Calculation Agent shall make any necessary adjustments to relevant index figures in order to preserve the economic intention of these Conditions so that the levels of the re-based index reflect the same level as the Index before it was re-based. Any such re-basing shall not affect any prior payments made.

(5) Manifest Error in Publication

If, within 30 days of publication and prior to the Maturity Date, the Calculation Agent determines that the Index Sponsor has corrected the level of the Index to remedy a manifest error in its original publication, the Calculation Agent will take such action as it may deem necessary and practicable to give effect to such correction.

(iii) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) *Determination of Rate of Interest and calculation of Interest Amounts*

In the case of Floating Rate Notes, the Principal Paying Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

In the case of Index Linked Interest Notes, the Calculation Agent will determine the Rate of Interest for the relevant Interest Period on the date which falls the Specified Number of Index Determination Days prior to the relevant Specified Interest Payment Date and will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same. “Specified Number of Index Determination Days” means, unless otherwise specified in the applicable Final Terms, 10 Business Days.

The Principal Paying Agent will calculate the amount of interest (the “Interest Amount”) payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

“Day Count Fraction” means, in respect of the calculation of an amount of interest for any Interest Period:

- (i) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 calculated on a formula basis as follows

$$\text{Day Count Fraction} = \frac{[360*(Y_2 - Y_1)] + [30*(M_2 - M_1) + (D_2 - D_1)]}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (vi) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360*(Y_2 - Y_1)] + [30*(M_2 - M_1) + (D_2 - D_1)]}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

- (vii) if “30E/360 (ISDA)” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360*(Y_2 - Y_1)] + [30*(M_2 - M_1) + (D_2 - D_1)]}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

- (v) *Notification of Rate of Interest and Interest Amounts*

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be given in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression “London Business Day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

- (vi) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(b), whether by the Principal Paying Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Principal Paying Agent, the Calculation Agent (if applicable), the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Guarantor, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

- (c) *Interest on Dual Currency Interest Notes*

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Final Terms.

(d) Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

(e) Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (1) the date on which all amounts due in respect of such Note have been paid; and
- (2) five days after the date on which the full amount of the moneys payable in respect of such Notes has been received by the Principal Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 14.

6 Payments

(a) Method of payment

Subject as provided below:

- (i) payments in a Specified Currency other than Euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (ii) payments in Euro will be made by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the payee or, at the option of the payee, by a Euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8.

(b) Presentation of definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case only at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose

include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "Long Maturity Note" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

(c) *Payments in respect of Bearer Global Notes*

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note only at the specified office of any Paying Agent outside the United States and its possessions. A record of each payment made against presentation or surrender of any Global Note in bearer form, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be *prima facie* evidence that the payment in question has been made.

(d) *Payments in respect of Registered Notes*

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "Register") at the close of business on the business day (in the case of Notes in global form) or the 15th business day (in the case of Notes in definitive form) (a business day being for this purpose a day on which banks are open for general business in the city where the specified office of the Registrar is located) before the relevant due date (the "Record Date"). If the Notes have been issued by ENEL N.V., payments will be made to the persons shown in the register of Noteholders held by ENEL N.V. at its registered office. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the Notes held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "Designated Account" means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and "Designated Bank" means (in the case of payment in a Specified Currency other than Euro) a

bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland) and (in the case of a payment in Euro) any bank which processes payments in Euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of business on the Record Date at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Global Note in registered form in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Agency Agreement.

None of the Issuer, the Guarantor and the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(e) General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences to the Issuer or the Guarantor.

(f) *Payment Day*

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "Payment Day" means any day which (subject to Condition 9) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) the relevant place of presentation;
 - (B) London;
 - (C) each Additional Financial Centre specified in the applicable Final Terms;
- (ii) either (1) in relation to any sum payable in a Specified Currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in Euro, a day on which the TARGET System is open; and
- (iii) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

(g) *Interpretation of principal and interest*

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 8;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7(e)); and
- (vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8.

7 Redemption and Purchase

(a) *Redemption at maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Index Linked Redemption Note and Dual Currency Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

(b) Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note, an Index Linked Interest Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than 30 nor more than 60 days' notice to the Principal Paying Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 or the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8) or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (ii) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Principal Paying Agent a certificate signed by two Directors of the Issuer or, as the case may be, the Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing in a Tax Jurisdiction (as defined in Condition 8) to the effect that the Issuer or, as the case may be, the Guarantor has or will become obliged, as aforesaid, to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 7(b) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Upon the expiry of such notice, the Issuer shall be bound to redeem the Notes accordingly.

(c) Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14 with a copy to the Guarantor; and
- (ii) not less than 15 days before the giving of the notice referred to in (i) above, notice to the Principal Paying Agent and, in the case of a redemption of Registered Notes, the Registrar;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed ("Redeemed Notes") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg and/or DTC (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be

published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least five days prior to the Selection Date.

(d) *Redemption at the option of the Noteholders (Investor Put)*

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 (with a copy to the Guarantor) not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not, in the case of a Bearer Note in definitive form, in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Registered Notes may be redeemed under this Condition 7(d) in any multiple of their lowest Specified Denomination. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

If this Note is in definitive form, to exercise the right to require redemption of this Note the holder of this Note must deliver such Note at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a "Put Notice") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2(b). If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depository or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Agent for notation accordingly.

Any Put Notice given by a holder of any Note pursuant to this paragraph, or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg, shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and is continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 10.

(e) *Early Redemption Amounts*

For the purpose of paragraph (b) above and Condition 10, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price (subject to sub-paragraph (iv) below), at the Final Redemption Amount thereof;
- (ii) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount;

- (iii) in the case of a Zero Coupon Note, at an amount (the “Amortised Face Amount”) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} (1 \times \text{AY})^y$$

where:

“RP” means the Reference Price;

“AY” means the Accrual Yield expressed as a decimal; and

“y” is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360; or

- (iv) in the case of a Floating Rate Note where “EUR CMS -X Years” is specified as the applicable Reference Rate, at the Market Value, where the “Market Value” on the due date for the redemption of the Note shall represent the fair market value of the Notes and shall have the effect of preserving the economic equivalent of the obligations of the Issuer to make the payments in respect of the Notes which would, but for such early redemption, have fallen due after the relevant early redemption date. Provided that, in respect of the Notes bearing interest (and notwithstanding the provisions of the Conditions of the Notes, including without limitation, Condition 7(b), the first paragraph of Condition 9 and the tenth paragraph of Condition 10), the Early Redemption Amount, as determined by the Calculation Agent in accordance with this sub-paragraph, shall include any accrued interest to but excluding the relevant early redemption date and apart from any such interest included in the Early Redemption Amount, no interest, accrued or otherwise, or any other amount whatsoever will be payable by the Issuer or, as the case may be, the Guarantor in respect of such redemption.

or on such other calculation basis as may be specified in the applicable Final Terms.

(f) Instalments

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (e) above.

(g) Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Final Terms.

(h) Purchases

The Issuer, the Guarantor or any Subsidiaries may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are attached or surrendered therewith) in the open market or by tender or by private agreement at any price. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent and/or the Registrar for cancellation.

(i) Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to paragraph (h) above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold and the obligations of the Issuer and the Guarantor (where applicable) in respect of any such Notes shall be discharged.

(j) Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c), or (d) above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in

paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 14.

8 Taxation

All payments of principal and interest in respect of the Notes, Receipts and Coupons by ENEL (acting as the Issuer or Guarantor) or by ENEL N.V. will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, ENEL (acting as the Issuer or Guarantor) or, as the case may be, ENEL N.V. will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) presented for payment in any Tax Jurisdiction (as defined below); or
- (b) presented for payment by or on behalf of a holder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or
- (c) presented for payment by, or on behalf of, a holder who would be able to avoid such withholding or deduction by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so; or
- (d) presented for payment by, or on behalf of, a holder who would be able to avoid such withholding or deduction by presenting the relevant Note and/or Coupon to another Paying Agent in a Member State of the European Union; or
- (e) where such withholding or deduction is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law or agreement implementing or complying with, or introduced in order to conform to, such Directive; or
- (f) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such 30th day assuming that day to have been a Payment Day (as defined in Condition 6(f)); or
- (g) in relation to any payment or deduction on account of *imposta sostitutiva* pursuant to Italian Legislative Decree 1st April 1996, No. 239 and any related implementing regulations (as the same may be amended or supplemented); or
- (h) where such withholding or deduction is required to be made pursuant to Law Decree 30 September 1983, No. 512 converted into law with amendments by Law 25 November 1983, No. 649; or
- (i) in the event of payment by ENEL (acting as Issuer or Guarantor) to a non-Italian resident Noteholder, to the extent that the Noteholder is resident in a country which does not allow for a satisfactory exchange of information with the Italian authorities.

As used herein:

- (i) “Tax Jurisdiction” means the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax in the case of payments by ENEL (also acting as Guarantor) or The Netherlands or any political subdivision or any authority thereof or therein having power to tax in the case of payments by ENEL N.V.; and

- (ii) the “Relevant Date” means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent or the Registrar on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

9 Prescription

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6(b) or any Talon which would be void pursuant to Condition 6(b).

10 Events of Default

If any one or more of the following events (each an “Event of Default”) shall occur and be continuing:

- (a) a default is made for a period of 10 days or more in the payment of principal of or any interest in respect of the Notes or any of them after the due date thereof; or
- (b) the Issuer or the Guarantor shall be adjudicated or becomes insolvent or shall stop payment or announce that it shall stop payment or shall be found unable to pay its debts (and including, without limitation, in relation to ENEL N.V., voluntary liquidation (*vereffening*), suspension of payments (*surseance van betaling*), bankruptcy (*faillissement*), or a composition with creditors, or any order shall be made by any competent court or other competent body for, or any resolution shall be passed by the Issuer or the Guarantor for judicial composition proceedings with its creditors or for the appointment of a receiver, administrative receiver or trustee (including, without limitation in relation to ENEL N.V., any administrator in bankruptcy (*curator*) or other similar official in insolvency proceedings in relation to the Issuer or the Guarantor; or
- (c) the Issuer or the Guarantor fails to pay a final judgment of a court of competent jurisdiction within 60 days from the receipt of a notice that a final judgment in excess of an amount equal to the value of a substantial part of the assets or property of the Guarantor has been entered against it or an execution is levied on or enforced upon or sued out in pursuance of any such judgment against any substantial part of the assets or property of the Issuer or the Guarantor; or
- (d) the Issuer or the Guarantor shall be wound up or dissolved (otherwise than for the purpose of a solvent amalgamation, merger or reconstruction under which the assets and liabilities of the Issuer or the Guarantor, as the case may be, are assumed by the entity resulting from such amalgamation, merger or reconstruction and such entity assumes the obligations of the Issuer or the Guarantor, as the case may be, in respect of the Notes or the Guarantee, as the case may be, and an opinion of an independent legal adviser of recognised standing in The Netherlands, in the case of ENEL N.V. or in Italy, in the case of ENEL, has been delivered to the Principal Paying Agent confirming the same prior to the effective date of such amalgamation, merger or reconstruction); or
- (e) the Issuer or the Guarantor shall cease or announce that it shall cease to carry on its business (otherwise than for the purpose of a solvent amalgamation, merger or reconstruction under which the assets and liabilities of the Issuer or the Guarantor, as the case may be, are assumed by the entity resulting from such amalgamation, merger or reconstruction and such entity assumes the obligations of the Issuer or the Guarantor, as the case may be, in respect of the Notes or the Guarantee, as the case may be, and an opinion of an independent legal adviser of recognised standing in The Netherlands, in the case of ENEL N.V. or in Italy, in the case of ENEL, has been delivered to the Principal Paying Agent confirming the same prior to the effective date of such amalgamation, merger or reconstruction); or
- (f) any Indebtedness for Borrowed Money of the Issuer or the Guarantor becomes due and repayable prematurely by reason of an event of default (however described) or the Issuer or the Guarantor fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment (as extended by any originally applicable grace period) or any security given by the Issuer or the Guarantor for any Indebtedness for Borrowed Money becomes

enforceable or if default is made by the Issuer or the Guarantor in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person (as extended by any originally applicable grace period), provided that no such event shall constitute an Event of Default so long as and to the extent that the Issuer or the Guarantor, as the case may be, is contesting, in good faith, in a competent court in a recognised jurisdiction that the relevant Indebtedness for Borrowed Money or any such security, guarantee and/or indemnity shall be due or enforceable, as appropriate, and provided further that no such event shall constitute an Event of Default unless the aggregate Indebtedness for Borrowed Money relating to all such events which shall have occurred and be continuing shall amount to at least €100,000,000 (or its equivalent in any other currency); or

- (g) default is made by the Issuer or the Guarantor in the performance or observance of any obligation, condition or provision binding on the Issuer under the Notes or on the Guarantor under this Guarantee in relation to, or in respect of, the Notes (other than any obligation for payment of any principal or interest in respect of the Notes) and (except in any case where the default is incapable of remedy when no continuation or notice as is hereinafter mentioned will be required) such default continues for 30 days after written notice thereof to the Issuer or the Guarantor, as the case may be, requiring the same to be remedied; or
- (h) the Guarantee ceases to be, or is claimed by the Guarantor not to be, in full force and effect,

then any holder of a Note may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare any Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 7(e)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

For the purposes of this Condition:

“Indebtedness for Borrowed Money” means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptance or acceptance credit or (iii) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash.

11 Replacement of Notes, Receipts, Coupons and Talons

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Receipts or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12 Agents

The names of the initial Agents and their initial specified offices are set out below.

The Issuer and the Guarantor are entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

- (a) there will at all times be a Principal Paying Agent and a Registrar;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (c) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in New York City;

- (d) there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; and
- (e) there will at all times be a Paying Agent in a jurisdiction within continental Europe, other than the jurisdiction in which the Issuer or the Guarantor is incorporated.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6(e). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and the Guarantor and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

13 Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

14 Notices

All notices regarding the Bearer Notes will be deemed to be validly given if published (i) in a leading English language daily newspaper of general circulation in London and (ii) if and for so long as the Bearer Notes are admitted to trading on, and listed on the Irish Stock Exchange, on the Irish Stock Exchange's website, *www.ise.ie*. It is expected that any such publication in a newspaper will be made in the Financial Times in London and the Irish Times in Ireland. The Issuer (failing which the Guarantor) shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange (or any other relevant authority) on which the Bearer Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to listing by another relevant authority and the rules of that stock exchange (or other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange (or relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the fourth day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to

the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose.

In addition to the above, where the Issuer is ENEL, with respect to notices for a meeting of Noteholders, any convening notice for such meeting shall be made in accordance with any applicable Italian law requirements and provisions in ENEL's by-laws.

15 Meetings of Noteholders, Modification and Waiver

(a) *Where the Issuer is ENEL*

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Conditions, the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. The above provisions are subject to compliance with mandatory laws, rules and regulations of the Republic of Italy in force from time to time. The quorum at any such meeting for passing an Extraordinary Resolution is established by Article 2415 of the Italian Civil Code, Legislative Decree No. 58 of 24 February 1998 and ENEL's by-laws. An Extraordinary Resolution validly passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders and unless otherwise provided by mandatory provisions of Italian law, any modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

In accordance with Article 2417 of the Italian Civil Code, a "*rappresentante comune*", being a joint representative of Noteholders will be appointed in order to represent, *inter alia*, the Noteholders' interest hereunder and to execute the resolutions of the Noteholders' meeting. The "*rappresentante comune*" may be a person who is not a Noteholder and may be (i) a company duly authorised to carry on investment services (*servizi di investimento*) or (ii) a trust company (*società fiduciaria*). The "*rappresentante comune*" shall not be a director, statutory auditor or employee of the Issuer or a person who falls within one of the categories specified by Article 2399 of the Italian Civil Code. The "*rappresentante comune*" is appointed by resolution passed at the Noteholders' meeting. In the event the Noteholders' meeting fails to appoint the "*rappresentante comune*", the appointment is made by a competent court upon the request of one or more relevant Noteholders or the directors of the Issuer. The "*rappresentante comune*" shall remain in office for a period not exceeding three financial years from appointment and may be reappointed; remuneration shall be determined by the meeting of Noteholders which makes the appointment. The "*rappresentante comune*" shall have the powers and duties set out in Article 2418 of the Italian Civil Code.

(b) *Where the Issuer is ENEL N.V.*

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than one-twentieth in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than one-half in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being

outstanding plus the favourable vote of the Issuer. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

(c) Modifications

The Principal Paying Agent, the Issuer and the Guarantor may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (i) any modification (except as mentioned above) of the Conditions, the Notes, the Receipts, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (ii) any modification of the Conditions, the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

16 Substitution

(a) Substitution of ENEL N.V. by ENEL

In the case of Notes issued by ENEL N.V., ENEL N.V. may at any time, without the consent of the Noteholders, the Receiptholders or the Couponholders, substitute for itself as principal debtor under the Notes, Receipts and the Coupons ENEL as Issuer, provided that no payment in respect of the Notes, the Receipts or the Coupons is at the relevant time overdue. The substitution shall be made by a deed poll (the “ENEL N.V. Substitution Deed Poll”), to be substantially in the form set out in the Agency Agreement as Schedule 10 and may take place only if:

- (i) ENEL shall, by means of the ENEL N.V. Substitution Deed Poll, agree to indemnify each Noteholder, Receiptholder and Couponholder against (A) any tax, duty, assessment or governmental charge which is imposed on such Noteholder, Receiptholder and Couponholder by (or by any authority in or of) the Republic of Italy with respect to any Note, Receipt or Coupon and which would not have been so imposed had the substitution not been made and (B) any tax, duty, assessment or governmental charge, and any cost or expense relating to the substitution, except that ENEL shall not be liable under such indemnity to pay any additional amounts either on account of “imposta sostitutiva” or on account of any other withholding or deduction in the event of payment of interest or other amounts paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information;
- (ii) all the provisions set forth in Condition 8 with respect to ENEL as Issuer of the Notes shall apply to the Notes following the substitution as if the Notes were originally issued by ENEL;
- (iii) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the ENEL N.V. Substitution Deed Poll and the Notes, the Receipts and the Coupons represent valid, legally binding and enforceable obligations of ENEL and in the case of the ENEL N.V. Substitution Deed Poll of the Issuer have been taken, fulfilled and done and are in full force and effect;
- (iv) the relevant stock exchange (if any) shall have confirmed that, following the proposed substitution, the Notes will continue to be listed on such stock exchange;
- (v) legal opinions addressed to the Noteholders shall have been delivered to them (care of the Principal Paying Agent) from lawyers or firms of lawyers with leading securities practices in the Republic of Italy and in England as to the fulfilment of the conditions specified in paragraph (iii) of this Condition 16(a) and the other matters specified in the ENEL N.V. Substitution Deed Poll; and

- (vi) the Issuer shall have given at least 14 days' prior notice of such substitution to the Noteholders, in accordance with Condition 14, stating that "copies, or, pending execution, the agreed text, of all documents in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified office of each of the Paying Agents."

References in Condition 10 to obligations under the Notes shall be deemed to include obligations under the ENEL N.V. Substitution Deed Poll.

(b) *Substitution of ENEL by a Subsidiary*

In the case of Notes issued by ENEL, ENEL, or any previous substituted company, may at any time, without the consent of the Noteholders, the Receiptholders or the Couponholders, substitute for itself as principal debtor under the Notes, the Receipts and the Coupons, any company (the "Substitute") that is a Subsidiary (as defined below) of ENEL, provided that no payment in respect of the Notes, the Receipts or the Coupons is at the relevant time overdue. The substitution shall be made by a deed poll (the "ENEL Substitution Deed Poll"), to be substantially in the form scheduled to the Agency Agreement as Schedule 11, and may take place only if:

- (i) The Substitute, failing which ENEL, shall, by means of the ENEL Substitution Deed Poll, agree to indemnify each Noteholder, Receiptholder and Couponholder against (A) any tax, duty, assessment or governmental charge that is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Note, Receipt or Coupon or the Deed of Covenant and that would not have been so imposed had the substitution not been made and (B) any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution, except that neither the Substitute nor ENEL shall be liable under such indemnity to pay any additional amounts either on account of "imposta sostitutiva" or on account of any other withholding or deduction in the event of payment of interest or other amounts paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information;
- (ii) all the provisions set forth in Condition 8 with respect to ENEL N.V. as Issuer and ENEL as Guarantor of the Notes shall apply to the Notes following the substitution as if the Notes were originally issued by such subsidiary and guaranteed by ENEL;
- (iii) the obligations of the Substitute under the ENEL Substitution Deed Poll, the Notes, the Receipts, the Coupons and the Deed of Covenant shall be unconditionally guaranteed by ENEL by means of the ENEL Substitution Deed Poll;
- (iv) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the ENEL Substitution Deed Poll, the Notes, the Receipts, the Coupons and the Deed of Covenant represent valid, legally binding and enforceable obligations of the Substitute and, in the case of the ENEL Substitution Deed Poll, of ENEL, have been taken, fulfilled and done and are in full force and effect;
- (v) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;
- (vi) the relevant stock exchange (if any) shall have confirmed that, following the proposed substitution, the Notes will continue to be listed on such stock exchange;
- (vii) legal opinions addressed to the Noteholders shall have been delivered to them (care of the Principal Paying Agent) from lawyers or firms of lawyers with leading securities practices in each jurisdiction referred to in paragraph (i) of this Condition 16(b) and in England as to the fulfilment of the preceding conditions of paragraph (iv) of this Condition 16(b) and the other matters specified in the ENEL Substitution Deed Poll; and
- (viii) ENEL shall have given at least 14 days' prior notice of such substitution to the Noteholders, in accordance with Condition 14, stating that copies, or pending execution the agreed text, of all documents in relation to the substitution that are referred to above, or that might otherwise reasonably be regarded as material to Noteholders, shall be available for inspection at the specified office of each of the Paying Agents.

References in Condition 10 to obligations under the Notes shall be deemed to include obligations under the ENEL Substitution Deed Poll, and, where the ENEL Substitution Deed Poll contains a guarantee, the events listed in Condition 10 shall be deemed to include that guarantee not being (or being claimed by the guarantor not to be) in full force and effect.

(c) *Substitution of ENEL N.V. by another Subsidiary*

In the case of Notes issued by ENEL N.V., ENEL N.V., or any previous substituted company, may at any time, without the consent of the Noteholders, the Receiptholders or the Couponholders, substitute for itself as principal debtor under the Notes, the Receipts and the Coupons, any company (the “Substitute”) that is a Subsidiary (as defined in the Agency Agreement) of ENEL, provided that no payment in respect of the Notes, the Receipts or the Coupons is at the relevant time overdue. The substitution shall be made by a deed poll (the “ENEL N.V. and Subsidiary Substitution Deed Poll”), to be substantially in the form scheduled to the Agency Agreement as Schedule 12, and may take place only if:

- (i) The Substitute, failing which, ENEL, shall, by means of the ENEL N.V. and Subsidiary Substitution Deed Poll, agree to indemnify each Noteholder, Receiptholder and Couponholder against (A) any tax, duty, assessment or governmental charge that is imposed on such Noteholder, Receiptholder or Couponholder by (or by any authority in or of) the jurisdiction of the country of the Substitute’s residence for tax purposes and, if different, of its incorporation with respect to any Note, Receipt or Coupon or the Deed of Covenant and that would not have been so imposed had the substitution not been made, and (B) any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution, except that neither the Substitute nor ENEL shall be liable under such indemnity to pay any additional amounts either on account of “imposta sostitutiva” or on account of any other withholding or deduction in the event of payment of interest or other amounts paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information;
- (ii) all the provisions set forth in Condition 8 with respect to ENEL N.V. as Issuer and ENEL as Guarantor of the Notes shall apply to the Notes following the substitution as if the Notes were originally issued by the Substitute and guaranteed by ENEL;
- (iii) the obligations of the Substitute under the ENEL N.V. and Subsidiary Substitution Deed Poll, the Notes, the Receipts, the Coupons and the Deed of Covenant shall be unconditionally guaranteed by ENEL by means of the ENEL N.V. and Subsidiary Substitution Deed Poll and the Deed of Guarantee;
- (iv) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the ENEL N.V. and Subsidiary Substitution Deed Poll, the Notes, the Receipts, the Coupons and the Deed of Covenant represent valid, legally binding and enforceable obligations of the Substitute and, in the case of the ENEL N.V. and Subsidiary Substitution Deed Poll and the Deed of Guarantee, of ENEL, have been taken, fulfilled and done and are in full force and effect;
- (v) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;
- (vi) the relevant stock exchange (if any) shall have confirmed that, following the proposed substitution, the Notes will continue to be listed on such stock exchange;
- (vii) legal opinions addressed to the Noteholders shall have been delivered to them (care of the Principal Paying Agent) from lawyers or firms of lawyers with leading securities practices in each jurisdiction referred to in paragraph (i) of this Condition 16(c) and in England as to the fulfilment of the preceding conditions of paragraph (iv) of this Condition 16(c) and the other matters specified in the ENEL N.V. and Subsidiary Substitution Deed Poll; and
- (viii) ENEL N.V. shall have given at least 14 days’ prior notice of such substitution to the Noteholders, in accordance with Condition 14, stating that copies, or pending execution the agreed text, of all documents in relation to the substitution that are referred to above, or that might otherwise reasonably be regarded as material to Noteholders, shall be available for inspection at the specified office of each of the Paying Agents.

References in Condition 10 to obligations under the Notes shall be deemed to include obligations under the ENEL N.V. and Subsidiary Substitution Deed Poll, and the events listed in Condition 10 shall be deemed to include the Deed of Guarantee not being (or being claimed by the guarantor not to be) in full force and effect.

For the purposes of this Condition 16 (Substitution), “Subsidiary” means any entity which is a subsidiary (*società controllata*) within the meaning of Article 2359 of the Italian Civil Code and Article 93 of Legislative Decree No. 58 of 24 February 1998 as amended.

(d) Consent to Substitution

By subscribing to, or otherwise acquiring the Notes, the Noteholders expressly and irrevocably consent in advance to the substitution of ENEL N.V., ENEL or any Subsidiary, as the case may be, by ENEL or a Subsidiary, as the case may be, pursuant to Condition 16(a), (b) or (c). The Noteholders further consent to the release of ENEL N.V., or any Subsidiary, as the case may be, from any and all obligations in respect of the Notes and any relevant agreements and are expressly deemed to have accepted such substitution and the consequences thereof.

17 Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

18 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

19 Governing Law and Submission to Jurisdiction

(a) Governing law

The Agency Agreement, the Programme Agreement, the Deed of Guarantee, the Deed of Covenant, the Deed Poll, the ENEL N.V. Substitution Deed Poll, the ENEL Substitution Deed Poll and the ENEL N.V. and Subsidiary Substitution Deed Poll, the Notes, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law. Condition 15(a) and the provisions of Schedule 5 of the Agency Agreement which relate to the convening of meetings of Noteholders and the appointment of a Noteholders’ representative are subject to compliance with Italian law.

(b) Submission to jurisdiction

In relation to any legal action or proceedings arising out of or in connection with the Notes, the Receipts, the Coupons, the Agency Agreement, the Deed of Covenant, the Deed Poll, the ENEL N.V. Substitution Deed Poll and the ENEL N.V. and Subsidiary Substitution Deed Pool (“Proceedings”), the Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Noteholders, the Receiptholders and the Couponholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) to the extent permitted by law.

(c) Appointment of Process Agent

The Issuer appoints Law Debenture Corporate Services Limited of 100 Wood Street, London EC2V 7EX as its agent in England to receive service of process for any Proceedings in England based on any of the Notes, the Receipts, the Coupons, the Agency Agreement, the Deed of Covenant, the Deed Poll, the ENEL N.V. Substitution Deed Poll and the ENEL N.V. and Subsidiary Substitution Deed Pool. If for any reason such process agent ceases to act as such or

no longer has an address in England, the Issuer agrees to appoint a substitute agent for service of process for any Proceedings in England and to give notice to the Noteholders of such appointment in accordance with Condition 14.

(d) *Other documents*

The Issuer and the Guarantor have in the Agency Agreement, the Deed of Covenant, the Deed Poll and the Guarantee (in the case of the Guarantor) submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the relevant Issuer for its general corporate purposes. If, in respect of any particular issue, there is an identified use of proceeds, this will be stated in the applicable Final Terms.

DESCRIPTION OF ENEL

Overview

The Company is incorporated under the laws of Italy as a joint stock company (*società per azioni*). Its registered office is at Viale Regina Margherita 137, in Rome, and its main telephone number is +3906 83051. The Company is registered with the Italian Companies' Register of the Chamber of Commerce of Rome under registration No. 00811720580. Pursuant to Article 3 of the Company's articles of association, the Company shall remain in existence until 31 December 2100; however the Company's corporate duration may be further extended by a shareholder resolution.

The ENEL Group is the leading electricity operator in both Italy and Spain and one of the leading global operators in the fields of generation, distribution and sales of electricity. Moreover, ENEL is the largest Italian power company and Europe's second largest listed utility by installed capacity. ENEL has a presence in 40 countries on 4 continents with over 97,000 MW of net installed capacity and sells electricity and gas to approximately 61 million customers.

The Group had operational generation plants (thermal, hydroelectric, geothermal and other plants) with a total net efficient capacity of 97.3 GW as of 31 December 2011 and 97.3 GW as of 31 December 2010. For the year ending on 31 December 2011, the net production of electricity amounted to 293.9 TWh and the distribution of electricity amounted to 435.0 TWh. For the year ending on 31 December 2010, the net production of electricity amounted to 290.2 TWh and the distribution of electricity amounted to 431.6 TWh, of which 247.0 TWh were distributed in Italy and 184.6 TWh were distributed abroad.

The following table sets forth key operating data for the Group in 2011 and 2010, in Italy and abroad.

	Year ended 31 December 2011			Year ended 31 December 2010		
	Italy	Abroad	Total	Italy	Abroad	Total
Net electricity production (TWh).....	79.0	214.9	293.9	81.6	208.6	290.2
Net efficient capacity (GW)....	39.9	57.4	97.3	40.5	56.8	97.3
Electricity conveyed through the grid (TWh)	246.0	189.0	435.0	247.0	184.6	431.6
Electricity sold (TWh) ⁽¹⁾	104.2	207.6	311.8	113.4	195.6	309.0
Number of end-users of the electric business (million) ...	28.9	27.9	56.8	29.4	27.7	57.1

Note:

(1) Transfers to resellers excluded

The ENEL Group is one of the principal international operators in the development and management of energy production, with a net efficient capacity of 97,336 MW, as of 31 December 2011.

The Group also imports and sells natural gas in Italy, Spain and elsewhere. The Group sold approximately 8.5 billion cubic meters of gas worldwide in 2011 and 8.9 billion cubic meters of gas worldwide in 2010. In 2011, the Group's total revenues were €79,514 million and the net income attributable to shareholders of ENEL was €4,148 million. In 2010, the Group's total revenues were €73,377 million, and the net income attributable to shareholders of ENEL was €4,390 million. As of 31 December 2011, the Group employed a total of 75,360 employees, of which 36,842 were employed in Italy and 38,518 were employed abroad (including all of Endesa's employees as of the period end).

Strategy

The strategic priorities of the Group for the upcoming five years include:

- Maintaining the Group's leadership in mature energy markets;
- Delivering organic growth in renewables in Latin America, Russia and Eastern Europe;
- Promoting and developing new innovative technologies; and
- Consolidating financial stability by: (i) improving efficiency and operational excellence and maintaining a tight control on capital expenditures; (ii) selling other non-strategic assets; and (iii) revising the policy on dividends (as has already been publicly announced).

Principal Shareholders

As of the date of this Offering Circular, the principal shareholder of ENEL is the Ministry of Economy and Finance of the Republic of Italy (the “MEF”) which owns 31.244 per cent. of ENEL’s shares. As of the date of this Offering Circular, based on available information, no other shareholders – with the exception of the above-mentioned MEF and Blackrock Inc. (which owns 2.737 per cent. of ENEL’s shares) – held more than 2 per cent. of the share capital of ENEL.

ENEL’s share capital amounts to €9,403,357,795, fully paid-in and divided into 9,403,357,795 issued and outstanding ordinary shares, listed on the *mercato telematico azionario*, a stock exchange regulated and managed by Borsa Italiana S.p.A., with a nominal value of €1 each.

History and Development of ENEL

ENEL traces its origins to the creation in 1962 of the Italian governmental entity, the Ente Nazionale per l’Energia Elettrica, which was granted an exclusive concession to carry out the activities of generation, import, export, transportation, transformation, distribution and sale of electricity in Italy following the nationalisation of the industry in that year. Controlled by the Italian government, the Ente Nazionale per l’Energia Elettrica implemented a process of development and diversification of energy sources through the creation of new nuclear, hydroelectric and renewable-energy power plants.

Law No. 9 of January 1991 set the framework for the opening of the Italian electricity market to competition. As part of this move towards liberalisation, the Ente Nazionale per l’Energia Elettrica was, pursuant to Legislative Decree No. 333 of 11 July 1992 (as ratified into law pursuant to Law No. 359 of 8 August 1992), converted into a joint stock company. Pursuant to a resolution adopted at the extraordinary shareholders’ meeting held on 7 August 1992, the Company’s name was changed to ENEL S.p.A. The aforementioned legislative decree granted ENEL licenses to undertake all the activities previously carried out by the Ente Nazionale per l’Energia Elettrica. Initially, the sole shareholder of ENEL was the MEF.

Legislative Decree No. 79 of 16 March 1999 (the “Bersani Decree”) established new rules for the electricity market, providing for further liberalisation – in compliance with public policy – of the activities of generation, import, export, purchase and sale of electricity. Pursuant to the Bersani Decree, a single entity may engage in any or all of these activities, provided that utility companies are separated into distinct units for accounting and management purposes. With reference to ENEL, the Bersani Decree required the separation, for accounting and management purposes, of the activities of production, transmission, distribution and sales to non-eligible clients, and the obligation to reduce ENEL’s production capacity through the disposal of at least 15 GW by 2002.

In particular, the Bersani Decree required the following significant changes to be made to the Group’s business:

- the separation of significant businesses into separate subsidiaries (effective as of October 1999);
- the transfer of management and control of the Italian national electricity transmission grid and electricity dispatching to the Electricity Services Operator, a company wholly-owned by the MEF, and the subsequent sale of 94.88 per cent. of ENEL’s formerly wholly owned subsidiary Terna S.p.A. (“Terna”), which owns the majority of Italy’s electricity transmission grid (as a result of this sale, Terna was deconsolidated on 15 September 2005); and
- the sale of three electricity generation companies (accounting for approximately 15 GW of the Group’s generating capacity) and several municipal distribution companies.

In November 1999, the process for the privatisation of ENEL began with an initial public offering of approximately 32 per cent. of ENEL’s share capital, as part of which ENEL’s shares were listed on the MTA and on the New York Stock Exchange (in the form of American Depositary Shares). The initial public offering was followed by a number of private placements to institutional investors in Italy and abroad (in 2003) and public offerings to retail investors in Italy and to institutional investors in Italy and abroad. As a result of Japanese offerings (in 2004 and 2005), ENEL’s shares were also registered at the Kanto Local Finance Bureau in Tokyo.

In December 2007, ENEL voluntarily de-listed from the New York Stock Exchange, and in March 2008 the process of deregistration of the ENEL shares and American Depositary Receipts with the U.S. Securities and Exchange Commission was completed.

Restructuring of the Group and Business Diversification

Following the liberalisation of the energy market and the consequent reductions to parts of ENEL's core business, the Group focused its strategy on the diversification of its business and expansion into new markets (including in the telecommunications industry market in which ENEL operated until 2006). ENEL became an industrial holding company, and its divisions were transformed into utility companies focused on specific business sectors. ENEL Produzione S.p.A. and ENEL Distribuzione S.p.A. were established, along with other companies. Along with pursuing the separation for management purposes of the activities of production, transmission and distribution, new business areas were created, such as energy trading, construction of generation plants and supply of environmental services.

Internationalisation and Focus on Energy Businesses – Most significant transactions

Following the process of business reorganisation pursuant to the Bersani Decree described above, the Company changed course and initiated a new strategy, again focusing on its core energy businesses (electricity and gas).

From 2002, the Group began to expand its electricity business abroad through several acquisitions and joint ventures in, *inter alia*, electricity generation and distribution operators and power producers specialising in renewable resources in Europe and in the Americas. A summary of ENEL's most significant acquisitions and joint ventures is described below:

- In February 2005, ENEL signed an agreement, effective in 2006, for the acquisition of a 66 per cent. stake in Slovenské elektrárne, the largest generating company in Slovakia.
- In April 2005, ENEL acquired a 51.003 per cent. stake in the Romanian companies F.D.F.E.E Electrica Banat S.A. (now ENEL Distributie Banat S.A.) (“ENEL Distributie Banat”), the company owning and managing the electric distribution network and providing electricity supplies in the Banat area (Timis, Arad, Hunedoara and Caras-Severin counties), and F.D.F.E.E Electrica Dobrogea S.A. (now ENEL Distributie Dobrogea S.A.) (“ENEL Distributie Dobrogea”), the company owning and managing the electricity distribution network and providing electricity supplies in the Dobrogea area (Constanta, Tulcea, Ialomita and Calarasi counties), from state owned company Electrica S.A. In accordance with a regulation on corporate unbundling of the supply and distribution activities, the above mentioned companies were demerged and the supply activity was transferred to the newly incorporated Enel Energie S.A.
- In 2006, ENEL finalised the acquisition of 49.5 per cent. of the Russian trading company RusEnergSbyt.
- In April 2007, ENEL and its Spanish partner Acciona S.A. launched a joint tender offer for 100 per cent. of the share capital of Endesa, the leading electricity operator in Spain. After the conclusion and settlement of the successful tender offer in 2007, ENEL held 67.05 per cent. of Endesa. As at the date of this Offering Circular, ENEL's stake in Endesa is 92.06 per cent. For additional information, see “— *Iberia and Latin America Division — Acquisition of Endesa*” below.
- In 2008, following the tender offer launched by ENEL through its subsidiary ENEL Investment Holding B.V. (“EIH”), the latter acquired a 59.80 per cent. stake in the share capital of OGK-5, one of the Russian thermal generation companies. As a result of subsequent disposals, as well as small purchases of shares from company management, EIH's stake in OGK-5 as of the date of this Offering Circular is equal to approximately 56.36 per cent. In May 2008, EIH entered into a shareholders' agreement with the European Bank for Reconstruction and Development which granted to the latter the right to designate one member of the board of directors of ENEL OGK-5 and obliges EIH to retain a majority interest in the company for so long as the European Bank for Reconstruction and Development remains a shareholder. However, the agreement does not grant any put or call rights to the bank.
- In April 2008, ENEL purchased a 50 per cent. stake in F.D.F.E.E Electrica Muntenia Sud S.A., the company owning and managing the electric distribution network in the Muntenia Sud area (Bucharest and Giurgiu and Ilfov counties), from Electrica. At the same time, the shareholders of Electrica Muntenia Sud S.A. approved a capital increase that was subscribed by ENEL in the amount of €425 million. As a result of these transactions, ENEL's stake rose to 64.425 per cent.

In accordance with a regulation on corporate unbundling of the supply and distribution activities Electrica Muntenia Sud S.A. was split into two separate companies, ENEL Energie Muntenia S. A. and ENEL Distributie Muntenia S. A.

- In June 2008, ENEL, acting through its subsidiary EIH, acquired 80 per cent. of Marcinelle Energie – a company that is developing a 420 MW CCGT plant in the Wallonia region of Belgium – from the Duferco steel group. The consideration due by ENEL to Duferco was €32 million (plus an additional €4 million provided for in a contract addendum). At the same time, ENEL granted Duferco a put option for the remaining 20 per cent. of Marcinelle Energie. The option will be exercisable for a period of six years, beginning one year after operations start at the power plant. Construction work has been performed by ENEL's Engineering and Innovation division, with a total estimated investment of approximately €325 million. The "Provisional Acceptance Certificate" was issued on 29 March 2012 and the plant came into operation on 30 March 2012. Once fully operational, the plant is expected to efficiently generate about 2.5 TWh of electricity a year while complying with stringent environmental standards. The power will serve the Belgian domestic market.
- In August 2008, EIH acquired a 10 per cent. stake in Bayan for around €139 million in the initial public offering of the company on the Indonesian Stock Exchange. Bayan is one of the largest coal-producing groups in Indonesia in terms of output, with integrated mining, processing and logistics operations. ENEL Trade S.p.A. ("ENEL Trade") also executed a ten-year supply agreement with Bayan providing for the latter to supply a specified amount of coal starting from December 2010, with the possibility of an extension for a further five years.
- In October 2008, ENEL Produzione and Società Elettrica Altoatesina S.p.A. ("SEL"), a company controlled by the autonomous province of Bolzano, signed a preliminary agreement for the development of the hydroelectric power sector in the province. Under this agreement, ENEL Produzione and SEL formed a company for the joint operation of their respective concessions. ENEL Produzione contributed to the joint venture company the business unit associated with its major hydroelectric dams in the autonomous province of Bolzano, while, on 1 January 2011, the parties contributed the further concessions obtained by each independently. Following these contributions, the holdings of ENEL Produzione and SEL in the new company remain at 40 per cent. and 60 per cent., respectively.
- In October 2008, ENI, ENEL and Gazprom further developed their existing partnership. More specifically, the parties signed agreements for the development of SeverEnergia and its subsidiaries, as well as an agreement committing Gazprom to take a stake in SeverEnergia, as envisaged in an earlier (2007) agreement. This commitment was executed on 5 June 2009, when ENEL and ENI signed an agreement with Gazprom for the sale to the latter of a 51 per cent. stake in the share capital of SeverEnergia, the company holding the entire share capital of Arctic Gas, Urengoil and Neftegastechnologia, which in turn hold hydrocarbon exploration and production licenses covering oil and gas reserves estimated at 5 billion barrels of oil equivalent (BOE). The transaction was completed in September 2009, and therefore ENEL's indirect interest in SeverEnergia was reduced from 40 per cent. to 19.6 per cent. while ENI's interest decreased from 60 per cent. to 29.4 per cent. SeverEnergia became the first Russian-Italian company actively operating in the Yamal Nenets autonomous region in Western Siberia. The region currently produces approximately 90 per cent. of Russian gas. The parties agreed to cooperate on the renewal and updating of licenses as well as on setting the details of the fields' development plan. In November 2010, Gazprom sold its share to the Yamal Development consortium.
- In January 2009, Endesa completed the acquisition of 100 per cent. of the share capital of KJWB Ltd (now Endesa Ireland), a subsidiary of Ireland's state electricity company. The assets have a total capacity of 1,068 MW at four operational plants and account for about 12 per cent. of Ireland's total installed capacity. Endesa Ireland has initiated an investment plan for the re-powering of one of the plants. Endesa is currently considering the sale of its stake in Endesa Ireland.
- In February 2009, Acegas-Aps, ENEL and Tei incorporated Adria Link, a company in which the three partners have equal shares. The company builds and operates electricity interconnection infrastructure between Italy and Slovenia. In particular, Adria Link intends to develop two interconnection projects that involve the construction of two underground power lines, which will connect, respectively, the Zaule electricity station in the province of Trieste with

the Dekani station in Slovenia and the Redipuglia station in the province of Gorizia with the Vrtojba station in Slovenia. The new lines will increase net transfer capacity by about 250 MW. The planned investment is €38 million, part of which will go towards reducing the impact of the infrastructure on the environment and the landscape. On 31 December 2010, Adria Link obtained in Italy the authorisation for the construction and operation of the Zaule – Dekani interconnection.

- In February 2009, within the framework of the Italy-France Protocol of Understanding for Energy Cooperation, ENEL and Electricité de France S.A. (“EdF”) signed a memorandum of understanding that establishes the foundations for the joint development of nuclear energy in Italy by the two companies. The goal is for the first Italian unit to enter commercial service no later than 2020. Following the approval on 9 July 2009 by the Italian Parliament of a law named “*Disposizioni per lo sviluppo e l'internazionalizzazione delle imprese, nonché in materia di energia*” aimed at allowing the development of new nuclear power plants in Italy, in July 2009, ENEL and EdF entered into a joint venture agreement for the development of feasibility studies for the construction of the European Pressurised Reactors (“EPR”) units. The agreement provides for the creation of the joint venture company, Sviluppo Nucleare Italia S.r.l. (“Sviluppo Nucleare Italia”), which was duly incorporated on 31 July 2009, and sets the two parties’ commitments as well as the corporate governance rules. ENEL and EdF each hold a 50 per cent. stake in the joint venture. Subsequently, the provisions allowing the development of new nuclear plants have been repealed through a “referendum” in June 2011, following Fukushima’s accident. In light of the new scenario, ENEL and EdF agreed to terminate all the agreements in place for the development of new nuclear plants in Italy and, as a consequence, on 1 December 2011, EdF sold its stake in Sviluppo Nucleare Italia.
- In September 2009, ENEL Distribuzione S.p.A. sold 80 per cent. of the share capital of ENEL Rete Gas to F2i reti Italia S.r.l., F2i and Finavias S.à.r.l. Enel Distribuzione will have a call option over the 80 per cent. of the share capital of Enel Rete Gas, from 2014 (when the five-year lock up period that applies to both Enel Distribuzione and the bidders expires) until 2018, at a strike price that takes into account the fair market value of the stake. ENEL will continue to operate in the gas transport and distribution sector though its remaining 20 per cent. interest in ENEL Rete Gas, to which it will continue to provide a number of support services.
- On 15 and 17 March 2010, respectively, the board of directors of Endesa and ENEL approved the integration of the operations of ECYR (the Endesa company that pursues renewable operations in the Iberian peninsula) and ENEL Green Power (“EGP”) in the renewable energy sector in Spain and Portugal. The aim of the agreement was to ensure the unified management, within EGP, of development on the Iberian peninsula of all of the activities of EGP and Endesa in the renewable energy field. This objective will be pursued through ECYR, which will be held by EGP (60 per cent.) and Endesa (40 per cent.).
- In July 2010, EGP and its subsidiary Enel Green Power España (“EGPE”) signed an agreement with Gas Natural to divide the assets of Enel Unión Fenosa Renovables (“EUFER”), an equally held joint venture between EGPE and Gas natural Fenosa. The purpose of such agreement was to enable each party to pursue its own strategy in the Iberian renewable energy sector most effectively. EUFER assets have been divided into two well-balanced groups (Lot A and Lot B): Lot A will continue to be held by the ENEL Group, which will own all of EUFER, and Lot B will be transferred to Gas Natural Fenosa. Accordingly, the assets and liabilities associated with Lot B have been classified as “Assets held for sale” and “Liabilities held for sale” in the balance sheet at 31 December 2011, as they meet the requirements for such classification set out in IFRS 5.
- On 13 October 2010, EGP received authorisation from CONSOB to publish the prospectus for the public offering and listing of the shares of EGP. The authorisation followed the approval on 11 October 2010 by Borsa Italiana of the admission of EGP shares for trading on the electronic stock market. With a view to launching a public offering in Spain also – in connection with the planned listing of EGP shares on the regulated markets of that country – EGP and ENEL also asked CONSOB to send the certificate of approval certifying that the prospectus had been prepared in accordance with Directive 2003/71/EC to Comisión Nacional del Mercado de Valores (CNMV). On 15 October 2010, in order to enable the receipt of expressions of interest from institutional investors as part of the offering, ENEL announced that it had determined the price range for shares of EGP. This price range was set at a minimum of €9 billion and a maximum of €10.5 billion (equal to a non-binding minimum price of €1.80 per share and a

binding maximum price of €2.10 per share, the latter equal to the maximum placement price). On 28 October 2010, ENEL, without prejudice to the indicative price range reported above, announced that it would consider expressions of interest from €1.60 per share in order to achieve the best possible valuation of such an important asset as EGP. On 30 October 2010, ENEL, in consultation with the Joint Global Coordinators and the Joint Bookrunners for the offer, set the final offering price at €1.60 per share. The final price, which was identical for both the public offering and the offering to institutional investors, was set by taking account of, *inter alia*, conditions in financial markets in Italy and abroad, the volume and quality of the expressions of interest received from institutional investors, as well as the volume of applications received in the public offering. The offering generated total gross demand for around 1,780 million shares (of which about 1,260 million shares come from retail investors in Italy and Spain and about 520 million shares from institutional investors), compared with the 1,415 million EGP shares involved in the global offering, which was supplemented by a maximum of 210 million additional shares that the Joint Global Coordinators purchased through the exercise of the over allotment option reserved for them. Following the completion of the global offering, as from 4 November 2010, EGP shares are traded on the MTA electronic market operated by Borsa Italiana and on regulated Spanish markets. As of the date of this Offering Circular, following the above global offering, ENEL's stake in ENEL Green Power amounts to 69.2 per cent. of the share capital.

- In November 2010, Generalima, a company indirectly controlled by Endesa, launched a tender offer for Empresa Eléctrica de Piura, acquiring on December 2010 36.5 per cent. of that company. In addition, on 4 January 2011, Generalima bought 20 per cent. of Eléctrica de Cabo Blanco for approximately \$11 million (a company which in turn owns 60 per cent. of Empresa Eléctrica de Piura). As a result of these transactions, Endesa holds 96.5 per cent. of Empresa Eléctrica de Piura.
- In November 2010, EGP agreed the acquisition of La Bouleste wind farm from Gamesa thus increasing its total installed capacity in France for an additional 10MW. This wind farm operates with Gamesa G87 turbines, of 2MW each, and is located in the Aveyron département, in the Midi-Pyrenees Region. La Bouleste wind farm will produce over 20 million kWh per year, enough to meet the power needs of more than 6,000 households with clean energy and will cut down greenhouse-gas emissions by more than 10,000 tonnes each year. This project is part of EGP's strategy to grow in the French renewable market. Currently EGP has a total installed capacity of 102 MW with an additional 64 MW of wind projects under construction, which will enter into operation during the next 12 months. EGP also have additional development opportunities from a project pipeline in hydro, solar and wind of more than 1,000 MW.
- In February 2011, EGP and the Marcegaglia Group launched a 3+ MW photovoltaic system that is integrated into the roofs of Marcegaglia's industrial buildings in Taranto. The project, among the largest roof-based projects using innovative technology at a national level, is completely integrated into the structure of the building and uses innovative flexible thin-film amorphous silicon photovoltaic modules. Once fully operational, the plant – owned by Enel Green Power (51 per cent.) and Marcegaglia (49 per cent.) – will generate over 3.7 million kilowatt hours annually, enough to meet the needs of some 1,400 households and avoiding the emission of over 1,900 metric tons of CO₂ per year.

The Organisational Structure of the Enel Group

In recent years, the Group has modified its organisational structure by creating new business segments, or “divisions.” In particular, at the end of 2005 and effective since 1 January 2006, the Group established the following operating divisions: “Domestic Sales,” “Domestic Generation and Energy Management,” “Domestic Infrastructure and Networks” and “International,” in addition to the areas “Parent Company” and “Services and Other Activities.”

Subsequently, in response to ENEL's growth in the international market and its acquisitions, the Group further revised its organisational structure (as from 1 January 2008) by creating two additional divisions, “Iberia and Latin America” and “Engineering and Innovation.” In particular, the Iberia and Latin America division has been allocated all of the Group's activities related to the electricity and gas markets in Spain, Portugal and Latin America. Consequently, all of the strategic goals related to those geographic areas that were present in the previous structure within the International division, as well as those of Endesa have been transferred to the Iberia and Latin America division. The Engineering and Innovation division has been allocated all of the activities related to

development and construction of generation plants, in addition to activities concerning the enhancement of innovation opportunities in all the Group's business areas. All of the Group's strategic goals concerning these subjects, which were previously the responsibility of the Domestic Generation and Energy Management division, have been transferred to the Engineering and Innovation division. As a further part of this re-segmentation process, the Domestic Sales division was renamed the "Sales" division, the Domestic Generation and Energy Management division was renamed the "Generation and Energy Management" division and the "Domestic Infrastructure and Networks" division was renamed the "Infrastructure and Networks" division.

Finally, having increased its participation in renewable energy projects and in clean carbon technology, both in Italy and abroad in September 2008, the Group made a further change to organisational structure by establishing the "Renewable Energy" division for the development and management of activities concerning energy generation from renewable resources. All the activities of electricity generation from renewable resources of existing divisions and in particular: (i) the plants located in Italy previously within the Generation and Energy Management division; (ii) the plants located in Latin America and in Spain (excluding the activities related to Endesa) previously within the Iberia and Latin America division; (iii) the remaining activities related to renewable resources abroad (previously within the International division); and (iv) the activities for the development of the photovoltaic market and energy efficiency activities in Italy previously within the Sales division, have all been moved into the new Renewable Energy division.

The following organisational chart lists the Group's divisions and areas, as well as the principal legal entities of which they are comprised at 31 December 2011.

Sales	Generation and Research Management	Engineering and Innovation	Infrastructure and Networks
<ul style="list-style-type: none"> ● Enel Servizio Elettrico ● Enel Energia 	<ul style="list-style-type: none"> ● Enel Produzione ● Enel Trade ● Enel Trade Romania ● Enel Trade Croatia ● Enel Trade Serbia ● Nuove Energie ● Hydro Dolomiti Enel ● SE Hydropower ● San Floriano Energy ● Enel Stocaggi ● Enel Longanesi Development ● Sviluppo Nucleare Italia 	<ul style="list-style-type: none"> ● Enel Ingegneria e Ricerca S.p.A. 	<ul style="list-style-type: none"> ● Enel Distribuzione ● Enel Sole ● Enel M@p
Iberia and Latin America	International	Renewable Energy	Services and Other Activities
<ul style="list-style-type: none"> ● Endesa 	<ul style="list-style-type: none"> ● Slovenské elektrárne ● Enel Distributie Muntenia ● Enel Distributie Banat ● Enel Distributie Dobrogea ● Enel Energie Muntenia ● Enel Energie ● Enel Productie ● Enel Romania ● Enel Servicii Comune ● RusEnergoSbyt ● Enel OGK-5 ● Enel France ● Enelco ● Marcinelle Energie 	<ul style="list-style-type: none"> ● Enel Green Power ● Enel.si ● Enel Green Power España⁽¹⁾ ● Enel Green Power Romania ● Enel Green Power North America ● Enel Green Power Bulgaria ● Enel Green Power France ● Enel Green Power Hellas 	<ul style="list-style-type: none"> ● Enel Servizi ● Enelpower ● Enel.NewHydro ● Enel.Factor

Note:

(1) Following merger carried out in 2011 includes data for Enel Unión Fenosa Renovables.

ENEL Results by Division

ENEL Summary Results by Division for 2011 and 2010

The results presented below reflect the organisational structure in place starting in September 2008, with the creation of the Renewable Energy division.

As of 31 December 2011⁽¹⁾ – Audited

	Sales	GEM	Eng. & Innov.	Infra and Networks	Iberia & Latin America	Int'l	Renewable Energy	Parent Company	Services and Other Activities	Eliminations and adjustments	TOTAL
<i>(Millions of euro)</i>											
Revenues from third parties.....	17,568	17,131	60	3,212	32,082	7,071	1,927	401	62	—	79,514
Revenues from other segments.....	163	6,015	337	4,248	565	644	612	361	1,294	(14,239)	—
Total revenues.....	17,731	23,146	397	7,460	32,647	7,715	2,539	762	1,356	(14,239)	79,514
Net income/(charges) from commodity risk management.....	44	232	—	—	28	(22)	(10)	—	—	—	272
Gross Operating margin.....	561	2,182	12	4,285	7,251	1,642	1,585	(38)	237	—	17,717
Depreciation, amortisation and impairment losses.....	420	592	3	938	3,194	580	505	14	105	—	6,351
Operating income.....	141	1,590	9	3,347	4,057	1,062	1,080	(52)	132	—	11,366
Capital expenditure.....	90	432	4	1,383	2,491⁽²⁾	1,450⁽³⁾	1,557	13	64	—	7,484

Notes:

- (1) Segment revenues include both revenues from third parties and revenue flows between the segments. An analogous approach was taken for other income and costs for the period.
- (2) Does not include €101 million regarding units classified as “Held for sale”.
- (3) Does not include €4 million regarding units classified as “Held for sale”.

As of 31 December 2010⁽¹⁾ – Audited

	Sales	GEM	Eng. & Innov.	Infra & Networks	Iberia & Latin America	Int'l	Renewable Energy	Parent Company	Services and Other Activities	Eliminations and adjustments	TOTAL
<i>(Millions of euro)</i>											
Revenues from third parties.....	18,499	12,173	106	2,991	31,022	6,203	1,934	358	102	(11)	73,377
Revenues from other segments.....	198	5,367	502	4,436	241	157	245	321	1,031	(12,498)	—
Total revenues.....	18,697	17,540	608	7,427	31,263	6,360	2,179	679	1,133	(12,509)	73,377
Net income/(charges) from commodity risk management.....	(587)	788	—	—	28	(29)	89	(9)	—	—	280
Gross operating margin.....	483	2,392	14	3,813	7,896	1,520	1,310	(68)	136	(16)	17,480
Depreciation, amortisation and impairment losses.....	425	560	4	902	3,253	617	344	7	110	—	6,222
Operating income.....	58	1,832	10	2,911	4,643	903	966	(75)	26	(16)	11,258
Capital expenditure.....	62	648	5	1,147	2,866⁽²⁾	1,210⁽³⁾	1,065⁽⁴⁾	7	80	—	7,090

Notes:

- (1) Segment revenues include both revenues from third parties and revenue flows between the segments. An analogous approach was taken for other income and costs for the period.
- (2) Does not include €76 million regarding units classified as “Held for sale”.
- (3) Does not include €10 million regarding units classified as “Held for sale”.
- (4) Does not include €11 million regarding units classified as “Held for sale”.

Sales Division

The Sales division deals with the sale in Italy of products and services related to electricity and gas. In 2011, the Group was the leading provider of electricity on the free market in Italy, and held the second largest market share with respect to sales of natural gas.

In particular, the Sales division is responsible for commercial activities carried out through the following subsidiaries:

- ENEL Servizio Elettrico S.p.A. (“ENEL Servizio Elettrico”), for the sale of electricity on the Universal Service market.
- ENEL Energia S.p.A. (“ENEL Energia”), for the sale of electricity and gas on the free market. ENEL Energia is the combined entity resulting from the merger of the activities of Easygas, Iridea, ENEL Gas and the company previously named ENEL Energia.

Results from the Sales division also include the figures for Vallenergie S.p.A. (“Vallenergie”), a company that serves enhanced protection market customers in the Valle d’Aosta region, until 30 November 2011 (date on which the Group disposed of its participation in Vallenergie).

Electricity Sales

Since 1 July 2007, in application of Legislative Decree No. 73/07, as subsequently ratified into law by Law No. 215 of 3 August 2007, the Italian energy market has been deregulated and all end-users can choose their supplier on the free market.

Within the framework of deregulation, Legislative Decree No. 73/07 introduced certain alternative electricity supply services: (i) the Universal Service, with contractual conditions and rates established by the Authority for Electricity and Gas, limited to residential clients and small business clients, which are supplied at a low voltage and which have not chosen their supplier on the free market or were left deprived of a supply service; and (ii) the Last-Resort Service, providing predetermined rates to certain medium- and large-sized clients. See also “Regulation”.

The electricity sold by the Sales division in 2011 amounted to 103,748 million kWh, evidencing a decrease of 9,224 million kWh from the previous year. As displayed in the following table, the electricity sold in 2010 on the free market amounted to 40,183 million kWh, evidencing a decrease of 5,026 million kWh from the previous year while the electricity sold on the Universal Service Market had a decrease equal to 4,197 million kWh. The following table provides details.

	Year ended 31 December			
	2011	2010	Change	
	<i>(Millions of kWh)</i>		<i>(%)</i>	
Free market				
Mass-market customers	27,629	27,494	135	0.5
Business customers ⁽¹⁾	10,555	13,210	(2,655)	(20.1%)
Safeguard market customers	1,999	4,505	(2,506)	(55.6%)
Total free market	<u>40,183</u>	<u>45,209</u>	<u>(5,026)</u>	<u>(11.1%)</u>
Regulated market				
Enhanced protection market customers	<u>63,565</u>	<u>67,763</u>	<u>(4,198)</u>	<u>(6.2%)</u>
Total	<u><u>103,748</u></u>	<u><u>112,972</u></u>	<u><u>(9,224)</u></u>	<u><u>(8.2%)</u></u>

Note:

(1) Supplies to large customers and energy-intensive users (annual consumption greater than 1 GWh).

Number of Electricity Clients

The ongoing process of liberalisation in the electricity market has affected the composition of clients served by the Sales division in Italy. Specifically, there has been a reduction in the number of clients on the Universal Service and Last-Resort Service markets, while the number of clients on the free market has increased, mainly due to the migration of mass-market clients (including residential clients and small business clients) to the free market after 1 July 2007 (the date on which all clients became Eligible Clients). The following table sets forth the number of clients supplied by the Sales division in the years ended 31 December 2011 and 2010.

	Year ended 31 December			
	2011	2010	Change	
	<i>(Average number of customers)</i>			<i>(%)</i>
Free market				
Mass-market customers	3,785,461	3,054,793	730,668	23.9%
Business customers ⁽¹⁾	48,894	58,082	(9,188)	(15.8%)
Safeguard market customers	38,383	78,408	(40,025)	(51.0%)
Total free market	<u>3,872,738</u>	<u>3,191,283</u>	<u>681,455</u>	<u>21.4%</u>
Regulated market				
Enhanced protection customers.....	24,998,901	26,171,196	(1,172,295)	(4.5%)
Total	<u>28,871,639</u>	<u>29,362,479</u>	<u>(490,840)</u>	<u>(1.7%)</u>

Note:

(1) Supplies “large” clients and energy-intensive users (annual consumption above 1 GWh).

Natural Gas Sales

Gas sold by the Sales division in 2011 amounted to 4,581 million cubic meters, evidencing a decrease of 922 million cubic meters from the previous year. This decrease reflected a fall in quantities sold in particular to business clients. As of 31 December 2011, the gas clients served by the Sales division numbered some 3.2 million, evidencing an increase of 248 thousand with respect to the same period of 2010.

The following table provides details regarding the volumes of gas sold and the number of clients served by the Sales division for the years ended 31 December 2011 and 2010.

	Year ended 31 December			
	2011	2010	Change	
	<i>(millions of m3)</i>			<i>(%)</i>
Gas sales				
Mass-market customers ⁽¹⁾	3,419	3,718	(299)	(8.0%)
Business customers	1,162	1,785	(623)	(34.9%)
Total sales	<u>4,581</u>	<u>5,503</u>	<u>(922)</u>	<u>(16.8%)</u>
Average number of customers	3,150,968	2,902,739	248,229	8.6%

Note:

(1) Includes residential customers and microbusinesses.

Significant Retail Market Offerings

Described below are some of the current retail market offerings of the Sales division:

Dual Energy, “Energia Sicura”

Limited to residential clients, the offer provides a combined supply by ENEL of low-voltage electricity and natural gas for cooking, hot water and/or heating. The Energia Sicura option

establishes that the price of the supply remains fixed for the first two years, allowing electricity and/or gas-consuming families to avoid price rises related to the cost of raw materials. With regard to the supply of electricity, the offer allows the choice between a fixed all-day price or a dual-time system with a fixed evening price. Furthermore, the electricity sold under this plan is backed up by Green Certificates. With regard to the supply of gas, a price established by the Authority for Electricity and Gas according to a volume-based scale is used. The price excludes the normal “floating compensation related to wholesale sales” (*corrispettivo variabile relativo alla commercializzazione all'ingrosso*) component, which is replaced by a fixed price valid for the first two years of supply.

“E-Light”

This offer sets a fixed, invariable all-day price for electricity for the first two years, and is restricted to residential clients supplied with low-voltage electricity. Bills are sent by email and are payable by direct debit. With the “Green Energy” option it is possible to receive an electricity supply backed by Green Certificates, and thus support generation from renewable resources. The E-Light gas supply is the equivalent offer at a fixed price for the first two years, restricted to residential clients supplied with natural gas for cooking, hot water and/or heating.

“Tutto Compreso” (All-Inclusive Energy)

This offer consists of a fixed price for two years for the supply of electricity, including all bill entries except tax. The offer is aimed at families with 3-kW contracts and is available in three consumer sizes: (i) “small,” up to 100 kWh per month; (ii) “medium,” up to 225 kWh per month; and (iii) “large,” up to 300 kWh per month.

Key Data of the Sales Division

The Sales division recorded revenues of €17,731 million in 2011, of which €17,568 million from third parties (22.1 per cent. of the Group’s total revenues) and €18,697 million in 2010, evidencing a decrease of €966 million in 2011.

The Sales division’s gross operating margin (EBITDA) was €561 million in 2011 and €483 million in 2010, evidencing an increase of €78 million in 2011.

The division’s capital expenditures on tangible and intangible assets amounted to €90 million in 2011, and €62 million in 2010.

Generation and Energy Management Division

This division operates in Italy in the field of electricity generation and energy products, aiming to produce electricity at competitive costs and with respect for the environment. The main activities of the Generation and Energy Management division are as follows:

- the generation and sale of electricity deriving from: (i) thermal and programmable hydroelectric power plants in Italy through Enel Produzione, Hydro Dolomiti Enel, SE Hydropower, San Floriano Energy and ENergy Hydro Piave; and (ii) trading on international and domestic markets, primarily through Enel Trade, Enel Trade Romania, Enel Trade Croatia and Enel Trade Serbia;
- the supply and sale of energy products through ENEL Trade, which also handles: (i) provisioning for all of the Group’s needs; and (ii) the sale of natural gas to distributors;
- the supply and sale of energy products through ENEL Trade; and
- the development of: (i) nuclear power plants, through Sviluppo Nuclear Italia; (ii) natural gas extraction projects, through Enel Longanesi Development; (iii) natural gas regasification and storage plants, through Nuove Energie and Enel Stocaggi.

Following a reorganisation of its corporate activities, ENEL Trade currently operates in the following sectors: (i) energy management, (ii) up-stream gas and (iii) carbon strategy.

Generation and Sales of Electricity

The ENEL Group, through the operations of its Generation and Energy Management division, is the primary electricity producer in Italy. As of 31 December 2011, the Generation and Energy Management division operated 285 generating plants with an installed capacity of 36,967 MW that represented about 32 per cent. of the net efficient capacity in Italy, according to data from Terna.

The following table sets forth the quantity and the related installed capacity of the generating plants of the Generation and Energy Management division in Italy as of 31 December 2011, by generation technology.

	No. of Plants	Installed Capacity
		<i>(MW)</i>
Coal power plants.....	8	6,804
Combined-cycle gas/turbogas (peak load) power plants.....	15	8,043
Oil/gas/diesel (minor production) power plants.....	19	9,943
Biomass power plants.....	1	35
Total thermal power plants⁽¹⁾	43	24,825
Hydroelectric power plants⁽²⁾	240	12,136
Photovoltaic power plant⁽³⁾	2	6
Total	285	36,967

Note:

(1) Of which 1,574 MW unavailable due to long-term technical issues (1,551 MW at 31 December 2010).

(2) Of which 29 HDE plants account for 1,273 MW of capacity (consolidated in GEM at 49%), 18 SEH plants account for 617 MW of capacity, 2 SFE plants account for 136 MW (consolidated in GEM at 33%)

(3) Of which 35 MW unavailable due to transformation activities (35 MW at 31 December 2010).

The following sets forth the net electricity production of the Generation and Energy Management division in Italy in 2011 and 2010 by generation technology.

	2011	2010	Change	
	<i>(Millions of kWh)</i>		<i>(%)</i>	
Thermal.....	50,708	47,744	2,964	6.2%
Hydroelectric.....	16,480	21,633	(5,153)	(23.8%)
Other resources.....	9	5	4	80.0%
Total net generation	67,197	69,382	(2,185)	(3.1%)

Net electricity generation in 2011 amounted to 67,197 million kWh, evidencing a decrease of 3.1 per cent. compared to 2010. The decrease in hydroelectric generation in 2011 (down 5,153 million kWh) was the result of poorer water availability during the period (also at the national level) and the change in the method of consolidating Hydro Dolomiti Enel (down 1,462 million kWh), and was only partially offset by greater thermal production during the period, amounting to 2,964 million kWh, thanks in part to the contribution of the new coal plant at Torrevadalia Nord.

The following table provides details regarding the contribution of the gross thermal electricity production of the Generation and Energy Management division in 2011 and 2010.

	2011		2010		Change	
	(Millions of kWh)	(%)	(Millions of kWh)	(%)	(Millions of kWh)	(%)
High-sulphur fuel oil (S > 0.25%)	753	1.4%	754	1.5%	(1)	(0.1%)
Low- sulphur fuel oil (S < 0.25%)....	311	0.6%	877	1.7%	(566)	(64.5%)
Total fuel oil.....	1,064	2.0%	1,631	3.2%	(567)	(34.8%)
Natural gas.....	18,771	34.8%	20,172	39.7%	(1,401)	(6.9%)
Coal.....	33,578	62.2%	28,592	56.2%	4,986	17.4%
Other fuels.....	538	1.0%	467	0.9%	71	15.2%
Total	53,951	100.0%	50,862	100.0%	3,089	6.1%

In the framework of a transformation program aimed at increasing the efficiency and the competitiveness of the Group's plants in the context of the liberalised Italian market, the following activities have commenced:

- ***The conversion of the fuel oil thermal plant at Porto Tolle into a clean-coal plant***

The new Porto Tolle plant, lower in capacity but more efficient than the existing plant, is expected to be able to satisfy market price pressures while applying advanced technologies to improve environmental performance, including through an 80 per cent. reduction of pollutants compared to the existing plant.

Trading on the International Markets and in Italy

Part of ENEL Trade's responsibility is to reduce the Group's exposure to commodity risk by entering into derivatives transactions, within the limits of the Group's policies.

ENEL Trade also carries out proprietary trading that consists of taking on energy commodity (oil products, gas, coal and electricity) exposures in the main European countries by means of financial derivative instruments and contracts for physical delivery exchanged on the regulated and over-the-counter markets, seeking to exploit arbitrage opportunities and speculating on price developments. The activity is carried out within a formal governance framework with strict risk limits set at the Group level, and compliance therewith is verified daily by an organisational unit independent from the groups carrying out trading operations. Specific controls in terms of quantitative risk limits (value at risk) are in place.

Credit risk management for trading operations is based on strict evaluation, assignment and monitoring procedures in accordance with international best practices. The credit limit for each counterparty is set through the use of official ratings, when available, or otherwise by assigning to each counterparty an internal rating obtained via a thorough analysis of the counterparty's financial statements and other information to which ENEL Trade has access, including information from external information-providers. If necessary, further guarantees are required to support credit in the form of bank or insurance guarantees, or guarantees from the holding companies of the counterparties. Guarantors are also subject to rating and risk limits.

Within the framework of the development of electricity trading activities on foreign markets ENEL Trade will carry out procurement activities, as well as trading and cross-border operations, exploiting the opportunities derived from their geographical location and from the presence in the area of other companies of the Group.

Procurement and Sale of Energy Products

ENEL Trade also carries out fuel procurement to satisfy the needs of the Group's generation plants and the market demand for gas sold by other Group companies, seeking to: (i) assure that the ENEL Group obtains fuel of the quality required for the functioning of its plants; and (ii) limit the cost of procurement and mitigate price volatility risks. With these guidelines, a policy of entering into medium- and long-term contracts (some including take-or-pay provisions) is pursued, diversifying

where possible the sources of procurement. The costs of transporting purchased fuel are also stabilised through the use of long-term transportation contracts.

With regard to coal, the principal countries that supply the Generation and Energy Management division are South Africa, Indonesia, Colombia, Russia and USA, while, with regard to gas, Algeria and Nigeria are the principal sources of supply.

Within the framework of an initiative intended to vertically integrate the supply chain, it was decided in 2008 that ENEL would open an office in Algiers in order to strengthen its already developed commercial relations with Sonatrach, its Algerian supplier, and to develop new business activities in the upstream gas sector (exploration and production), as well as to research possible new initiatives in the midstream gas sector, in particular with regard to liquefied natural gas. At the same time, the construction of the Group's re-gasification plant at Porto Empedocle is progressing.

Development of Natural Gas Storage Projects

The ENEL Group carries out natural gas storage activities through ENEL Stocaggi, which is fully owned by its subsidiary ENEL Trade. This gas storage enables the Group to compensate for daily or seasonal variations in consumption, and consistently ensure an adequate supply of natural gas.

On 23 May 2011, ENEL Stocaggi was awarded a positive environmental evaluation from the Ministry for the Environment with respect to the project of converting the Romanengo field (Cremona) reservoir into a storage facility. The project is expected to lead to the creation of some 300 million cubic meters of available gas.

Key Data of the Generation and Energy Management Division

In 2011, the Generation and Energy Management division recorded revenues of €23,146 million, of which €17,131 million from third parties (21.5 per cent. of the Group's total revenues). In 2010, revenues were €17,540 million. The division's gross operating margin (EBITDA) was €2,182 million in 2011 and €2,392 million in 2010.

The division's capital expenditures on tangible and intangible assets amounted to €432 million in 2011, and €648 million in 2010.

Engineering and Research Division

The Engineering and Research division, in operation as of 1 January 2008, manages the engineering processes involved in the development and construction of generating plants, aiming to achieve quality, time and economic targets. The Engineering and Research division is also tasked with coordinating and integrating all of the Group's research activities to identify, develop and exploit opportunities for innovation throughout the Group, with particular regard to the development of activities of environmental value.

In Belgium and Russia, the construction of combined-cycle plants in Marcinelle and Nevinnomiskaya, respectively, has been completed underscoring the division's commitment to international development in support of the ENEL Group and its strategy. In Belgium, the "Provisional Acceptance Certificate" was issued on 29 March 2012. Moreover, in Russia, E&R is carrying on the construction of a new dry ashes removal and storage system in the coal-fired power plants in Reftinskaya, where E&R is also responsible for revamping and refurbishments of the existing unit 5, aiming to reduce emissions and increase efficiency.

In Slovakia, work for the completion of units 3 and 4 of the nuclear plant at Mochovce, with a capacity of 880 MW, has commenced. These units are expected to enter production during 2013 and 2014, respectively.

On the innovation front, a "Group Technological Innovation Plan" has been developed, which marks the start of a new approach to managing technological innovation projects, and is aimed at ensuring the maximum effectiveness of the research activities of the Group. At Fusina, testing has begun on an experimental plant that should enable ENEL to test and develop the technology for the use of hydrogen as a fuel for turbogas installations.

Key Data of the Engineering and Research Division

The Engineering and Research division recorded revenues of €397 million in 2011, and €608 million in 2010.

The division's gross operating margin (EBITDA) was €12 million in 2011 and €14 million in 2010.

Infrastructure and Networks Division

The Infrastructure and Networks division is responsible for operating the Group's electricity distribution networks in Italy. These activities are carried out by:

- ENEL Distribuzione for the distribution of electricity;
- ENEL Sole S.r.l. for public and scenic lighting.

Results from the division also include the figures for Deval ("Deval"), a company that distributes electricity in the Valle d'Aosta region, until 30 November 2011 (date on which the Group disposed of its participation in Deval).

Electricity Transport and Distribution Networks

The Group, through ENEL Distribuzione, is the main distributor of electricity in Italy (with 246,037 million kWh of electricity transported in 2011 and 246,997 million kWh of electricity transported in 2010) and owns the main distribution network (extending 1,112,927 kilometres as of 31 December 2011). The following table quantifies the length of the Infrastructure and Networks division's low-, medium- and high-voltage lines in the years 2011 and 2010.

	Year ended 31 December		
	2011	2010	Change
High-voltage lines at year-end (km).....	—	57	(57)
Medium-voltage lines at year-end (km).....	345,586	344,029	1,557
Low-voltage lines at year-end (km).....	767,341	765,024	2,317
Total electricity distribution network (km).....	1,112,927	1,109,110	3,817
Electricity transported on ENEL's distribution network (millions of kWh)⁽¹⁾.....	246,037	246,997	(960)

Note:

(1) The figure for 2010 reflects a more accurate determination of amounts transported and includes the Deval distribution grid.

Gas Transport and Distribution Networks

Following the disposal of 80 per cent. of the share capital of ENEL Rete Gas to F2i reti Italia S.r.l., F2i and Finavias S.à.r.l., ENEL continues to operate in the gas transport and distribution sector though its remaining 20 per cent. interest in ENEL Rete Gas, to which it will continue to provide a number of support services. For further details, see "*Internationalisation and Focus on Energy Businesses – Most significant transactions*".

Public and Scenic Lighting Services

The Group – through ENEL Sole – provides public and scenic lighting in Italy and abroad, serving approximately 4,000 municipalities with approximately two million streetlights, and providing scenic lighting for more than 500 important buildings and monuments as of 31 December 2011.

Key Data of the Infrastructure and Networks Division

The Infrastructure and Networks division recorded revenues of €7,460 million in 2011 and €7,427 million in 2010, evidencing an increase of 0.4 per cent. The division's gross operating margin (EBITDA) was €4,285 million in 2011 and €3,813 million in 2010.

The division's capital expenditures on tangible and intangible assets amounted to €1,383 million in 2011 and €1,147 million in 2010.

Iberia and Latin America Division

The Iberia and Latin America division, established in 2007 following the purchase of 67.05 per cent. of the share capital of Endesa and operative from 1 January 2008, focuses on developing ENEL's presence and coordinating its operations in the electricity and gas markets of Spain, Portugal and Latin America, including formulating growth strategies in the related regional markets.

For consolidated reporting purposes, this division was allocated ENEL's proportional share of the net assets and results of operations of Endesa, which operates principally in Spain, Portugal and Latin America (in particular, in Chile, Colombia, Brazil, Argentina and Peru) in the generation, distribution and sale of electricity and gas, until, as a consequence of the purchase of an additional 25.01 per cent. stake in Endesa on 25 June 2009, Endesa was fully consolidated in the Group's results as from such date. The companies ENEL Latin America, Inelec, Americas Generation Corporation and ENEL Unión Fenosa Renovables, previously under the Iberia and Latin America division, have been reassigned to the Renewable Energy division formed in September 2008, and data in respect of them is not included in the below data for any period.

Following the integration of ENEL's operations in the renewable energy sector in Spain and Portugal, the activities of Endesa Cogeneración y Renovables (ECYR, now Enel Green Power España) and its subsidiaries were transferred at the end of the first quarter of 2010 from the Iberia and Latin America Division to the Renewable Energy Division. Accordingly, the performance figures for those activities for the first quarter of 2010 are reflected in the Iberia and Latin America Division, while the balance sheet figures for the same business at December 31, 2010 are reported under the Renewable Energy Division.

In 2011, other minor changes in the scope of the Iberia and Latin America division were made, involving the Spanish ICT operations and the company Compostilla Re (operating in the reinsurance field), which were transferred to the Services and Other Activities area as part of activities to improve the allocation of operating units within the Iberia and Latin America division.

Acquisition of Endesa

On 27 February 2007, ENEL, acting through its wholly owned subsidiary EEE, purchased 9.99 per cent. of Endesa's share capital, for a total consideration of approximately €4.1 billion. Subsequently, after obtaining the required administrative authorisations, EEE requested physical settlement of certain swap agreements entered into in March 2007. As a result, EEE raised its holding to 264,401,597 shares, representing an increase from 9.99 per cent. to 24.97 per cent. of Endesa's share capital.

On 26 March 2007, ENEL and Acciona – the latter having meanwhile raised its holding in Endesa to approximately 21 per cent. of that company's share capital – entered into an agreement for the joint management of Endesa, and also agreed to make a joint tender offer for 100 per cent. of the company's share capital (the "Tender Offer"). ENEL granted Acciona a put option to sell ENEL all, but not less than all, of the shares of Endesa directly or indirectly owned by Acciona at any time between the third and the tenth anniversaries of the agreement.

On 11 April 2007, following the failure of E.On's tender offer over the Endesa shares, ENEL (acting through its subsidiary EEE) and Acciona presented their joint offer for 100 per cent. of the Endesa shares.

In accordance with the agreement entered into by ENEL and Acciona, following completion of the Tender Offer, ENEL owned 67.05 per cent. of Endesa's share capital, while Acciona directly and indirectly held 25.01 per cent.

On 20 February 2009, ENEL, EEE and Endesa signed a new agreement with Acciona and its subsidiary Finanzas Dos for the acquisition of the 25.01 per cent. of Endesa owned directly and indirectly by Acciona; such agreement provided for the early exercise by Acciona of the put option provided by the agreement of 26 March 2007 (the original first exercise date was 1 March 2010).

On 25 June 2009, ENEL acquired the 25.01 per cent. of Endesa owned directly and indirectly by Acciona. The purchase price for the 25.01 per cent. of Endesa was set at €11.1 billion but was subsequently reduced to €9.627 billion to take account of dividends that were paid by Endesa to Acciona. As at the date of this Offering Circular, ENEL's stake in Endesa is 92.06 per cent

The Endesa Group

Endesa is the principal company operating in the Spanish electricity sector; it also operates in other European countries and in Latin America. In particular, Endesa carries out: (i) electricity generating activities in Spain, Chile, Argentina, Peru, Colombia, Brazil, Ireland, Morocco and Portugal; (ii) electricity distribution activities in Spain, Chile, Argentina, Peru, Colombia and Brazil; and (iii) electricity sales activities in Spain, Argentina, Brazil, Chile, Colombia, Peru, and in the broader European market.

Endesa had a total net efficient capacity of 38,862 MW at the end of 2011 and 39,027 MW at the end of 2010. Endesa recorded total net electricity production of 138.7 TWh and distributed over national grids approximately 174.7 TWh of electricity in 2011. In 2010, Endesa recorded total net electricity production of 130.5 TWh and distributed over national grids approximately 170.8 TWh of electricity.

In 2011, Endesa sold a total of 104.9 TWh of energy on the Iberian market. In 2011, Endesa had approximately 11.5 million clients in Iberia, 4.5 per cent. of which were commercial or industrial clients and 95.5 per cent. of which were residential clients. As of 31 December 2011, Endesa had approximately 13.7 million clients in Latin America.

Endesa is also active in the Spanish natural gas market. As of 31 December 2011, it had 1 million natural gas clients in Iberia. In 2011, it sold more than 3.9 billion cubic meters of gas on the free market outside of the Group. Total sales including intra Group were 5.4 billion cubic meters.

In 2011, Endesa's total consolidated revenues were €32,686 million and its net income attributable to the shareholders of ENEL was €2,212 million.

Electricity Production

The net electricity production in 2011 amounted to 138,713 million kWh, resulting in an increase of 8,229 million kWh compared to the same period in 2010.

More specifically, net electricity production in Europe in 2011 rose by 7,878 million kWh essentially due to the increase in thermal generation (up 45.5 per cent.), which more than offset the reduction in nuclear generation due to a temporary shut-down of a number of plants (down 8.8 per cent.), and the decline in hydroelectric generation owing to poorer water availability in the period.

Net production in Latin America rose by 351 million kWh, mainly as a result of higher thermal generation in Argentina, Chile and Peru, partially offset by lower hydroelectric generation (due to less favorable water availability in the period in all the Latin American countries in which the Iberian and Latin American divisions operate, with the exception of Colombia and Peru).

	Years ended 31 December		
	2011	2010	Change
	<i>(Millions of kWh)</i>		
Thermal.....	73,549	59,238	14,311
Nuclear	25,177	27,619	(2,442)
Hydroelectric	39,855	42,920	(3,065)
Wind	132	647	(515)
Other resources	—	60	(60)
Total net production	138,713	130,484	8,229

The net efficient generation capacity as at 31 December 2011 decreased by 165 MW. This decrease is essentially attributable to the decline in thermal generation capacity in Europe (down 137 MW) as a result of the reduced capacity of the San Adrià gas plant, which more than offset the entry into service of a number of thermal combined-cycle plants. The following table provides details concerning the net efficient capacity of the Iberia and Latin America division as of 31 December 2011 and 31 December 2010.

	As at 31 December			
	2011	2010	Change	
		(MW)		(%)
Thermal plants.....	21,997	22,169	(172)	(0.8%)
Hydroelectric plants.....	13,261	13,258	3	—
Wind plants	78	77	1	1.3%
Nuclear plants	3,526	3,514	12	0.3%
Alternative resources	—	9	(9)	—
Total net efficient capacity	38,862	39,027	(165)	(0.4%)

Electricity Transport and Distribution Networks

As at 31 December 2011, the size of the electricity distribution network of the Iberian and Latin American Division had increased by 11,328 km, with the change mainly concentrated in Latin America.

Energy transported in 2011 amounted to 174,658 million kWh, evidencing an increase of 3,864 million kWh.

The following table quantifies the Iberia and Latin America division's low-, medium- and high-voltage lines, as well as the volume of electricity transported through the division's network, in the years 2011 and 2010.

	Years ended 31 December		
	2011	2010	Change
High-voltage lines at year-end (km).....	30,533	30,242	291
Medium-voltage lines at year-end (km).....	270,833	267,010	3,823
Low-voltage lines at year-end (km).....	322,563	315,349	7,214
Total electricity distribution network (km)	623,929	612,601	11,328
Electricity transported on Enel's distribution network (millions of kWh).....	174,658	170,794	3,864

Sales of Electricity

Electricity sales to end users in 2011 reached 161,171 million kWh, evidencing an increase of 3,473 million kWh compared with the same period of 2010. The increase in sales in Latin America (particularly in Chile), amounting to 5,432 million kWh as a result of higher demand for electricity, was partially offset by lower sales in the Iberian peninsula (down 1,959 million kWh), essentially due to *Tarifa de Ultimo Recurso* customers (for further info, please see "Regulation" below). The following table details the volumes of electricity sold by the Iberia and Latin America division in the years ended 31 December 2011 and 31 December 2010.

	Years ended 31 December		
	2011	2010	Change
	<i>(Millions of kWh)</i>		
Free market			
Iberian peninsula	104,935	106,894	(1,959)
Latin America.....	7,398	7,107	291
Total free market	<u>112,333</u>	<u>114,001</u>	<u>(1,668)</u>
Regulated market			
Latin America.....	48,838	43,697	5,141
Total regulated market	<u>48,838</u>	<u>43,697</u>	<u>5,141</u>
TOTAL	<u><u>161,171</u></u>	<u><u>157,698</u></u>	<u><u>3,473</u></u>
– of which Iberian peninsula	104,935	106,894	(1,959)
– of which Latin America.....	56,236	50,804	5,432

The Iberia and Latin America division offers its medium- and large-sized business clients a wide variety of electricity contracts with fixed or variable prices, and similarly offers its residential and small business clients numerous different tariff plans.

Distribution of Natural Gas

Through Endesa and its subsidiaries, the Iberia and Latin America division is involved in the distribution of natural gas in Spain. Endesa's objective is to be present in each stage of the gas supply chain: importation, re-gasification, transport, distribution and sales.

Endesa offers its medium- and large-sized business clients a wide variety of gas contracts with fixed or variable prices, and similarly offers its residential and small business clients numerous different tariff plans.

Information and data in the foregoing paragraphs relate to Endesa itself, not to the Iberia and Latin America division's proportional share of Endesa.

As part of efforts to leverage its operations in the gas transport and distribution industry in Spain, in December 2010, after regulatory clearance, Endesa completed a transaction for the sale of an 80 per cent. stake in its subsidiary NUBIA 2000 (a company owning, through other vehicles, gas distribution and transmission assets) to two infrastructure investment funds. Endesa will continue to have a presence in Spain's gas transport and distribution sector through its remaining 20 per cent. interest in NUBIA 2000, to which it will continue to provide a number of support services.

Key Data of the Iberia and Latin America Division

The Iberian and Latin American Division recorded revenues of €32,647 million in 2011 of which €32,082 million came from third parties (40.3 per cent. of the Group's total revenues) and €31,263 million in 2010. The division's gross operating margin (EBITDA) was €7,251 million in 2011 and €7,896 million in 2010.

The division's capital expenditures on tangible and intangible assets amounted to €2,491 million in 2011, and €2,866 million in 2010.

International Division

The mission of the International Division is to support the Group's strategies for international growth, as well as to manage and integrate the foreign businesses outside the Iberian and Latin American markets, which are managed by the Iberian and Latin American Division, monitoring and developing business opportunities that should present themselves on the electricity and fuel markets.

The operations of this division are currently divided into three geographical regions:

- (i) Central Europe, where the International division is active in electricity sales in France (Enel France), power generation in Slovakia (Slovenské elektrárne), and the development of thermal power plants and support activities in Belgium (Marcinelle Energie and Enel Operations Belgium);

- (ii) South-eastern Europe, with the development of generation capacity (Enel Productie S.R.L.) and electricity distribution, sale and support activities in Romania (Enel Distributie Banat S.A., Enel Distributie Dobrogea S.A., Enel Energie, Enel Distributie Muntenia S.A., Enel Energie Muntenia S.A., Enel Romania S.R.L. and Enel Servicii Comune S.A.), and the development of thermal plants in Greece (Enelco);
- (iii) Russia, with electricity sales and trading (RusEnergoSbyt), power generation and sales (Enel OGK-5) and a gas upstream supporting company (Enel Gas Rus) in the Russian Federation.

The following is a description of the activities carried out by the division in the three geographical regions.

Central Europe

France

The Group, through its fully-owned subsidiary ENEL France, sells electricity on both the free market and to end-users. Sales to end users are made at both market prices and semi-regulated prices (levels influenced by the so-called ARENH mechanism, which regulates access to nuclear energy at discounted price). Following publication of the so-called “NOME” law, ENEL France has the right to buy from EdF nuclear energy at the ARENH Price. Electricity is also sourced from EdF in accordance with anticipated capacities contracts pursuant to the Nice Agreement signed in November 2007. Due to such agreements, ENEL France holds a 12.5 per cent. interest in the first French third generation EPR 1,600 MW nuclear reactor in Flamanville and acquired the option to take a 12.5 per cent. stake in the next five reactors of the EPR chain to be developed and built by EDF. In order to acquire an immediate positioning on the French market ENEL France negotiated with EDF off-take rights from existing nuclear installations in France up to a total of 1,200 MW, by blocks of 200 MW each, corresponding to 12.5 per cent. of the anticipated capacity of the EPR reactors mentioned above. Enel also negotiated with EDF the right, through a dedicated know-how transfer agreement, to train its technical personnel on the design and operation practices identified for EPR nuclear plants, and as a result 55 of ENEL’s engineers are currently supporting EdF specialists in both Flamanville site activities and engineering offices in Paris and around France.

The Group also owns a 5 per cent. stake of the share capital of Powernext S.A., the French electricity exchange.

Slovakia

In April 2006, as part of the privatisation of Slovakian generating assets, ENEL, acting through ENEL Produzione, completed the acquisition of 66 per cent. of the electricity company Slovenské elektrárne, the largest generating company in Slovakia, from the National Property Fund of the Slovak Republic (the “NPF”). The remaining 34 per cent. of the share capital remains held by the NPF, and shareholders’ rights in respect of such shares are exercised by Slovakia’s Ministry of Economy.

Simultaneously with ENEL’s acquisition of its interest in Slovenské elektrárne (“SE”), ENEL, the Slovakian Ministry of Economy and the NPF entered into a shareholders’ agreement recognising the NPF’s rights, as a minority shareholder: (i) to nominate two out of the seven members of SE’s board of directors (the other five are nominated by ENEL); (ii) to nominate two out of 15 members of SE’s supervisory board (eight are nominated by ENEL and the other five are elected by workers’ representatives); and (iii) to veto (as a result of special quorum requirements) certain material decisions (especially with regard to extraordinary transactions) of the supervisory board and general meeting.

SE’s electricity production for 2011 (net of pumping) was composed as follows: (i) 71.5 per cent. from nuclear plants; (ii) 17.1 per cent. from hydroelectric plants; and (iii) 11.38 per cent. from thermal plants. In 2011, SE generated a total of 20,056 GWh of net electricity production (net of pumping), and purchased a further 5,066 GWh of energy. Total sales amounted to 25,008 GWh. The main clients of SE are the three regional electricity distribution companies present in Slovakia, as well as large industrial clients.

As of 31 December 2011, SE had an installed hydroelectric, thermal, solar and nuclear capacity equal to 4,993 MW, whilst it controlled, through commercial agreements, a further 747 MW of capacity (the hydroelectric plants of Gabčíkovo), for a gross total of 5,740 MW.

SE’s nuclear generation is carried out at two facilities located in the municipalities of Bohunice and Mochovce, which together contain four active reactors, all of which are pressurised-water-technology

reactors. Bohunice has a capacity of 1,000 MW and Mochovce of 940 MW (Mochovce), for a gross total capacity of 1,940 MW as of 31 December 2011. In November 2008, work for the completion of units 3 and 4 of the nuclear plant at Mochovce, with a capacity of 880 MW, commenced; these units are expected to enter production during 2013 and 2014, respectively. During the 2006-2008 period, SE also purchased the total capacity from two V1 reactors at the Bohunice nuclear plant, each with a capacity of 440 MW, which are the property of the Slovakian government-controlled company, JAVYS. These two V1 reactors were decommissioned at the end of 2006 and at the end of 2008, respectively, as a consequence of commitments undertaken by Slovakia in order to enter the European Union.

SE's hydroelectric production consists of run-of-the-river hydropower plants and programmable hydroelectric plants (with both pondage and reservoir installations) for a total installed capacity of 1,653 MW.

SE's thermal generation is carried out at two sites: (i) Novaky, which has installed capacity of 518 MW, divided into two production areas, ENO A, a co-generation plant with an installed capacity equal to 78 MW, and ENO B, with an installed capacity equal to 440 MW (both are fuelled by local lignite); and (ii) Vojany, with an installed capacity equal to 880 MW, divided into two production areas, the first of which utilises imported coal while the second uses natural gas.

Since 2011 SE's solar generation has been carried out from two sites: (i) Mochovce solar Power plant, which has an installed capacity of 1 MW and (ii) Vojany solar Power plant, with an installed capacity of 1 MW.

Belgium

On 30 June 2008, ENEL, acting through its subsidiary EIH, acquired 80 per cent. of Marcinelle Energie, a company that is constructing a 420 MW CCGT plant in the Wallonia region of Belgium, from Duferco Diversification. Engineering, procurement and construction (EPC) activities, which are carried out by a consortium led by ENEL's Engineering and Research division for a total estimated investment of around €325 million. The Provisional Acceptance Certificate was issued on 29 March 2012 and the plant came into operation on 30 March 2012. Once fully operational, the plant is expected to generate around 2.5 TWh of electricity per year for the Belgian domestic market. ENEL Trade has been designed to be the Group vehicle in charge of commercialising such electricity through a 100 per cent. tolling agreement (fuel per electricity) with the Marcinelle Energie power plant.

Southeastern Europe

Romania

The Group sells electricity in Romania, through ENEL Energie (in the Banat and Dobrogea regions) and ENEL Energie Muntenia (in the Bucharest region), and is also involved in electricity distribution, through ENEL Distributie Banat, ENEL Distributie Dobrogea and ENEL Distributie Muntenia, which, in 2011, together distributed approximately 14.26 TWh of electricity to approximately 2.56 million clients through a 125,219 kilometre network (as of 31 December 2011).

As of 31 December 2011, ENEL estimates that the market share of ENEL Energie and ENEL Energie Muntenia was 19 per cent. (8.785 GWh out of a total of 45.814 GWh) and its total number of number of clients (both captive and free market) was 2.6 million. As of 31 December 2011, the market share of ENEL Distributie Banat ENEL Distributie Dobrogea and ENEL Distributie Muntenia was 31 per cent. (14.263 GWh out of a total of 45.814 GWh).

ENEL controls through the Dutch fully-owned subsidiary Enel Investment Holding B.V., the above-mentioned companies with a 51.003 per cent. stake in the share capital of each of ENEL Distributie Banat, ENEL Distributie Dobrogea and ENEL Energie, and with a 64.4251 per cent. stake in the share capital of ENEL Distributie Muntenia and ENEL Energie Muntenia; these stakes were acquired following the privatisation of three of the eight electricity distribution and supply companies in Romania.

The Group is also engaged in activities in Romania in order to develop further generating capacity, in particular through three initiatives:

- the Energonuclear project in which the Group has a 9.15 per cent. share, and which is aimed at constructing two CANDU nuclear reactors, each with 720 MW of capacity at the Cernavoda plant;

- the development, through ENEL Productie S.R.L., of a greenfield coal project with 800 MW of capacity in the city of Galati; and
- the development, through the company Braila Power S.A. as a minority shareholder (with 28.5 per cent.) in a consortium composed of ENEL, an E.On subsidiary and the Romanian state-owned company Termoelectrica, of a brown-field coal project with 800 MW of capacity in the city of Braila.

These initiatives are currently all in the developmental phase and require the finalisation of technical planning, as well as government authorisation necessary to build the plants.

Bulgaria

The Group carried out electricity generation activities in Bulgaria through Maritza East III Power Holding B.V., a Dutch company holding 73 per cent. of ENEL Maritza East 3, the Bulgarian company that owns the Maritza East III plant, located in the southeast of the country near Stara Zagora. This plant, among the largest in Bulgaria, is a thermal plant fuelled with lignite. The Group also carries out production support activities through ENEL Operations Bulgaria. On 28 June 2011, the Group disposed of its participation in Maritza East 3.

Greece

In 2008, ENELCO, a company 75 per cent. controlled by ENEL and 25 per cent. owned by Prometheus Gas (a joint venture of the Copelouzos group and Gazprom Export) was successful in a tender to construct a new combined-cycle plant with a capacity of 430 MW at Viotia. ENELCO has interrupted the construction of this combined-cycle plant and is evaluating the feasibility of constructing a photovoltaic park on the same site. The joint venture has also obtained a permit for a further CCGT plant with 447 MW of capacity near the Turkish border.

Russia

The ENEL Group operates in Russia, through three principal subsidiaries or controlled companies, in three vertically integrated sectors: gas production, electricity generation and electricity sales.

ENEL OGK-5

ENEL OGK-5 is one of the main electricity generation companies in Russia. It is active in the markets of the Urals, the Caucasus and central Russia. The company was founded in 2004, within the framework of the reform of the Russian energy sector, in order to establish a competitive market and to attract private investment to the sector. ENEL OGK-5's headquarters are in Moscow and it operates through four plants in three regions: (i) in the Urals, Reftinskaya GRES (3,800 MW fuelled by coal) and Sredneuralskaya GRES (1,600 MW fuelled by gas); (ii) in the northern Caucasus, Nevinnomysskaya GRES (1,675 MW fuelled by gas); and (iii) in central Russia's Tver region, Konakovskaya GRES (2,500 MW fuelled by gas).

As of 31 December 2011, the total installed capacity of the company was 9,576 W, for electricity, and 2,612 the kilo calories per hour for heat production. In 2011 ENEL OGK-5 built two new CCGT units on the premises of the Sredneuralskaya GRES and Nevinnomysskaya GRES plants, with approximately 410 MW of capacity each. ENEL OGK-5 is active on the wholesale market, selling its generated electricity to retailers and large industrial clients.

As at the date of this Offering Circular, ENEL through its subsidiary EIH has a stake in OGK-5 equal to approximately 56.43 per cent.

RusEnergoSbyt

During 2006, the Group, acting through EIH, acquired 49.5 per cent. of the share capital of Res Holdings, which in turn holds 100 per cent. of the share capital of RusEnergoSbyt, the largest electricity supplier and independent electricity trader in Russia. The remaining part of the share capital of Res Holdings is held by EnergyBridge B.V. ("EB"), the lead company of the ESN Group, a Russian corporate group active in the energy sector. RusEnergoSbyt supplies electricity, acquired from the wholesale market, to the entire Russian Federation, as far as the eastern coast. The company's headquarters are in Moscow, and it has ten affiliates and 48 offices. Among its clients are large industries such as Russian Railways RZhD and small, widely distributed clients, including some households, for a total of 187,400 clients and around 45.7 TWh of electricity sold in 2011.

EIH and EB have entered into a shareholders' agreement pursuant to which: (i) each shareholder has an equal right to appoint at least two members of the board of directors of Res Holdings (for so

long as each shareholder owns between 49.5 per cent. and 75.0 per cent. of the company); (ii) all decisions of the board of directors must be taken unanimously (giving EIH joint control despite its minority stake); (iii) each shareholder is granted tag-along rights in the event the other shareholder sells its interest in the company; and (iv) each shareholder is granted certain rights of first refusal over the other's shares, subject to an auction mechanism to determine the transfer price.

SeverEnergi

SeverEnergi, which employs over 500 people in the offices of Moscow and Novy Urengoy, is the first Russian-Italian company actively operating in the Yamal Nenets region in Western Siberia. The region currently produces some 90 per cent. of Russian gas. The parties agreed to cooperate on the renewal and updating of licenses as well as on setting the details of the fields' development plan.

As at 31 December 2011, ENEL held a participation in SeverEnergi equal to 19.6 per cent. of its share capital.

At the end of 2011, SeverEnergi invested in exploration, drilling and the development of gas treatment plants.

Electricity Production

The net generation by the International division in 2011 amounted to 65,472 million kWh, evidencing a decrease of 3,004 million kWh compared with the previous year. This reduction is attributable to the disposal of Enel Maritza East 3 AD in June 2011 (with a reduction of 2,049 million kWh), lower output by SE (down 553 million kWh), where greater nuclear generation was more than offset by lower hydroelectric output due to poorer water availability during the period, and to lower output in Russia by Enel OGK-5 (down 402 million kWh), essentially attributable to the unavailability of a number of plants for maintenance.

The following table provides details concerning the net electricity generation of the International division in 2011 and 2010.

	Years ended 31 December			
	2011	2010	Change	
	<i>(Millions of kWh)</i>			<i>(%)</i>
Thermal	47,316	49,743	(2,427)	(4.9%)
Nuclear	14,340	13,534	806	6.0%
Hydroelectric	3,791	5,179	(1,388)	(26.8%)
Other resources.....	25	20	5	25.0%
Total net generation	65,472	68,476	(3,004)	(4.4%)

As of 31 December 2011 the installed net efficient capacity of the International division amounted to 14,428MW, as compared to 14,407MW as of 31 December 2010. The following table details the net efficient capacity of the International division as of 31 December 2011 and 2010 by type of generation technology.

	As at 31 December		
	2011	2010	Change
	<i>(MW)</i>		
Thermal plants.....	10,272	10,256	16
Hydroelectric plants.....	2,329	2,329	—
Nuclear plants.....	1,818	1,818	—
Other resources.....	9	4	5
Total net efficient capacity	14,428	14,407	21

Electricity Transport and Distribution Networks

As at 31 December 2011, the size of the electricity distribution network showed an increase of 704 km, related essentially to investments in Romania.

In 2011, 14,263 million kWh of electricity were transported over the networks, resulting in an increase of 3.2 per cent., compared to the 13,827 million kWh transported in 2010.

The following table quantifies the International division's low, medium and high-voltage lines in the years 2011 and 2010.

	2011	2010	Change	
High-voltage lines at year-end (km).....	6,584	6,583	1	—
Medium-voltage lines at year-end (km).....	34,665	34,439	226	0.7%
Low-voltage lines at year-end (km).....	48,695	48,218	477	1.0%
Total electricity distribution network (km).....	89,944	89,240	704	0.8%
Electricity transported on Enel's distribution network (millions of kWh).....	14,263	13,827	436	3.2%

Sales of Electricity

In 2011, the International division sold 46,440 million kWh of electricity, as compared to the 37,873 million kWh sold in 2010. The following table provides further details regarding the volumes of electricity sold in the years ended 31 December 2011 and 2010.

	Years ended 31 December		Change	
	2011	2010		
	<i>(Millions of kWh)</i>		<i>(%)</i>	
Free market				
Romania	1,086	923	163	17.7%
France	11,398	5,578	5,820	104.3%
Russia	22,374	14,737	7,637	51.8%
Slovakia	3,615	2,216	1,399	63.1%
Total free market	38,473	23,454	15,019	64.0%
Regulated market				
Romania	7,699	8,103	(404)	(5.0%)
Russia	268	6,316	(6,048)	(95.8%)
Total regulated market	7,967	14,419	(6,452)	(44.7%)
TOTAL	46,440	37,873	8,567	22.6%
– of which Romania	8,785	9,026	(241)	(2.7%)
– of which France	11,398	5,578	5,820	104.3%
– of which Russia	22,642	21,053	1,589	7.5%
– of which Slovakia	3,615	2,216	1,399	63.1%

Key Data of the International Division

The International division recorded revenues of €7,715 million in 2011 of which €7,071 million from third parties (8.9 per cent. of the Group's total revenues) and €6,360 million in 2010. The division's gross operating margin (EBITDA) was €1,642 million in 2011 and €1,520 million in 2010.

The division's capital expenditures on tangible and intangible assets amounted to €1,450 million in 2011 and €1,210 million in 2010.

Renewable Energy Division

In September 2008, the Renewable Energy division was formed in order to develop and manage the Group's activities of electricity generation from renewable resources in Italy and abroad, seeking to promote the integration and expansion of ENEL's strategies in this field. This reorganisation led to

the establishment of the company, ENEL Green Power, to which all the activities of the Renewable Energy division relate.

ENEL Green Power was formed on 1 December 2008 as a spin-off of ENEL Produzione. ENEL Green Power holds, *inter alia*, all of the wind, geothermal, photovoltaic and non-programmable hydroelectric production plants of the Group in Italy. The principal legal entities of ENEL Green Power are set out in the chart below.

On 1 January 2009, ENEL Green Power acquired the entire share capital of ENEL Green Power International BV (“Green Power International”), to which all the Group’s other interests in foreign companies active in the renewable-resources sector had been transferred.

ENEL Green Power is the ENEL Group company dedicated to renewable energy with a presence in Europe, North America and Latin America. It is one of the global leaders in its industry with a total installed capacity of around 7,000 MW and more than 600 plants in operation in 16 countries. The company and its subsidiaries produced 22.5 billion kWh of energy from water, sun, wind, geothermal and biomass in 2011.

The ENEL Group is one of the main international operators in the generation of electricity from renewable resources.

As of 31 December 2011, the division had an installed net capacity of 7,079 MW, divided among non-programmable hydroelectric facilities 2,539 MW, wind facilities 3,541 MW, geothermal facilities 769 MW, other facilities 230 MW with more than 500 operational plants worldwide.

The Renewable Energy division has the mission of developing and managing operations for the generation of electricity from renewable resources, ensuring their integration in line with the Enel Group’s strategies. The geographical areas of operation of the Renewable Energy division are:

- Italy and the rest of Europe, with power generation from non-schedulable hydroelectric plants, as well as geothermal, wind and solar plants in Italy (Enel Green Power and other minor companies), Greece (Enel Green Power Hellas), France (Enel Green Power France), Romania (Enel Green Power Romania) and Bulgaria (Enel Green Power Bulgaria), and plant and franchising activities in Italy (Enel.si);
- Iberia and Latin America, with power generation from renewable sources in Spain and Portugal (Enel Green Power España, which merged with Enel Unión Fenosa Renovables in 2011) and Latin America (Enel Green Power Latin America);
- North America, with power generation from renewable sources (Enel Green Power North America).

Following the integration of Enel’s operations in the renewable energy sector in Spain and Portugal at the end of the first quarter of 2010, ECyR (now Enel Green Power España) – whose results were reported as part of those for the Iberian and Latin American Division until the reorganisation – became part of the Renewable Energy Division.

The following organisational chart lists ENEL Green Power's divisions and areas, as well as the principal legal entities of which they are comprised at 31 December 2011.

Italy and Europe	Iberia and Latin America	North America	Retail
<ul style="list-style-type: none"> ● Enel Green Power Portoscuso ● Enel Green Power Calabria ● Enel Green Power StrambinoSolar ● Energia Eolica ● Energia Eolica ● Enel Green Power Puglia ● Maicor Wind ● 3SUN ● Enel Green Power & Sharp Solar Energy ● Taranto Solar ● Enel Green Power Romania ● Enel Green Power Bulgaria ● Enel Green Power Hellas ● Enel Green Power France 	<ul style="list-style-type: none"> ● Enel Green Power España ● Enel Brasil Participações ● Enel Energia Alerce ● Enel de Costa Rica ● Enel Guatemala ● Impulsora Nacional de Electricidad ● Enel Panama ● Grupo EGI 	<ul style="list-style-type: none"> ● Enel Green Power North America 	<ul style="list-style-type: none"> ● Enel si

Electricity Production

Net electricity generation in 2011 increased by 646 million kWh (evidencing an increase of 3.0 per cent.) to reach 22,480 million kWh. The increase was due to a rise of 1,042 million kWh in generation abroad, where wind output benefitted from the change in the scope of consolidation in respect of the acquisition (from the Iberian and Latin American Division) of Enel Green Power España, the opening of wind farms in the rest of Europe and greater generation by wind farms in the United States. These effects were partially offset by lower hydroelectric output due to poorer water availability during the period.

Net electricity generation in Italy in 2011 fell by 396 million kWh compared with the previous year, due to a 771 million kWh decrease in hydroelectric generation, which was only partially offset by higher geothermal and wind generation.

The following table illustrates in detail the net electricity production of the Renewable Energy division in the years ended 31 December 2011 and 2010.

	Years ended 31 December			
	2011	2010	Change	
	<i>(Millions of kWh)</i>		<i>(%)</i>	
Italy				
Hydroelectric	5,664	6,435	(771)	(12.0%)
Geothermal.....	5,300	5,029	271	5.4%
Wind	806	722	84	11.6
Other resources.....	21	1	20	—
Total net generation in Italy.....	11,791	12,187	(396)	(3.2%)
International				
Hydroelectric	4,433	4,635	(202)	(4.4%)
Geothermal.....	268	248	20	8.1%
Wind	5,336	4,204	1,132	26.9%
Other resources.....	652	560	92	16.4%
Total net generation abroad	10,689	9,647	1,042	10.8%
TOTAL.....	22,480	21,834	646	3.0%

As of 31 December 2011, the total net efficient capacity of the Renewable Energy division was 7,079 MWh, as compared to 6,102 MW at 31 December 2010. The following table details the total net

efficient capacity of the Renewable Energy division as of 31 December 2011 and as of 31 December 2010.

	As at 31 December			
	2011	2010	Change	
		(MW)		(%)
Italy				
Hydroelectric plants.....	1,511	1,509	2	0.1%
Geothermal plants.....	722	728	(6)	(0.8%)
Wind plants.....	623	532	91	17.1%
Other resources.....	59	6	53	—
Total net efficient capacity in Italy	2,915	2,775	140	5.0%
International				
Hydroelectric plants.....	1,028	1,030	(2)	(0.2%)
Geothermal plants.....	47	47	—	—
Wind plants ⁽¹⁾	2,918	2,122	796	37.5%
Other resources.....	171	128	43	33.6%
Total net efficient capacity abroad	4,164	3,327	837	25.2%
TOTAL	7,079	6,102	977	16.0%

(1) Of which 42 MW regarding units classified as “Held for sale” at December 31, 2010.

Performance

The table below shows performance of the Renewable Energy Division in 2011 and 2010.

	2011	2010	Change
	<i>Millions of euro</i>		
Revenues.....	2,539	2,179	360
Net income/(charges) from commodity risk management.....	(10)	89	(99)
Gross operating margin.....	1,585	1,310	275
Operating income.....	1,080	966	114
Employees at year-end (no.) ⁽¹⁾	3,229	2,955	274
Capital expenditure ⁽²⁾	1,557	1,065	492

(1) Includes 12 in units classified at “Held for sale” at 31 December 2010.

(2) Does not include €11 million regarding units classified as “Held for sale” at 31 December 2010.

The table below shows performance by geographical area of the Renewable Energy Division in 2011 and 2010.

	Revenues			Gross operating margin			Operating income		
	2011	2010	Change	2011	2010	Change	2011	2010	Change
	<i>Millions of euro</i>								
Italy and the rest of Europe.....	1,471	1,458	13	905	890	15	649	724	(75)
Iberia and Latin America.....	883	576	307	573	336	237	376	206	170
North America.....	185	145	40	107	84	23	55	36	19
Total	2,539	2,179	360	1,585	1,310	275	1,080	966	114

Key Data of the Renewable Energy Division

The Renewable Energy division recorded revenues of €2,539 million in 2011 of which €1,927 million from third parties (2.4 per cent. of the Group’s total revenues) and €2,179 million in 2010. The division’s gross operating margin (EBITDA) was €1,585 million in 2011 and €1,310 million in 2010.

The division's capital expenditures on tangible and intangible assets amounted to €1,557 million in 2011, and €1,065 million in 2010.

The Parent Company, Services and Other Activities

Parent Company

The Parent Company aims to create synergies within the Group and to optimise the management of services in support of the core business activities. In particular, the Parent Company, in its capacity as an industrial holding company, defines strategic targets for the Group and coordinates the activities of subsidiaries. In addition, the Parent Company manages central treasury operations and insurance risk coverage, providing assistance and guidelines on organisation, personnel management and labour relations, accounting, administrative, fiscal, legal and corporate matters. In addition, until December 31, 2011, ENEL also held a contract with Alpiq (formerly Atel) for the import of electricity on the Swiss border.

The Parent Company recorded revenues of €762 million in 2011 of which €401 million from third parties (0.5 per cent. of the Group's total revenues) and €679 million in 2010. The gross operating margin (EBITDA) was negative €38 million in 2011 and negative €68 million in 2010.

The Parent Company's capital expenditures on tangible and intangible assets amounted to €13 million in 2011 and €7 million in 2010.

Service and Other Activities

The Service and Other Activities area provides real estate and facilities, as well as information technology, training, human resources management, general management, factoring and insurance-related services to the various companies of the Group.

The Service and Other Activities area recorded revenues of €1,356 million in 2011 of which €62 million from third parties (0.1 per cent. of the Group's total revenues) and €1,133 million in 2010. The area's gross operating margin (EBITDA) was €237 million in 2011 and €136 million in 2010.

The area's capital expenditures on tangible and intangible assets amounted to €64 million in 2011 and €80 million in 2010.

Markets and Competition

ENEL is the principal electricity company in Italy and Spain, and, based on publicly available data, the Company estimates that it is the second largest electricity company in Europe, based on total installed capacity. The Group's net electricity production in 2011 amounted to 293.9 TWh, of which 79.0 TWh was produced in Italy and 214.9 TWh was produced abroad. In 2011, the Group conveyed through the grid 435.0 TWh of electricity, of which 246.0 TWh in Italy and 189.0 TWh abroad.

In 2011, the Group sold 8.5 billion cubic meters of gas, of which 4.6 billion cubic meters were sold in Italy, where the Group is the second largest operator, and 3.9 billion cubic meters were sold abroad.

The following subsections describe the competitive position of the Group in each of the main countries in which it operates and set forth certain summary information regarding the regulatory systems in those countries. For additional information, please see "Regulation" herein.

The Italian Electricity Market

ENEL is the principal electricity producer in Italy, with 39.9 GW of installed capacity as of 31 December 2011. The main competitors are Edison S.p.A. and Eni S.p.A.

According to Terna estimates, energy consumption in the Italian free market in 2011 reached approximately 226.2 TWh, with network losses (including 6.4 TWh of safeguard), representing a 3.8 per cent. increase compared to 2010.

In 2011, ENEL sold electricity to 3,872,738 average clients on the free market, of which 3,823,844 were mass-market clients and 48,894 were large or medium-sized business clients. Of the total volume sold on the free market, 29.6 TWh of electricity was sold to mass-market clients (including 2.0 TWh of safeguard) and 10.6 TWh was sold to large or medium-sized business clients, an overall decrease of 5.0 TWh compared to 2010.

According to Terna, 2011 energy consumption on the regulated market amounted to approximately 76.7 TWh net of network losses. In 2011, ENEL sold 63.6 TWh to 24,998,901 million clients on the

regulated market. ENEL's share of the regulated market in 2011 was 83 per cent., according to Terna estimates.

The Italian Natural Gas Market

In 2011, ENEL imported 9.3 billion cubic meters of gas. In the retail market, in 2011 ENEL sold 3,419 million cubic meters of gas to mass-market clients and 1,162 million cubic meters of gas to large and medium-sized business clients. Based on data from the MED and other sources, ENEL estimates that the Group's market share for the sale of gas in 2011 was 11 per cent., as in 2010.

Iberia and Latin America

In 2011, in the Iberian and Latin American markets, the Group's net production of energy amounted to 138.7 TWh, and energy sales amounted to 161.2 TWh.

Iberian Peninsula

The Group's installed capacity on the Iberian Peninsula amounted to 23.3 GW as of 31 December 2011. In the year then ended, its production amounted to 75.9 TWh of energy and its sales amounted to 104.9 TWh. The main operators in the Iberian electricity industry are Endesa, Iberdrola, Hidrocanabrico and Unión Fenosa.

Latin America

As of 31 December 2011, the Group's installed capacity in Latin America was equal to 15.6 GW. In 2011, production amounted to 62.8 TWh and sales amounted to 56.2 TWh.

Latin America has traditionally been a strategic area for growth for Endesa.

This region has reacted relatively well to the current economic crisis, due to the success of economic policies implemented in recent years. With respect to the electricity market, there is a need to increase generation capacity. The expectations for the development of the markets in this region, in terms of medium- and long-term growth in electricity demand and sales are sufficient to justify continued investment in the region. The relevant regulatory frameworks are generally modern, transparent and stable.

As of 31 December 2011, Endesa had a total installed capacity in Argentina of 4.4 GW (30 per cent. hydroelectric and 70 per cent. thermoelectric). It held a 17 per cent. share of the electricity generation market in 2011. In the distribution sector, Endesa controls Edesur (Buenos Aires), a company with 2.4 million clients that distributed 17.2 TWh of energy in 2011.

As of 31 December 2011, Endesa had a total installed capacity in Brazil of 1 GW (67 per cent. hydroelectric and 30.33 per cent. thermoelectric). In 2011 it held a 1 per cent. share of the electricity generation market. In the distribution sector, Endesa controls Ampla (Rio de Janeiro), a company that has 2.6 million clients and Coelce (Rio de Janeiro), a company that has 3.2 million clients. Total energy distributed was 19.2 TWh in 2011.

As of 31 December 2011, Endesa had a total installed capacity in Chile of 5.6 GW (62 per cent. hydroelectric and 36 per cent. thermoelectric, and the remaining part renewable). In 2011 it held a 35 per cent. share of the electricity generation market. In the distribution sector, Endesa controls Chilectra (Santiago de Chile), a company that has 1.6 million clients and distributed 13.7 TWh of energy in 2011.

As of 31 December 2011, Endesa had a total installed capacity in Colombia of 2.9 GW (86 per cent. hydroelectric and 14 per cent. thermoelectric). In 2011, it held a 21 per cent. share of the electricity generation market. In the distribution sector Endesa controls Codensa (Bogotá), a company that has 2.6 million clients and distributed 12.9 TWh of energy in 2011.

As of 31 December 2011, Endesa had a total installed capacity in Peru of 1.8 GW (42 per cent. hydroelectric and 58 per cent. thermoelectric). In 2011, it held a 28 per cent. share in the electricity generation market. In the distribution sector, Endesa controls Edelnor (Lima), a company that has 1.1 million clients and distributed 6.6 TWh of electricity in 2011.

Russia

As of 31 December 2011, the Group's installed capacity in Russia amounted to approximately 9.0 GW, whilst its net production amounted to 42.4 TWh of energy, and sales to final clients (through Res Holdings) amounted to 22.6 TWh (22.4 TWh of which were sold on the free market and 0.2 TWh of which were sold on the regulated market).

Slovakia

As of 31 December 2011, the Group had an installed capacity in Slovakia of approximately 5.4 GW (including the Gabčíkovo Power Plant), and it produced approximately 20.4 TWh of energy in 2011.

ENEL's share in the generation market, through SE, amounted to 76 per cent. in 2011, as compared to a 78 per cent. share in 2010.

SE is the main Slovakian producer of electricity. Other operators in the electricity generation market are E.ON Elektrárne, s.r.o., PPC Power, U.S. Steel Kosice, TEKO, Slovnaft, Mondi SCP and Slovintegra. None of these companies has a market share above 5 per cent.

Romania

In 2011, the ENEL Group sold 8.79 TWh of electricity in Romania, out of which 88 per cent. was sold on the regulated market. The total market share held by the Group in terms of sales of electricity in Romania amounted to 19 per cent. in 2011. The main operators in the electricity market are Electrica and, among foreign operators, ENEL, E.On and CEZ.

ENEL has three separate distribution companies (Enel Distribuție Banat S.A., Enel Distribuție Dobrogea S.A. and Enel Distribuție Muntenia S.A.) and two supply companies (Enel Energie S.A. and Enel Energie Muntenia S.A.) in Romania. Its interests in the country also extend to generation from renewable resources, and the acquisition or construction of generation plants, in general.

France

Due to the Nice Agreement executed with EdF in 2007, ENEL carries out nuclear and wind-power generation and commercialisation activities in France. More precisely, ENEL currently holds a 12.5 per cent. interest in the EPR nuclear plant under construction at Flamanville, and is benefiting from a "know-how transfer agreement" providing for a number of nuclear energy technicians to be trained by EdF. Furthermore, Enel France has the option to take a 12.5 per cent. interest in the next 5 EPR to be built by EDF in France.

ENEL sold 14.7 TWh of electricity in France in 2011 and 7.08 TWh in 2010 (part of which is acquired from EdF as an advance on the production of the EPRs mentioned above and another part from the ARENH mechanism described above).

Renewable Energy

Within the renewable energy sector, which will continue to have an important role in ENEL's future, the growth of the Group will be experimented through all the covered technologies.

The renewable energies confirm their trend of growth in all the technologies and geographical areas and such growth is usually associated with (just like in developing countries) the economic growth and does not derive solely from compliance with environmental protection regulations.

The model of development of the renewable energies in ENEL is based on a diversified approach from both a technological and geographical perspective which is possible because of the flexibility in the allocation of investments which are approved on the basis of the profitability only.

In the two-years period 2010-2011, in many countries where the Group operates or is developing its activities there have been new regulations in favour of new investments including, without limitations, the attribution to new wind farms in Romania of two green certificates for each MWh produced until 2017 and the revision of the majorities of the so-called "feed-in" tariffs (currently the most common incentive instrument) and bidding procedures for new plants, for the development of new capacities.

Properties, Plants and Equipment

The Group owns and leases a large number of office buildings and warehouse spaces throughout Italy and in the foreign countries in which it operates. The Group owns substantially all of the plants, machinery and equipment used to carry out its productive activities.

At 31 December 2011, no creditors or other third parties had any significant rights over or in respect of any of the property, plants or equipment of the Group.

Litigation

In the ordinary course of its business the Group is subject to various civil and administrative proceedings, as well as certain arbitral and criminal proceedings.

ENEL records provisions in its consolidated balance sheet to cover contingent litigation-related liabilities whenever ENEL's internal and external counsel advise it that an adverse outcome is likely in a given litigation and a reasonable estimate of the amount of the loss can be made. As of 31 December 2011, such provisions amounted to €846 million. The foregoing amount does not include €117.4 million of allowances made in respect of the property tax litigation described under "—Municipal Property Tax Issues" below. For a discussion of other significant provisions for contingent liabilities (unrelated to litigation), see Note 38 to the Group's audited financial statements as of and for the year ended 31 December 2011.

ENEL does not believe that any active or pending litigation is likely to have a material adverse effect on the financial condition or results of operations of the Group. See "Risk Factors — Risks Related to the ENEL Group — ENEL is subject to a large variety of litigation and regulatory proceedings and cannot offer assurances regarding the outcomes of any particular legal proceedings."

The following is a discussion of relevant proceedings to which the Group is subject.

Environmental Litigation

As of 31 December 2011, ENEL had 608 judicial proceedings of an environmental nature pending, most of which (approximately 80 per cent.) related to its electricity distribution grid. In recent years, environmental litigation has declined, in spite of the growth of ENEL's assets. ENEL has focused on environmental sustainability of its activities and on pursuing responsible management practices.

Litigation regarding environmental issues primarily concerns the installation and operation of electrical plant of Enel Distribuzione. Enel Distribuzione is involved in various civil and administrative suits relating to requests, often using urgent procedures, for the precautionary transfer or modification of operations on power lines by some persons living near them on the basis of their alleged potential to cause harm, despite the fact of their having been installed in compliance with current regulations. In a number of proceedings claims for damages for physical harm caused by electromagnetic fields have been lodged. The outcome of litigation on these issues has been generally favourable to the Company. In a decision in February 2008, the Court of Grosseto ruled that compliance with the statutory limits on exposure to electrical and magnetic fields ensures, as supported by the most authoritative studies in the field and evidence arising at the European level, that health will not be jeopardised. There have been sporadic adverse precautionary rulings, which have all been appealed. At present, there are no final adverse rulings, and no damages for physical harm have ever been granted, although a ruling in February 2008 (appealed) found that harm had been caused by the "stress" associated with living near power lines and the fear of possible health problems. The next hearing in such proceeding has been scheduled for 9 July 2014.

There have also been a number of proceedings concerning electromagnetic fields generated by medium- and low-voltage transformer substations within buildings, in which the equipment, according to the Company's technical staff, has always been in compliance with induction limits set by current regulations. Recent rulings have confirmed that compliance with the applicable regulations is sufficient guarantee of protection from harm.

In August 2008, the Supreme Court (*Corte di Cassazione*) issued a ruling concerning a 380 kW power line (Forli-Fano) no longer owned by Enel that, in conflict with current scientific knowledge in this area, accepted the existence of a causal relationship between the headaches suffered by a number of parties and exposure to electromagnetic fields. As discussed in previous reports, the situation concerning litigation has evolved following the entry into force of the framework law on electromagnetic emissions (Law 36 of 22 February 2001) and the related implementing regulations for power lines (Prime Minister's Decree of 8 July 2003). The rules introduced with these measures have harmonised regulation of the field at the national level. Among other issues, the Company is still awaiting implementation of the program provided for by Law No. 36/2001 for the upgrading of power lines, with the possibility of recovering, in part or in full, costs incurred by the owners of power lines and substations through electricity rates, in accordance with criteria to be set by the Authority for Electricity and Gas, pursuant to Law 481/1995, as they represent costs incurred in the public interest. At present, the Prime Minister has not issued the Order setting out the criteria for the upgrading of power lines (Article 4, paragraph 4, of Law 36/2001), which is necessary for distribution companies to submit the associated plans to the regional governments (Article 9, paragraph 2, of Law 36/2001).

A number of urban planning and environmental disputes regarding the construction and operation of certain power plants and distribution lines are also pending. Based on an analysis of individual cases,

Enel believes the possibility of adverse rulings is remote. For a limited number of cases, an unfavourable outcome cannot be ruled out completely, however. The consequences of unfavourable judgments could, in addition to the possible payment of damages, also include the costs related to work required to modify electrical equipment and the temporary unavailability of the plant.

Criminal Proceedings Relating to Air Pollution Caused by the Porto Tolle Thermoelectric Plant

The Court of Adria, in a ruling issued 31 March 2006 concluding criminal proceedings begun in 2005, convicted former directors and employees of ENEL for a number of incidents of air pollution caused by emissions from the Porto Tolle thermoelectric plant. The decision, which was provisionally enforceable, held the defendants and ENEL (as a civilly liable party) jointly liable for the payment of damages for harm to multiple parties, both natural persons and local authorities. Damages for a number of mainly private parties were set at €367,000. The calculation of the amount of damages owed to certain public entities (the regions of Veneto and Emilia Romagna, the province of Rovigo and various municipalities) was postponed to a subsequent civil trial, although a “provisional award” of approximately €2.5 million was immediately due and paid.

In the criminal proceedings, an appeal was lodged against the ruling of the Court of Adria and on 12 March 2009, the Court of Appeal of Venice partially reversed the lower court decision. It found that the former directors had not committed a crime and that there was no environmental damage and therefore ordered recovery of the provisional award already paid. The prosecutors and the civil claimants lodged an appeal against the ruling with the Supreme Court (*Corte di Cassazione*). In a ruling on 11 January 2011, the Supreme Court (*Corte di Cassazione*) granted the appeal, overturning the decision of the Venice Court of Appeal, and referred the case to the civil section of the Venice Court of Appeal to rule as regards to payment of damages and the division of such damages among the prosecuted. As regards amounts paid to a number of public entities, the Company has already made payment under a settlement agreement reached in 2008. With a suit lodged in July 2011, the Ministry for the Environment and a number of public entities asked the Venice Court of Appeal to order ENEL and ENEL Produzione to pay civil damages for harm caused by the emissions from the Porto Tolle power station. The amount of damages requested for economic and environmental losses is about €100 million, which ENEL has fully rejected. The next hearing will be held on 18 February 2015.

In August 2011, the Public Prosecutor’s Office of Rovigo asked that a number of former directors, officers and employees of ENEL and ENEL Produzione be submitted for trial on the charge of alleged wilful omission to take precautionary actions to prevent a disaster in respect of the alleged emissions from the Porto Tolle plant. The trial will be held on 27 September 2012. ENEL and its directors with respect to such proceedings denied any responsibility for the alleged pollution of Porto Tolle power plant.

Litigation Connected with the Blackout of 28 September 2003

With regard to a blackout that occurred on 28 September 2003, ENEL Distribuzione received numerous letters (most drafted on the basis of standardised forms prepared by consumer associations) containing requests for automatic lump-sum indemnities (€25.82 each), allegedly due under the Electricity Service Charter and resolutions of the Authority for Electricity and Gas, in addition to further damages to be quantified by clients with a view to possible legal action.

Such requests generated approximately 120,000 claims against ENEL Distribuzione (individually for small amounts and mainly before magistrates (*giudice di pace*) in the regions of Calabria, Campania and Basilicata) the cost of which should be partially recovered through existing insurance policies. The proceedings are aimed at requesting damages and in limited cases for automatic lump-sum indemnities. ENEL Distribuzione has challenged these requests with the following arguments: First, neither the Authority for Electricity and Gas resolutions nor the Electricity Service Charter (whose reference legislation has been repealed) provide for automatic lump-sum indemnities in the case of an interruption of supply, as specified by the Authority for Electricity and Gas in a press release. Second, in relation to both the manner and extent of the blackout, the electricity supply interruption of 28 September 2003 was an unexpected and unforeseeable event beyond the control of the relevant Group companies, for which they cannot therefore be held liable. Two-thirds of the proceedings ended with adverse decisions for ENEL Distribuzione at courts of first instance. The appellate courts have nearly all found in favour of ENEL Distribuzione, based upon both the lack of proof of the losses claimed and the recognition that the Group was not involved in causing the event. The few adverse appellate rulings against ENEL Distribuzione have been appealed to the Supreme Court

(Corte di Cassazione) which has always stated in favour of ENEL Distribuzione, including in Ordinances dated 23 July 2009, (No. 17282, 17283 and 17284) directly rejecting the relevant clients' claims and fully sharing the contents of ENEL Distribuzione's appeal. In particular, the Supreme Court qualified ENEL Distribuzione's appeal as clearly well-founded, stating that no responsibilities can be attributed to ENEL Distribuzione in relation to the blackout on the basis that ENEL Distribuzione is not responsible for activities other than those in its role as electricity distributor within the relevant legal framework.

At the same time, action has been taken to obtain reimbursement from insurance companies for the amounts paid as a result of adverse judgments. In response to complaints from the insurance companies, in May 2008 ENEL brought a suit to ascertain its right to reimbursement of amounts paid in settlement of unfavourable rulings. No provisions have been recorded by the Group. In particular, Enel served its insurance company (Cattolica) a summons to ascertain its right to reimbursement of amounts paid in settlement of unfavourable rulings.

In court, Cattolica involved a number of reinsurance companies in the proceedings, including ENEL.re. During testimony, ENEL.re found the claim of ENEL to be well-founded, while other reinsurers, including Zurigo, challenged the claim. The case will continue before the Court of Rome in the hearing for submission of final pleadings on 24 January 2013.

Many black-out rulings are still pending despite the position taken by the Supreme Court, partly owing to the difficulties faced by the court clerks of a number of courts in publishing rulings that have already been made and partly due to the substantial work load of the individual offices, which has slowed judges' decisions

As of 31 December 2011, pending cases concerning the blackout had fallen to about 45,000 due to Court decisions as well as an abandonment of law suits by the plaintiffs or joinder of proceedings, while the flow of new claims has essentially come to a halt in view of the rulings in Enel's favor by both the courts of appeal and the Supreme Court (*Corte di Cassazione*).

Municipal Property Tax Issues

Article 1-quinquies of Legislative Decree No. 44 of 31 March 2005 states that Article 4 of Royal Decree No. 652 of 13 April 1939 (governing land registries) shall be interpreted, with regard to power plants alone, such that buildings and permanent constructions, as well as those parts that are structurally attached to them, even temporarily, which may be joined by any means of connection with movable parts for the purpose of creating a single complex asset, all consist of part of the land. ENEL has objected to this Article 1-quinquies of Legislative Decree No. 44, especially with respect to the inclusion of turbines, and has commenced litigation. ENEL and others have raised issues concerning the constitutionality of the decree.

Seeking clarity, the Regional Tax Commission of Emilia Romagna, in Ordinance No. 16/13/06 (filed on 13 July 2006), referred the issue of the constitutionality of Article 1-quinquies of Legislative Decree No. 44 to the Italian Constitutional Court.

On 20 May 2008, the Constitutional Court, in Judgment No. 162/08, ruled that the issues regarding the constitutionality of the decree raised by ENEL and others, and referred to the Constitutional Court by the Regional Tax Commission of Emilia Romagna, had no foundation and, therefore, confirmed the legitimacy of the interpretation. The Group expects the effects of this to be as follows: (i) the inclusion of the value of turbines in land registry values; (ii) the power for local land registry offices to modify taxes from past years retroactively; and (iii) the probable limitation of the retroactive effects of Article 1-quinquies to certain power plants that to date have been the subject of comments by the land registry offices.

The Group notes that, to date, no valuation criterion has been introduced for movable assets considered relevant for the determination of land registry values either with regard to the valuation method or the effective identification of the object of the valuation, and the above ruling does not appear to provide any guidance on this issue.

Accordingly, with regard to pending litigation, ENEL Produzione and ENEL Green Power shall continue to pursue the case to request a substantial reduction of the values originally assigned by the land registry offices to the removable parts of their plants. They have, however, allocated what they believe to be an adequate amount to the "provisions for litigation, risks and charges" to cover fully the potential charges that would result from an unfavourable outcome, including the information that has emerged from new assessments. At the same time, they do not feel that further provisions are necessary to take into account possible retroactive application of the rule to other plants, which to

date have not been the subject of comments by the land registry offices. In any event, such plants are primarily small in size.

With respect to the specific criteria used to assess the risk of a potential unfavourable outcome in pending property tax litigation, ENEL takes into account all of the amounts contained in each of the assessments delivered to the relevant Group companies, as well as properties susceptible to similar disputes. As of 31 December 2011, the total amount set aside for ENEL Produzione was equal to €100.2 million, for ENEL Green Power was equal to €12.8 million and for Hydro Dolomiti Energia was equal to €4.4 million.

Inquiries by the Milan Public Prosecutor's Office and the State Audit Court

In February 2003, the Milan Public Prosecutor's Office initiated a criminal investigation of former directors and top managers of Enelpower S.p.A. ("Enel Power") and other individuals for alleged offences to the detriment of Enelpower, including payments made by contractors to receive certain contracts. In January 2008, the investigating magistrate allowed ENEL, Enel Power and Enel Produzione S.p.A. ("Enel Produzione") to join the case as injured parties. On 27 April 2009, the investigating magistrate announced a plea bargain for a number of the defendants, while the former managing directors of Enel Produzione and Enel Power and the executive of Enel Power were committed for trial before the Court of Milan. After the start of the trial in January 2010, on 20 April 2010 the judge ruled that the trial could not proceed against the former managers for the offences of corruption and embezzlement as the period of limitation had expired. The trial continued against the former managers for the offence of criminal conspiracy, but it was concluded too on 20 September 2011 with a ruling that the period of limitation had run out. Enel Power, Enel Produzione and ENEL are taking civil action to recover damages for the harm caused by the conspiracy conducted by the former managers.

Following the extinguishment of the grounds for seeking damages for pecuniary losses and as a result of the ruling of the Supreme Court (*Corte di Cassazione*) No. 26806/09 of 19 December 2009 – which ruled that the State Audit Court lacked jurisdiction – ENEL, Enel Power and Enel Produzione filed two civil suits with the courts of Monza and Udine seeking tortious damages for the losses caused by the actions of Enel former directors and senior managers being pursued through the State Audit Court and the criminal court. In addition, Enel Produzione and Enel Power have undertaken claw-back actions against the former directors and senior managers, voiding certain transfers of assets. On 25 May 2011, a settlement agreement was signed with the former managing director of Enel Produzione under which ENEL is to receive damages, including in the interest of the companies of the Group involved, totalling €2 million and the waiver by the former managing director of the claim to receive payment of the value of the stock options that was pending before Labour Court in the amount of €4 million. As part of the agreement, the companies of the ENEL Group have revoked – solely with respect to the Enel Produzione managing director – their status as injured parties in the criminal proceedings mentioned above and will abandon the claw-back and enforcement actions undertaken against said director.

Finally, as regards Enel Power's participation in the appeal of the ruling on money-laundering charges against the former managing director and senior manager of Enel Power, in a ruling published on 8 November 2011, the criminal law section of the Swiss Federal Supreme Court upheld the ruling of the Federal Criminal Court of Bellinzona ruling that since the injured parties were already seeking the same damages in Italy, they could not seek damages in Switzerland as well. Enel Power appealed that ruling. Again in Switzerland, Enel Power obtained a precautionary seizure order for amounts deposited on the Swiss current accounts of the defendants.

Litigation Concerning Bill Payment Procedures

In its ruling No. 2507/2010 of 3 May 2010, the Council of State granted the appeal of the Authority for Electricity and Gas (the "Authority") against ruling no. 321/08 of 13 February 2008 with which the Lombardy Regional Court had voided Resolution No. 66/07. With the latter, the Authority had fined ENEL Distribuzione €11.7 million for alleged violation of the provisions of Resolution No. 55/2000 concerning the transparency of invoices. On 1 June 2010, ENEL Distribuzione lodged an appeal with the Council of State asking for it to revoke ruling no. 2507/2010. On 29 October 2010, it also appealed to the European Court of Human Rights in Strasbourg. In ENEL's view, with the ruling the Council of State adopted an interpretation of the concept of legality that differs sharply from that usually adopted in the European court. The granting of the appeal would require the Italian State to pay damages equal to the amount paid with the fine.

BEG litigation

This litigation is being conducted on two fronts, one in Italy, the other in Albania. In Italy, a complaint was filed by BEG S.p.A. (“BEG”) before the Rome Arbitration Chamber in November 2000 against Enelpower with regard to alleged breach of a collaboration agreement governed by Italian law concerning the construction of a hydroelectric power station in Albania. BEG asked for damages from Enelpower of about €120 million. On 6 December 2002, the arbitration board ruled that Enelpower was not in breach. BEG appealed against the unfavourable arbitration ruling. Subsequently, with its ruling of 20 October 2010, the Supreme Court (*Corte di Cassazione*) upheld the decision of the Rome Court of Appeal of 7 April 2009, which rejected BEG’s appeal.

In Albania, with a ruling of 7 March 2011, the Albanian Court of Cassation denied the appeal lodged by Enelpower and ENEL against the ruling of the Albanian Court of Appeal, which on 28 April 2010 had upheld the decision of the Court of Tirana awarding Albania BEG Ambient (a subsidiary of BEG) tortious damages of about €25 million for 2004 as well as an unspecified amount of tortious damages for subsequent years. In a letter of 26 April 2011, Albania BEG Ambient, referring to the above ruling of the Albanian court, requested payment of more than €430 million.

Enelpower and ENEL replied to the request, on 28 and 29 April, respectively, strongly challenging the legitimacy of both the foundation of the claim and the amount and filed a request with the Albanian Court of Cassation for the Court of Tirana’s ruling in first instance to be revoked for conflict with the ruling of the Italian Court of Cassation. In a ruling dated 17 June 2011, and announced on 7 July, the Albanian Court of Cassation upheld the ruling of the court of first instance. ENEL and Enelpower then filed suit against the Republic of Albania with the European Court of Human Rights for violation of the right to a fair trial and the rule of law, asking the Court to order Albania to provide *restitutio in integrum* and pay damages for financial and non-financial losses incurred by ENEL and Enelpower, including amounts that might have to be paid under the ruling of the Albanian Court of Cassation of 7 March 2011. ENEL and Enelpower then filed an action before the European Court of Human Rights against the Albanian Republic for violation of the right of due process and principle of legality, requesting a payment to the Albanian Republic as “*per restitutio in integrum*” and to be indemnified for damages suffered by Enel and Enelpower also as a consequence of the amounts that they each might be obliged to pay under the ruling of 7 March 2011 of the Albanian Court of Cassation.

In addition, proceedings continued in Italy in the form of the law suit lodged by Enelpower and ENEL against BEG SpA with the Court of Rome asking the Court to ascertain the liability of BEG for having evaded compliance with the arbitration ruling issued in Italy in favor of Enelpower on 6 December 2002, having its subsidiary Albam take legal action in Albania against Enelpower and ENEL. With this action, Enelpower and ENEL are asking the Court to find BEG liable and order it to pay damages to Enelpower (contractual and tortious) and to ENEL (tortious) in the amount that one or the other could be required to pay to Albania BEG Ambient in the event of the enforcement of the sentence issued by the Albanian courts. The next hearing is scheduled for 2 July 2012.

Litigation Finmek vs ENEL Factor

On 29 April 2009, ENEL Factor was sued by Finmek S.p.A. (“Finmek”), a company subject to extraordinary administration (*amministrazione straordinaria*). The litigation relates to a factoring agreement, which stated the assignment of certain receivables by Finmek to ENEL Factor arising from a supply contract of electronic meters for the remote scanning of the consumption of energy, entered into by ENEL Distribuzione and Finmek. Under the above agreement a number of assignments were perfected from 2001 to April 2004 (when Finmek was admitted to extraordinary administration (*amministrazione straordinaria*) proceedings). Finmek asked to the court of Padua to ascertain both that the assignments executed from 7 March 2003 to 23 March 2004 are not effective vis-à-vis third parties and/or the revocation and/or declaration of ineffectiveness of such assignments. The total amount of the claim from Finmek is equal approximately to \$50 million. The next hearing has been scheduled on 13 March 2012 to examine the findings of the official technical experts.

Litigation Electrica S.A. vs Enel Distribuzione S.p.A. and Enel Investment Holding BV

There is currently a dispute involving Electrica S.A. (“Electrica”), Enel Distribuzione S.p.A. and Enel Investment Holding B.V. before the International Court of Arbitration with regard to the privatization agreements entered into by Electrica and Enel S.p.A. in 2004 – subsequently novated by ENEL to ENEL Distribuzione – for the privatisation of two formerly state owned companies, Enel Distribute Banat and Enel Distribute Dobrogea, currently controlled by the ENEL (the “Privatisation

Agreements”). On 6 December 2011, Electrica filed an arbitral claim before the International Court of Arbitration for the payment of penalties by Enel Invest Holding B.V. and ENEL Distribuzione due to the failure by the latter to comply with art. 14.6.1 of the Privatisation Agreements, specifically related to the use of amounts for investment obligations (mainly in the finance modernisation, technological upgrading, refurbishment, development and environmental investments in the distribution and supply activity and/or working capital, as required by or contemplated under the business plan for the period 2005-2009). Enel Distribuzione and Enel Investment Holding filed a Respondents’ Answer before the Secretariat of the International Court of Arbitration on 20 February 2012, denying in their entirety all the allegations made by Electrica in its claim.

Contingent Liabilities of Endesa and its subsidiaries

The following are relevant proceedings to which Endesa and its subsidiaries are subject:

Spain

- In March 2009, Josel SL sued Endesa Distribución Eléctrica SL to withdraw from the contract for the sale of several buildings due to changes in their zoning status, requesting the restitution of about €85 million plus interest. Endesa Distribución Eléctrica SL opposed the request for withdrawal. On 9 May 2011, the court granted the request to permit withdrawal from the contract and ordered Endesa to repay the amounts paid for the sale plus interest and costs. Endesa has appealed against the ruling. Through a decision given on 13 February 2012, the “Audiencia Provincial” (the court of second instance for civil matters) has granted the appeal lodged by Endesa against the decision rendered in the first instance by the “Juzgado de Primera Instancia ” and imposed all the judicial costs on JOSEL.

Brasil

- In 2005, the Brazilian tax authority notified Ampla, a subsidiary of Endesa, a tax assessment, which has been contested. The tax authority claimed that a special tax regime, pursuant to which interests paid to the holders of any fixed rate notes issued by Ampla on 1998 are not subjected to taxation in Brazil, was not applicable. On 6 December 2007, Ampla obtained a favourable decision in the second stage of the relevant administrative proceeding. The Brazilian Hacienda Publica has appealed against the above decision before the High Court of Tax Claims. ENEL believes that the suit is worth about €325 million.
- In 2002, the Government of Rio de Janeiro established that the ICMS (VAT) should be determined and paid on the 10th, 20th and 30th day of any month during which the tax are matured. Nonetheless, Ampla continued to pay the ICMS in accordance with the preceding regime (under which the tax payment should be made within the 5th day of the following month). Despite an informal agreement with the Government of Rio de Janeiro and two tax amnesty laws, in October 2004, Ampla was fined for delayed payment of the ICMS. Ampla filed a claim against such fine, but in the proceeding before the Court of first instance the Government of Rio de Janeiro obtained a favourable judgment and Ampla appealed but the appeal was denied on August 26, 2010. Ampla then filed a further appeal with the “*Consejo Pleno de Contribuyentes*” of the State of Rio de Janeiro, which is still pending. ENEL believes that the suit is worth about €78 million.
- A Brazilian construction company entered into a construction agreement with the Brazilian company CELF (held by the State of Rio de Janeiro) on 20 December 1978. Such agreement was terminated by CELF. Following an asset transfer by CELF in favour of Ampla Energia e Servicios (a subsidiary of Endesa), the Brazilian construction company claimed that this transfer has been made in violation and fraud of its rights, as a creditor of CELF pursuant to the construction agreement mentioned above. In 1998 the Brazilian construction company claimed against Ampla and the State of Rio de Janeiro for an amount equal to approximately €59 million. In March 2009, the Brazilian Tribunal approved the claim and both Ampla and the State of Rio de Janeiro appealed against such decision. In December 2009 the Court upheld the appeals. The Brazilian company filed a further appeal to the Supreme Court, but the appeal was rejected. The construction company then filed a new claim (“*de Agravo Regimental*”), which was rejected in August 2010. After this decision, the Brazilian company requested a “*Mandado de Segurança*”, the last judicial remedy to obtain the payment of the claimed sums. The request for the “*Mandado de Segurança*” was denied in June 2011. Meridional nevertheless lodged a new appeal with the Superior Tribunal de Justiça in Brasilia. The suit is worth about €329 million.

- In 1998 CIEN, a Brazilian subsidiary of Endesa, and Tractebel entered into an agreement for the supply of electric energy generated in Argentina through the Argentina-Brazil interconnection line. Due to the Argentinean regulations, enacted after the economic crisis of 2002, CIEN was unable to supply electric energy to Tractebel. In October 2009, Tractebel filed a suit against CIEN, in which it claimed the sum of approximately €51 million plus other amounts (i. e. penalties for unavailability of firm power and associated energy involved in the contract signed on 5 May 1998, interests and other costs). CIEN contested the claim invoking – as the main argument of its defence – the case of force majeure deriving from the Argentinian crisis. During the proceeding, Tractebel expressed its intention to buy 30 per cent. of the involved interconnection line. At the date of this Offering Circular the procedure is still in first instance and the judge’s decision regarding the beginning of trial period is still to be given.
- In 1998, CIEN also signed a contract with Furnas (a Brazilian public company) for the supply of 700 MW of energy imported from Argentina through the interconnection line Argentina-Brazil of its property. As a result of the financial crisis in Argentina, CIEN was unable to carry out deliveries to Furnas, so, in May 2010, Furnas terminated the contract and stated that it intends to keep 70% ownership of the interconnection line. On 15 June 2010, CIEN was notified of the filing of the lawsuit by Furnas in which it claimed for the payment of €227 million plus further damages to be quantified. At the date of this Offering Circular the trial period has concluded and the court ruling is still to be given.

Employees

As of 31 December 2011, the Group’s employees totalled 75,360, of which 36,842 were employed in Italy and 38,518 were employed abroad.

The following table illustrates the evolution of the overall number of staff employed by the Group, specifically indicating whether they were employed in Italy or abroad.

	<u>Total Employees</u>	<u>Employees in Italy⁽¹⁾</u>	<u>Employees Abroad⁽¹⁾</u>
As of:			
31 December 2011	75,360	36,842	38,518
31 December 2010	78,313	37,383	40,930

Note:

(1) Employees of foreign offices of Italian Group companies are included under “Employees Abroad”.

The amount of the liability entered in the Group’s consolidated financial statements for severance indemnities and other similar obligations related to employees was equal to €3,000 million as of 31 December 2011.

Research and Development Activities of the Group

The Group’s research and development activities are structured through a network of research centers, laboratories and experimental stations. In Italy, the Group has long-standing experience in the electricity sector, and has, for decades, undertaken research to further the technological development of electricity transmission networks, among other things.

The research carried out by the Group has a marked experimental aspect to it. Technologies, processes and systems are first studied at the laboratory level and subsequently tested in experimental plants, at the prototype level, before finally being used in industrial applications in working plants. The entire development process is supported by specialised mathematical modelling.

The aim of the Group’s research is to improve the competitiveness of its business through the development of new technologies that allow the production of clean, low-cost energy; to optimise productive processes; and to increase the efficiency of plants, with the ultimate goal of increasing the competitiveness of the Group’s business, as well as the well-being of the communities in which the Group operates and the natural environment.

Recent Research and Development Activities

During 2010, as in recent years, the ENEL Group pursued activities aimed at the development and demonstration of innovative technologies in the fields of: (i) carbon capture and sequestration (CCS);

(ii) the generation of electricity from renewable resources; (iii) the use of hydrogen as an energy source; (iv) the distributed generation electricity; (v) emissions containment; and (vi) energy efficiency, all with the aim of increasing the Group's competitiveness and its technological and environmental leadership. ENEL has committed approximately €834 million for the development of projects in these areas over the next five years, considering the expected importance of CCS and availability of public subsidiaries.

Further technical details regarding ENEL's recent research follow:

- ***Carbon Capture and Sequestration***

ENEL and Endesa are ahead of many competitors in their testing of these technologies and conduct a broad range of activities, from carbon capture in the flue gases of coal-fired power plants (post-combustion capture) to innovative fossil-fuel oxy-combustion and gasification (pre-combustion capture) and solutions for geological storage of CO₂.

With respect to post-combustion capture of CO₂, the Group's initial laboratory tests are reaching their conclusion and the test campaign in the pilot plant at the Federico II power station in Brindisi, one of the first of its size in the world, is going on at full speed, and will permit ENEL to reinforce its know-how regarding the capture of CO₂ with a view to constructing a demonstration plant on an industrial scale at Porto Tolle (province of Rovigo, Italy). The project is expected not only to capture CO₂ from the flue gases of the plant, but also to compress, transport and store it into a saline aquifer. This is one of the most advanced pre-commercial projects for CCS in the world and is funded under the European Energy Plan for Recovery (EEPR) of the European Union. It is expected to receive significant further funding from the European Union.

The pilot facility of Compostilla (Spain) is also funded under the EEPR. This project (testing of oxy-combustion in a coal-fired plant) is being implemented by Endesa in cooperation with Fundación Ciudad de la Energía (CIUDEN).

ENEL's commitment to reduce CO₂ does not end, however, with its research into post combustion-capture technology, but rather includes a strong focus on experimental research in the area of "oxy-combustion". The Livorno experimental plant has been developed to carry out tests for combustion of carbon into oxygen at atmospheric pressure. With respect to the geological-storage component of CCS technology, and with the aim of developing an industrial-scale solution to CO₂, ENEL is engaged in research to study potential offshore storage sites in the Adriatic and elsewhere.

Endesa is also engaged in the development of pre-combustion technologies (ELCOGAS project) and post-combustion technologies (demonstration facility of Compostilla and pilot facility of La Pereda).

- ***Generation of electricity from renewable resources***

With respect to solar thermodynamic generation, the Group has completed the construction of Archimede, an innovative solar thermodynamic plant (5 MW electrical) that recently began its commissioning. Molten salts, flowing in a special pipe, receive solar energy from parabolic trough collectors. Because of their high thermal capacity, molten salts are used also as a heat storage medium to produce electric energy in the absence of solar irradiation. The Group hopes that this cutting edge technology (this is the first demonstration plant in the world) will lead to an increase in plant efficiency, and thus productivity. ENEL is also conducting research on innovative photovoltaic technologies and has developed a solar laboratory in Catania, with latest-generation technology, which may allow the application of innovative photovoltaic systems on a vast scale and should assist the development of new technologies with greater conversion yields and contained costs.

In Florence, ENEL has installed Diamond, a solar photovoltaic facility designed by ENEL's research team and the University of Pisa. The facility consists of photovoltaic panels, mounted on the faces of a diamond shaped structure. The architecture was created to experiment with new concepts of integration between technology and nature.

The electricity generated during the day is used to recharge the batteries of electric bicycles made available to visitors. The surplus is stored and then used – via fuel cells – at night to power the lighting system of part of the park.

In addition to solar energy, ENEL is conducting research regarding geothermal energy-generation at its experimental site in Livorno (involving a high-efficiency 500 kW prototype generator) and research regarding electricity generation from biomass and waste products. With respect to the latter, the Group has begun testing the co-combustion of biomass and waste products. With respect to the latter, the Group has begun testing the co-combustion of Refuse Derived Fuel (RDF) and coal (5 per cent. RDF, 95 per cent. coal) at Unit 4 of the power station at Fusina; this activity will permit the study of the behaviour of a traditional power station when it is powered by fuels from biomass for the production of renewable energy. ENEL has, furthermore, completed a demonstration project, called the “Energy Farm,” which tested innovative technologies for the conversion of different types of biomass into electric and thermal energy, and for the production of bio-fuels.

In its experimental facility in Livorno (Italy), ENEL is building a 500 kWe pilot facility to study a high-performance cycle.

In Chile, Endesa is engaged in the Novare Hydro project, which is expected to result in a new hydrological prediction model, based on satellite monitoring, to be applied in hydro power generation.

Another project of Endesa (El Hierro, power generation by hydro and wind power plants) is geared to make the island of El Hierro in the Canary Islands self-sufficient in terms of electricity.

- ***Hydrogen***

The hydrogen demonstration-plant at Fusina (12 MW), which has been designed to be powered with pure hydrogen (originating from the petrochemical area of Marghera) or with hydrogen-methane mixtures in varying ratios, is the first example of its kind in the world. The first ignition of a hydrogen-methane mixture at a new hydrogen demonstration-plant at Fusina took place in the summer of 2009.

- ***Distributed generation of electricity***

Simulations of active channels (smart grids) are being undertaken as part of the “ADDRESS Project” which foresees the definition of a new infrastructure with the inclusion of new network, generation and compensation systems. Particularly critical scenarios will be simulated and pilot tests will also be carried out in several European countries. Moreover, ENEL is collaborating with Endesa to test solutions for energy storage.

- ***Emissions containment***

Activities related to the development of technologies for the control of emissions are ongoing. In particular: (i) as regards mercury, testing has been carried out on a pilot circuit at La Spezia and the first trials of the electro-catalytic oxidation process have been conducted in Livorno at a small-scale plant, while laboratory testing on mercury absorption in a “DeSOx system” has been launched; (ii) as regards atmospheric particulate matter, a study is under way for the adjustment of an integrated method for the evaluation of the contribution of carbon power stations to the concentration of such matter in neighbouring areas; and (iii) as regards the improvement of the environmental performance of geothermal plants, the qualification of the process of depression of hydrochloric acid in overheated vapours through the dry-injection of sodium bicarbonate has been completed successfully. Furthermore, ENEL has launched a project to promote the environmental and technical exploitation of residues produced by the process of clean combustion of carbon through their full re-use as construction products.

- ***Energy efficiency***

ENEL actively takes part in international projects (e.g. COMTES 700) for the study of optimised components for high-efficiency coal plants. In a few years’ time, with the development of technologies that may allow increases in the temperatures and pressures used in coal plants, it may be possible to create plants with more than 50 per cent. efficiency. ENEL is designing a test rig for testing materials to be installed in the Fusina Power Plant in 2012. Furthermore, ENEL is working on a specific project to test and develop integrated solutions for efficient energy usage. Endesa is implementing programs to enhance the environmental efficient energy usage of its conventional power plants: an efficiency optimisation project (CFB500 program); a project to develop new amine adsorbent beds to capture CO₂ from flue gases (Novare CO₂SOLSORB); a project to develop hybrid plasma filtering systems (Novare Plasmacol); and a project to develop continuous monitoring of emissions of heavy metals, in particular mercury.

During 2008, ENEL signed an agreement with Daimler-Mercedes for the realisation, starting in 2010, of a pilot project in which Smart will provide final clients with 100 electric cars, while ENEL will develop an infrastructure and the recharging system for them, with at least 400 dedicated charging posts. The project brings together the specific competences of two business entities, with the aim of bringing about sustainable and eco-compatible mobility in urban settings.

Another important agreement was entered into with Piaggio S.p.A to support the development of commercial electric vehicles and hybrid scooters. The objectives of the project are to boost power-driven mobility and to offer innovative services to electric vehicle fleet customers.

Endesa is engaged in the development of power-driven mobility initiatives thanks to the impetus that the Spanish Government is giving to sustainable transport.

In particular, as part of the MOVELE (Movilidad Eléctrica) project, the company is installing recharging posts for electric cars in Madrid, Barcelona and Seville.

Other initiatives

The “Green Ports” project is aimed at providing integrated services to large Italian ports, with a view to curbing emissions of pollutants and greenhouse gases from maritime traffic.

Under an agreement with the Civitavecchia Port Authority (Italy), ENEL completed the project of electrification of one pier of the port to supply electricity to cruise ships when their main and auxiliary engines are switched off (“cold ironing”). Similar projects are being discussed with the La Spezia and Venice Port Authorities (Italy), and Barcelona (Spain).

The “Smart-Info” project (active in Italy until 2014) concerns the development of a communication device between electrical and electronic systems in homes and smart meters. The device will transmit data recorded by the smart meter to a monitor in order to make customers aware of their power usage so that they can save electricity more easily.

In February 2009, ENEL Sole (the market leader in the public lighting sector in Italy) launched the “Archilede” project, an innovative LED lighting system. With the use of this system for street lighting, over 250 Italian municipalities (including Alessandria, Arezzo, Erba, Lodi and Vasto) saved a total of about 12.8 GWh of electricity, reducing carbon emissions by more than 7,100 tonnes.

Intellectual Property

ENEL holds numerous trademarks and patents, which it deems of considerable importance in carrying out its activities and those of the Group, among which are the trademarks in relation to the name “ENEL” and its tree symbol, as well as certain patents for technologies for the improvement of fuel, from both an energy and an environmental standpoint.

ENEL Distribuzione holds some patents on the so-called “Telegestore” system, for remote management and reading of electric consumption through electronic meters and concentrators.

The various trademarks, patents and copyrights are registered in Italy, the European Union and/or non-European countries. Some of the trademarks are licensed for use to the companies of the Group and at times sub-licensed to third parties, such as franchisees.

To protect its brands and intellectual property rights, ENEL relies on both the registration of exclusivity rights, in accordance with the rules of various countries, as well as proceedings before competent authorities, when necessary, to protect its rights.

In the ordinary course of its business, the Group makes use of non-disclosure agreements to protect its know-how, as well as other technical or classified commercial information, both of the Group and of third parties.

Regulation

This paragraph “Regulation” incorporates by reference the information contained in pages 86 – 105 of ENEL’s audited consolidated annual financial statements for the financial year ended 31 December 2011 (sub-section “Regulatory and rate issues” of section “Reference scenario”) and in pages 39 – 41 of ENEL’s unaudited interim financial report as at and for the three month period ended 31 March 2012 (section “Regulatory and rate issues”), incorporated by reference hereto (see “Documents Incorporated by Reference” above).

In addition to the above information incorporated by reference hereto, the following shall be noted in respect of the Italian regulations, which supplement the information provided therein:

- (i) According to the new tax regime (the so called “Robin Hood Tax”), as provided by Law Decree 138/2011, which is applied, *inter alia*, to companies operating in the energy sector, in addition to the general corporate income tax (“IRES”) rate (formerly 6.5% plus the 27.5 % IRES base rate) which has been increased to 10.5% (for the fiscal years 2011, 2012, and 2013). As a consequence the effective tax rate is currently equal to 38%. As of the fiscal year 2014, the additional rate will return to 6.5% (bringing the IRES tax rate down to 34%);
- (ii) Legislative Decree no. 93/2011 – implementing EU Directives 2009/72 EC (the so-called “third electricity directive”), 2009/73/EC (the so-called “third gas directive”) and 2009/92/EC on industrial users rates – provide, *inter alia*, for stricter unbundling rules applying to companies operating in the electricity and gas sector.
- (iii) Legislative Decree no. 1/2012 (the so called “Liberalisation Decree”) converted into Law no. 27/2012, contains several provisions regarding security, efficiency and competition in the electricity sector (art. 21) and transparency in the gas and electricity markets (art. 22). In particular, the Liberalisation Decree provides, *inter alia*, that: (i) the AEEG shall update the regulation implementing the “end users’ rate freeze and rate reduction” principle expressed by Legislative Decree no. 185/2008, having regard to the current development of the electric system (due to an increase of electricity generation from non-programmable sources) in order to guarantee the security of the grid and curb rates; (ii) the AEEG shall, by means of a periodical assessment of the dispatch service system pursuant to Legislative Decree 28/2011, provide for specific measures deemed necessary in order to guarantee the security and efficiency of the electric grid (including the prompt installation of security devices in the areas where non-programmable generation plants are located); (iii) the concessionaires of portions of the gas and electricity grid shall be entitled to receive reimbursement for specific investment on grid infrastructure on the basis of a fast-track procedure within the AEEG; and (iv) the retail market operators shall cooperate in providing all the information regarding gas and electricity consumption data to the Integrated Information System held by Acquirente Unico and will be subject to specific sanctions in case of breach of such information duty.

In addition to the foregoing, summarised below are certain environmental regulations to which ENEL and its Group are subject in the context of their operational activities.

Electromagnetic Fields

On 22 February 2001, the Italian parliament passed a framework law (No. 36) (the “2001 Law”) in order to reshape the legal framework concerning electromagnetic field exposure. The 2001 Law is intended to protect the general public and workers against alleged potential long-term health effects of exposure to electromagnetic fields generated by both low-frequency and high-frequency infrastructure.

On 8 July 2003, a Prime Ministerial Decree, was enacted providing for measures to partially implement the 2001 Law, setting maximum exposure levels, precautionary levels and quality targets.

In addition, the Bersani Decree required the Electricity Services Operator to pay ENEL Distribuzione and other owners of distribution/transmission lines consideration for the use of the lines, which adequately reflects the costs the owners incurred to comply with regulatory requirements.

SO₂, NO_x and Other Emissions

The principal EU directive on atmospheric pollution affecting the electricity industry is the 2001/80/CE Large Combustion Plants Directive (“LCPD”). The LCPD requires each Member State to establish and implement a programme of progressive reduction of total SO₂ emissions and total NO_x emissions from generation plants licensed before 1 July 1987, and to establish emissions limits for SO₂, NO_x and particulate matter from individual generation plants licensed after 1 July 1987.

In addition, Italy is bound by an EU Directive issued in 2001 (Directive No. 2001/81/CE) mandating that Member States achieve specified reduction targets on SO₂, NO_x, volatile organic compounds (VOC) and NH₃ emissions by 2010. To this end, Member States were required to establish and implement programmes of emissions reduction in order to achieve the targets set in the Directive.

Italy is also a member of the Helsinki Protocol and the Oslo Protocol, which require signatory countries to reduce SO₂ emissions, and the Sofia Protocol, which requires signatories to reduce NO_x emissions. The requirements under these protocols are reflected in Italian law.

In Italy, Legislative Decree No. 152/2006 (“Environmental Code”), repeals many previous regulations on air emission and was recently modified by Legislative Decree No. 128/2010, which sets the emission limits and reduction programs for the industrial plants, in respect of each licensing year.

In December 2007, the EU Commission published a directive proposal on “industrial emission” (Integrated Pollution Prevention and Control) with the aim of unifying provisions contained in seven different directives, including the Large Combustion Plants directive.

The text of Directive No. 75/2010/EU was finally published in the EU Official Journal on 17 December 2010.

The Directive includes:

- emission limits: Attachment V provides the emission limits for combustion plants referred to in article 30, paragraphs 2 and 3 (so, among others, for those “combustion plants which have been granted a permit before 7 January 2013, or the operators of which have submitted a complete application for a permit before that date, provided that such plants are put into operation no later than 7 January 2014” and combustion plants not covered by such definition);
- updating of the authorisation: within four years from the publication of decisions on Best Available Techniques (BAT) conclusions, the Competent Authority must evaluate the plants authorisation conditions and, if necessary, update it consistently with the BAT emission limits; and
- the possibility of derogation under certain circumstances (e.g. limited life time).

Directive No. 75/2010/EU will be implemented by Member States by the beginning of 2013. In such regard, pursuant to the Community Draft Law for 2011 (which is under review), the task of implementing Directive No. 75/2010/EU will be delegated to the Italian government.

In order to implement Directive No. 75/2010/EU, the European Commission adopted Decision No. 2012/119/UE, aimed at “laying down rules concerning guidance on the collection of data and on the drawing up of BAT reference documents and on their quality assurance referred to in Directive 2010/75/EU of the European Parliament and of the Council on industrial emissions”.

PCBs and Asbestos

In May 1999, the Italian government adopted Legislative Decree No. 209/1999 concerning the recovery and disposal of transformers and other equipment containing polychlorinated biphenyls (“PCBs”). The timetable for PCBs, transformers and other equipment disposal has been amended by Article 18 of Law No. 62, dated 18 April 2005. ENEL also delivers waste products containing asbestos to specialised companies authorised to treat and dispose of asbestos. Such waste products derive from the cleaning of ENEL’s plants, which it conducts in accordance with its general maintenance and environmental programmes.

Integrated Prevention and Reduction of Air Pollution

The regulation concerning the integrated prevention and reduction of air pollution (“IPPC”) was originally provided for by Directive No. 96/61/EC and implemented in Italy by means of Legislative Decree No. 59/2005. This Directive provides that all the operators require a single authorisation, replacing separate authorisations provided under previous regulations. The operators are also requested to adopt BAT in order to reduce air pollution and other emissions. The scope of Legislative Decree No. 59/2005 includes energy activities and, in particular, combustion installations with a rated thermal input exceeding 50 MW. In 2008, the Directive No. 96/61/EC was formally repealed and replaced by Directive No. 2008/1/EU. The provisions of Directive No. 2008/1/EU merged, with some amendments, into Directive No. 2010/75/EU (see paragraph “SO₂, NO_x and Other Emissions” above).

Legislative Decree No. 59/2005 has been repealed by Legislative Decree No. 128/2010 and the relevant provisions have been integrated into other decrees and in particular in the Environmental Code.

Water Pollution Prevention

ENEL is subject to environmental laws and regulations limiting heat and other characteristics of water discharges and wastewater from its plants. The most recent regulation concerning water

pollution prevention is represented by the Environmental Code, which provides for civil, penal and administrative sanctions in case of violations of its provisions.

Waste Management

The Environmental Code sets out the legal framework on waste management. Under the Environmental Code, companies producing waste are responsible and chargeable for waste storing, transportation, recycling and disposal.

From August 2011, according to the rules set forth by Legislative Decree No. 121/2011, some crimes concerning waste disposal have been introduced within Legislative Decree No. 231/2001 on entities' administrative responsibility.

Site Remediation

The Environmental Code sets out the legal framework on contaminated sites and introduces real threshold concentration values for contamination (CSC). If these values are exceeded, it is mandatory to proceed with further investigations, performing a site characterisation and a site-specific risk assessment. If the risk assessment reveals the absence of unacceptable risk, the site is declared "not contaminated"; however, in such cases, a monitoring programme may be required. From August 2011, through the aforementioned Legislative Decree No. 121/2011, crimes connected to the execution of remediation activities have been inserted within Legislative Decree No. 231/2001 on entities administrative responsibility.

Environmental Registrations, Certifications and Authorisations

ENEL has joined the Eco-Management and Audit Scheme ("EMAS"), a European Union initiative to implement a voluntary environmental management and registration system, which seeks to improve the level of environmental efficiency and disclosure of European industrial companies. Rules concerning EMAS are contained in a EU Regulation No. 1836/1993/EEC. Originally applicable only to individual sites, in 2001 the EU passed a new Regulation (No. 761/2001) that extended the scope of EMAS system to groups of sites and sites with no generation assets, such as distribution networks. That Regulation has been finally repealed and replaced by Regulation No. 1221/2009.

Discontinued Nuclear Operations

Since November 2000, ENEL has not owned any nuclear power plants in Italy. ENEL has not produced electricity from nuclear power plants in Italy since 1988. Following a national referendum in 1987 in which the Italian electorate expressed its opposition to the use of nuclear power, the Italian government ordered the interruption of power production from nuclear fuels and ENEL ceased operations at its four nuclear plants in Italy, which had an aggregate net efficient capacity of 1,500 MW.

Pursuant to the Bersani Decree, ENEL transferred its discontinued nuclear operations to So.g.i.n., then one of its wholly owned subsidiaries. The principal activity of So.g.i.n. is the decommissioning of the nuclear plants and of ENEL's share of the nuclear fuel in the NERSA plant in France, including disposal of nuclear fuel and nuclear waste.

Under the Bersani Decree, ENEL was required to transfer to the MEF all the shares of So.g.i.n. without compensation. The transfer was completed on 3 November 2000.

Law No. 99/2009 appointed the Italian government to re-introduce the necessary regulatory framework for the production of nuclear energy within the Italian territory, as well as to adopt several measures for the promotion of the construction of nuclear power plants in Italy. However, on 13 June 2011, a referendum took place on some of the provisions of the aforementioned decrees. On the basis of the outcome of this referendum, the Italian electorate expressed again its opposition to the construction of new nuclear power plants in Italy.

Management

Corporate Bodies and Principal Officers

Board of Directors

At the date hereof, ENEL's board of directors is composed of nine members, appointed at ENEL's annual general meeting of shareholders held on 29 April 2011. The directors' term will expire on the date of the general shareholders' meeting called to approve the ENEL's financial statements as of and for the year ending 31 December 2013.

The names of the members of the board of directors are set forth in the following table.

Name	Position	Place and Date of Birth
Paolo Andrea Colombo ⁽¹⁾	Chairman	Milan, 12 April 1960
Fulvio Conti ⁽¹⁾	Chief Executive Officer	Rome, 28 October 1947
Alessandro Banchi ⁽²⁾⁽³⁾	Director	Florence, 19 April 1946
Lorenzo Codogno ⁽³⁾	Director	Brescia, 24 April 1959
Mauro Miccio ⁽²⁾⁽³⁾	Director	Rome, 5 July 1955
Fernando Napolitano ⁽³⁾	Director	Naples, 15 September 1964
Pedro Solbes Mira ⁽²⁾⁽³⁾	Director	Pinoso (Alicante). 31 August 1942
Angelo Taraborelli ⁽²⁾⁽³⁾	Director	Guardiagrele (Chieti), 25 May 1948
Gianfranco Tosi ⁽²⁾⁽³⁾	Director	Busto Arsizio, 28 October 1947

Note:

(1) Executive director.

(2) Independent director pursuant to the Self-regulation Code.

(3) Non-executive director.

The business address of the board of directors' members is ENEL's registered office. The management competence and experience of each director are briefly summarised below:

Paolo Andrea Colombo

Born in Milan on 12 April 1960. He graduated with full marks from the "Bocconi" University in Milan with a degree in business economics in 1984, where he was tenured professor from 1989 until 2010 of accounting and financial statements and where he was tenured as a senior contract professor. In 1985 he started to carry out professional activities as a certified chartered accountant and auditor. In 2006, he became a founding member of Borghesi Colombo & Associati, an Italian independent consulting company which offers a broad range of services in corporate finance and business consultancy to Italian and international clients. He has been a member of the board of directors of several and significant industrial and financial companies, which include Eni, Saipem, Telecom Italia Mobile, Pirelli Pneumatici, Publitalia '80 (Mediaset Group), RCS Quotidiani, RCS Libri, RCS Broadcast e Fila Holding (RCS Mediagroup), Sias, Interbanca e Aurora (Unipol Group). Furthermore, he held the office of chairman of the board of statutory auditors of Saipem, Stream and Ansaldo STS, and was a member of the board of statutory auditors of Winterthur and Credit Suisse Italy, Banca Intesa, Lottomatica, Montedison, Techint Finanziaria, HDPNet and Internazionale F.C. Currently he is a director of Mediaset and Versace, and the Chairman of the board of statutory auditors of GE Capital Interbanca and of Aviva Vita and a member of the board of statutory auditors of A. Moratti S.p.a. and of Humanitas Mirasole. He has been the Chairman of the board of directors of ENEL since May 2011.

Fulvio Conti

Born in Rome on 28 October 1947. He graduated in economics and commerce from the University "La Sapienza" of Rome in 1969, whereupon he joined the Mobil Group, where he held a number of executive positions both in Italy and abroad and where he ultimately served, between 1989 and 1990, as Financing Director for Europe. Mr Conti was the head of the accounting, finance and control department for Europe at the American company Campbell in 1991, the head of the Accounting, Finance and Control Department of Montecatini (from 1991 to 1993) and also served as head of the Montedison-Compart Group's finance department (from 1993 to 1996), overseeing the financial restructuring of the group. He was general manager and chief financial officer of Ferrovie dello Stato between 1996 and 1998, also holding important positions in the companies of such group (including Metropolis and Grandi Stazioni). He was vice chairman of Eurofima in 1997, and between 1998 and 1999 he served as general manager and chief financial officer of Telecom Italia, holding important positions in the companies of the relevant group (including Finsiel, TIM, Sirti, Italtel, Meie and STET International). From 1999 to June 2005, he served as chief financial officer of ENEL. He has been chief executive officer (and general manager) of ENEL since May 2005. He currently also holds the position of director at AON Corporation, Barclays Plc and RCS Mediagroup S.p.A. Mr Conti is also vice chairman of Eurelectric, deputy chairman of Endesa, director of the National Academy of Santa Cecilia and of the Italian Technology Institute.

Alessandro Banchi

Born in Florence on 19 April 1946. He graduated in chemical engineering at the University of Bologna in 1969, he started his professional career in the pharmacology industry in 1971. In 1973 he joined the Italian branch office of the chemical-pharmaceutical multinational Boehringer Ingelheim, holding different management positions both in Italy and abroad, up to becoming Italy's country manager from 1992 until 1999. In the Boehringer Ingelheim group he held the office of managing director of Pharma Marketing and Sales (which operates worldwide) from 2000 until 2008, where he also held the office of chairman of its executive committee starting from 2004. In 2009 he left the Boehringer Ingelheim group to carry out professional advice on pharmaceutical matters. As an Officer of the Republic of Italy, he has held offices in Italian and foreign sector associations of chemical and pharmaceutical industry; in this regard, he was chairman of AESGP and ANIFA (respectively, European and Italian Association of pharmaceutical industries of counter products), a member of the board of directors of Federchimica and of the Board of Farindustria, as well as in the G10 at the European Commission in Brussels. He has been a member of ENEL's board of directors since May 2011 and he is currently also chairman of the supervisory board of BIOTEST AG.

Lorenzo Codogno

Born in Brescia on 24 April 1959, Mr Codogno studied at the University of Padua and at the Syracuse University in Syracuse, New York, where he earned a master's degree in finance (1986-1987). He has served as vice manager in charge of the Research Department at Credito Italiano (now UniCredit S.p.A.). From 1995 to 2006, he worked at Bank of America, initially in Milan and, from 1998, in London, where he held the position of managing director, senior economist and co-head in charge of European economic analysis. Since 2006, Mr Codogno has worked at the Ministry of Economy and Finance, where he is currently general manager of the Treasury Department and responsible for the Analysis and Economic Finance Planning Department. This department deals with macroeconomic forecasts, economic and structural analyses of the Italian and international economies and analysis of currency and financial issues.

From January 2010 to December 2011 he was chairman of the European Union's Economic Policy Committee (a body of which he was deputy chairman from January 2008 to December 2009 and has been head of the Italian delegation since January 2012, after holding this position from May 2006 to December 2009), as well as to the OECD's Economic Policy Committee and Working Party 1 (of which he has been deputy chairman since October 2007). Within the European Union's Economic Policy Committee, he was chairman of the Lisbon Methodology Working Group from November 2006 to January 2010.

In addition, he is the author of numerous scientific publications and of articles in the specialised press. Before joining the Ministry, he was an economic commentator on the main international economic and financial networks.

He was a director of MTS (a company that manages markets for bond trading, now part of the London Stock Exchange group) from 1999 to 2003 and is currently a member of Comstat (the Committee for Directing and Co-ordinating Statistical Information of ISTAT) from December 2010, he is a member of the scientific committee of the Masi Foundation (since April 2009) and a member of the board of directors of University Foundation Economia Tor Vergata CEIS (since November 2009).

Mauro Miccio

Born in Rome on 5 July 1955. He graduated with full marks in Law at "La Sapienza" University of Rome in 1978, he started his professional career in the publishing Group Abete as managing director for the publishing sector (1981) and chief executive officer of the press agency ASCA. He has been director of Ente Cinema (currently Cinecittà Luce) from 1993 until 1996, and chairman of Cinecittà Multiplex, director of Rai from 1994 until 1996 and Acea from 2000 until 2002. Furthermore he held the office of managing director of A.S. Roma from 1997 until 2000 and chief executive officer of Rugby Roma from 1999 until 2000, of Agenzia per la Moda from 1998 until 2001 and Eur S.p.A. from 2003 until 2009. Former chairman of FERPI (Federazione Relazioni Pubbliche), ICI (Interassociazione della Comunicazione di Impresa), of the National Rugby League and of the organisation committee of the "Baseball World Cup 2009", he has been deputy chairman of the European Rugby League. He was several times member of the Superior Communication Council at the Ministry of Communication and consultant of AGCOM, with whom he collaborated for the definition of the frequency sharing plan for the digital terrestrial television. He held and holds significant offices inside the Confindustria system, he is managing director of Assoimmobiliare, is

member of the executive Committee of the “S.O.S. – il Telefono Azzurro onlus” association and of the “Fondazione San Matteo” for the promotion of the social doctrine of the Catholic Church and the realisation of humanitarian projects in the developing countries. Professor of matters related to the communication sector at the University of Catania (from 1999 until 2002) and “Roma Tre”, where he currently teaches communication sociology, he collaborates furthermore with other Communication Science university faculties and with various journalistic headlines as expert of communication and marketing and he is author of several publications related to this matter. Currently he is director of Sipra. He was a member of the board of directors of ENEL from 2002 until 2005, and now holds again the office since May 2011.

Fernando Napolitano

Born in Naples on 15 September 1964, Mr Napolitano graduated in economics and commerce from the University of Naples in 1987. He has subsequently refined his studies in the United States, first with a master's degree in management science from the Brooklyn Polytechnic University and later with an advanced management program at the Harvard Business School. Mr Napolitano began his career working in the marketing department at Laben S.p.A. (Finmeccanica Group) and then at Procter & Gamble Italia, and subsequently, in 1990, he joined the Italian office of Booz Allen Hamilton (currently Booz & Company Italia), a consulting company in the management and technology sector, where in 1998 he was appointed partner and vice president. In this position, he was responsible for the development of activities in the telecommunications, media and aerospace sectors, gaining experience in Europe, the United States, Asia and the Middle East; at Booz & Company Italia he is currently the chief executive officer, with responsibilities also at an international level.

Since July 2011 he has been a founding partner of WIMW (Why Italy Matters to the World), a New York based organization aimed at fostering the relations between the Italian small-medium enterprises and US investors.

From November 2001 to April 2006, he was a member of the committee for surface digital television at the Ministry of Communications and from July 2002 to September 2006, he was the director of the Italian Center for Aerospace Research. Mr Napolitano has been a member of ENEL's board of directors since May 2002, and from May 2007 to October 2008 he served as a member of the board of directors of Data Service (now B.E.E. Team).

Pedro Solbes Mira

Born in Pinoso on 31 August 1942. He graduated in Law at the Complutense University of Madrid and Ph.D in Political Sciences at the same university, he carried out advanced studies in European economy at the l'Université Libre de Bruxelles. He began his political career in 1968 as officer at the Ministry of Economics of Spain, holding prestigious offices at Spanish and European institutions. In particular, he held the office of Deputy Minister of International Affairs in Spain from 1986 until 1991 with responsibility for relations with the European Community. From 1991 until 1993 he was Minister of Agriculture, Nutrition and Fishing, and from 1993 until 1996 and from 2004 until 2009 he was Minister of Economic and Financial Affairs. Within the European area he was an Officer of Business and Monetary Affairs from 1999 until 2004. He was a member of the Spanish Parliament in 1996 and 2007, and left the parliamentary office in 2009. He is currently Head of the Supervisory Board of EFRAG (European Financial Reporting Advisory Group), member of the Conseil de Garants di Notre Europe Foundation, Head of the executive committee of FRIDE (Spanish private foundation for international relations and foreign communication) and Head of the Spanish section of the Hispanic-Chinese Forum. Before holding ministerial offices, he was member of the board of directors of a number of Spanish companies as representative of the public shareholder. Currently, he is director of Barclays Bank Espana. He been a director of ENEL since May 2011.

Angelo Taraborelli

Born in Guardiagrele (Chieti) on 25 May 1948. He graduated with full marks in Law at the University of Siena in 1971, he obtained a master's degree in the hydrocarbon business at the “Enrico Mattei” High School of Hydrocarbon. He began his professional activity at Eni in 1973, where he held various management offices, up to the role of Director of Planning and Control of Saipem. Then he held the office of the holding's deputy Head of Strategic control and Up-stream development and Gas (in 1996) and, subsequently (in 1998), the office of deputy head of Planning and Industrial Control. Subsequently he held the office of deputy chairman of Snamprogetti (from 2001 until 2002) and has been chief executive officer for AgipPetroli's business (2002). From the beginning of 2003,

after the incorporation of the aforementioned company in the holding, he was deputy general manager of the marketing area at the Refining & Marketing Division. From 2004 until 2007 he was general manager of Eni with responsibility for the Refining & Marketing Division. Until September 2007, he was director of Galp (a Portuguese oil company), deputy chairman of Unione Petrolifera (association of the oil companies operating in Italy), director of Eni Foundation and chairman of Eni Trading & Shipping, while from 2007 until 2009 he held the office of chief executive officer and general manager of Syndial, Eni's company operating in chemicals and environmental intervention fields. In 2009 he left Eni in order to carry out consultancy in oil industry matters. He was then appointed as a distinguished associate of Energy Market Consultants (consultancy firm in oil industry matters with its legal office in London) in 2010. He has been a director of ENEL since May 2011.

Gianfranco Tosi

Born in Busto Arsizio on 28 October 1947, Mr Tosi graduated in mechanical engineering from the Milan Polytechnic Institute in 1971. Since 1972 he has carried out research at the same institution, where in 1982 he became professor of technology of metals. Since 1992, he has been teaching the course of technology of metallic materials (together with a similar course at the University of Lecco). The author of more than 60 publications, he has carried out deep scientific research. A member of several boards of directors of companies and associations, he has also held positions in associations, including the vice presidency of the Youth Group of Federlombarda (serving as a regional delegate to the Committee of Young Entrepreneurs established within Confindustria) and the office of member of the Union for Entrepreneurship of Varese province. From December 1993 to May 2002, he was the mayor of the city of Busto Arsizio. Chairman of the Cultural Centre for Lombardy, established by the region to protect and develop its local culture, he has also been admitted to the journalists' register. He has been a member of ENEL's board of directors since May 2002.

Board of Statutory Auditors

At the date hereof, ENEL's board of statutory auditors, appointed at the general shareholders' meeting of 29 April 2010, is composed of three statutory members and two alternate auditors, whose names and positions are set forth in the following table. The terms of the members of the board of statutory auditors will expire on the date of the general shareholders' meeting called to approve the ENEL's financial statements as of and for the year ending 31 December 2012.

Name	Position	Place and Date of Birth
Sergio Duca.....	Chairman	Milan, 29 March 1947
Carlo Conte.....	Statutory Auditor	Rome, 12 June 1947
Gennaro Mariconda.....	Statutory Auditor	Santa Lucia di Serino, 21 May 1942
Antonia Francesca Salsone.....	Alternative Auditor	Taranto, 12 July 1947
Franco Luciano Tutino.....	Alternative Auditor	Siderno (RC), 13 December 1947

The business address of the board of statutory auditors' members is that of ENEL's registered office. The competence and experience of each auditor are briefly summarised below:

Sergio Duca

Sergio Duca graduated cum laude in Economics and Business from the Bocconi University in Milan. A certified chartered accountant and public accountant, as well as auditor authorised by the U.K. Department of Trade and Industry, he acquired broad experience through the PricewaterhouseCoopers network as the external auditor of important Italian listed companies, including Fiat, Telecom Italia, and Sanpaolo IMI. He was the Chairman of PricewaterhouseCoopers S.p.A. from 1997 until July 2007, when he resigned from his office and ceased to be a shareholder of that firm because he had reached the age limit provided for by the bylaws. After serving as, among other things, a member of the Edison Foundation's advisory board and the Bocconi University's development committee, as well as chairman of the Bocconi Alumni Association's board of auditors and a member of the board of auditors of the ANDAF (Italian Association of Chief Financial Officers), he was chairman of the board of statutory auditors of Tosetti Value SIM and an independent director of Sella Gestione SGR until April 2010. A member of the Ned Community, an association of non-executive directors, he currently holds high offices on the boards of directors and the boards of statutory auditors of important Italian companies, associations, and foundations, serving as chairman of the board of statutory auditors of the Lottomatica Group, chairman of the board of directors of Orizzonte SGR, an independent director of Autostrada Torino-Milano, a member of the supervisory board of Exor instituted pursuant to Legislative Decree n. 231/2001, and

chairman of the board of auditors of the Silvio Tronchetti Provera Foundation and of the Compagnia di San Paolo, as well as a member of the boards of auditors of the Intesa San Paolo Foundation Onlus, and the ISPI (Institute for the Study of International Politics). He has been Chairman of ENEL's Board of Statutory Auditors since April 2010.

Carlo Conte

Born in Rome on 12 June 1947, Mr Conte graduated in economics and commerce from the University "La Sapienza" in Rome, and has continued to carry out activities in the economics field, teaching at the University of Chieti (1988-1989) and the University LUISS Guido Carli (1989-1995). Currently, he is a professor of public accountancy at the Superior School of Civil Service, the Superior School of Economics and Finance and the School of Management of the University LUISS Guido Carli, as well as professor of administration and governmental accounting at the Bocconi University in Milan. An auditor and accountant, he is the author of several publications. In 1967, he entered the civil service at the Government Accounting Office, and became general manager in 2002. Currently, he represents the Government Accounting Office on several commissions, committees, and study and working groups, including representing Italy on several committees of the OECD. A statutory auditor since 2004, Mr Conte carries out auditing functions in several entities, bodies, companies and enterprises.

Gennaro Mariconda

Mr Mariconda was born in Santa Lucia di Serino on 21 May 1942. Since 1970, he has worked as a notary, and since 1977, he has been a notary in Rome. From 1995 to 2001, he was a member of the National Council of Notaries, where from 1998 to 2001 he was the chairman. Within the notary profession, he has been involved in the most important processes of restructuring, transformation and concentration of Italian banking and industrial enterprises, such as the Banca di Roma, Medio Credito Centrale, Capitalia, IMI-San Paolo, Beni Stabili and Autostrade. Since 1966, he has taught at several Italian universities and currently he is a professor of private law in the Faculty of Law of the University of Cassino. He has been appointed as a member of the boards of directors of RCS Editori and Beni Stabili, as well as of the Regional Institute of Legal Studies (Istituto Regionale di Studi Giuridici) Arturo Carlo Jemolo. Currently, he is a member of the scientific committees of the law reviews "Notariato" and "Rivista dell'esecuzione forzata." A statutory auditor of ENEL since 2007, he is the author of several publications in the legal field, especially in the area of private law and commercial law, as well as of articles, interviews and essays published in several of the most important Italian journals and newspapers.

Antonia Francesca Salsone

Mrs Salsone was born in Taranto on 12 July 1947. A graduate in Economics and Commerce, auditor and accountant, she entered the civil service at the Government Accounting Office in 1975, carrying out the activity of councillor until 1989. She carried out several activities within the Finance General Inspectorate, from January 1990 to December 1996, from December 1996 to September 2006 – with supervision and managerial functions – and – as coordinator manager for the evaluation of the accounting auditing inspection reports within the judicial offices – from September 2006 to May 2007. Since June 2007, she has been manager of the XV office of the aforesaid Inspectorate and, since February 2010, director of the Territorial Accounting Office of Rome. She took part in several commissions, committees, and study and working groups in the State accounting field. She was appointed as an accountant of several entities, bodies, companies and enterprises. She is the author of several publications about national health system reform and internal and accounting supervision and she currently holds the position of member of the board of statutory auditors of CAV (Concessionaria Autostrade Venete).

Franco Luciano Tutino

Mr Tutino was born in Siderno on 13 December 1947. He is a qualified auditor and a banking, financial and managerial consultant. He was professor of Banking and of Financial Intermediaries in the Universities of Siena (1972-1987), Rome Tor Vergata (1987-1993) and Rome Luiss Guido Carli (1993-1997) and he is currently a professor of Banking in the Faculty of Economics of the University of Rome "La Sapienza", as well as module leader of Banks' "Strategies and Performance" and "Financial and currency management" in the same faculty. He is the author of several publications on banking and financial topics, and he was member of many commissions and scientific committees instituted within several entities (such as the Ministry of Finance, Poste Italiane, Ufficio Italiano Cambi), as well as a member of the supervision body pursuant to Legislative Decree No. 231 of 2001

of Banco di Sicilia (2003-2005) and advisor of ENI in relation to the definition of the methodologies and the supervision of Group's currency risk (1987-1990). He is currently member of the scientific committee of ANDAF Magazine. In the last twenty years, he has been appointed as a member of the board of directors and the board of statutory auditors of several entities, bodies and companies, currently holding the position of director and statutory auditor of several entities and companies and as chairman of Fideuram Gestione.

Board Committees and Other Corporate Governance Matters

Establishment of the Internal Control Committee, the Compensation Committee, the Related Parties Committee and the Corporate Governance Committee

In accordance with the provisions on corporate governance set forth by Borsa Italiana S.p.A. ("Borsa Italiana"), ENEL's board of directors has resolved upon the establishment, pursuant to articles 7.P.3 and 8.P.4 (currently articles 6.P.3 and 7.P.4) of the Self-Regulation Code (*Codice di Autodisciplina*) published by Borsa Italiana, of a compensation committee and an internal control committee.

In December 2006, the board of directors approved special organizational regulations (which have been amended and supplemented in June 2011) that govern the composition, tasks, and working procedures of the compensation committee and the internal control committee.

The compensation and internal control committees consist of at least three non-executive directors, the majority of whom are independent. Members are appointed by the board of directors, which names one of them as chairman, and (as noted above) establishes by a special resolution the tasks of each committee.

In carrying out their duties, the committees in question are empowered to access the information and corporate departments necessary to perform their respective tasks and may avail themselves of outside consultants at the Company's expense within the limits of the budget approved by the board of directors.

The chairman of the board of statutory auditors, or another designated auditor, attends the meetings of each committee. Upon invitation by the chairman of the relevant committee, meetings may also be attended by other members of the board of directors or representatives of the Company's functions or third parties whose presence may support the performance of the committee's duties. The meetings of the compensation committee are normally attended also by the head of the "Human Resources and Organization" function, and the meetings of the internal control committee are also normally attended by the person in charge of the internal control; the meetings of the latter committee may be attended by the chairman of the board of directors and by the executive director charged with the supervision of the functionality of the internal control system, upon express invitation of the chairman of the internal control committee or when they are in the condition to provide the committee with proper in-depth examinations on specific items of the agenda.

In addition, in accordance with the provisions of CONSOB Regulation n. 17221/2010 concerning transactions with related parties and with the procedure for transactions with related parties adopted by the board of directors in November 2010, the board of directors resolved upon the establishment of a related parties committee, whose composition, duties and functioning are established by a special organisational regulation, approved by the board of directors in November 2010.

Each committee provides for the appointment of a secretary, which may be a person not drawn from among its own members, to whom the duty to draft minutes of meetings is allocated.

In May 2011, the board of directors established another internal committee with consultative and policy initiating functions regarding corporate governance matters, with the duty of supervising the procedures and the regulations adopted in this respect within the Company and to formulate amendment proposals in order to adjust the contents of such procedures to national and international best practices.

Below is set forth a brief description of the tasks and internal operation of the committees, as well as information concerning the current members of each committee.

Internal Control Committee

The internal control committee has the duty to assist the board of directors in evaluations and decisions regarding the Group's internal control system, the approval of the Group's financial statements and half-year report and to the extent provided by law the relationship between the Company and its external auditors, by preliminarily gathering the relevant facts.

In particular, the internal control committee is charged with the following duties, which are both advisory and proactive duties (redefined by the board of directors in June 2011): (i) to assist the board of directors in performing the tasks regarding internal control entrusted to the latter by the Self-regulation Code; (ii) to evaluate, together with the executive in charge of preparing the corporate accounting documents and the external auditors, the proper use of accounting principles and their uniformity for the purpose of drawing up the consolidated financial statements; (iii) to express opinions, at the request of the executive director who is assigned the task, on specific aspects regarding the identification of the Company's and the Group's main risks, as well as the planning, implementation, and management of the internal control system; (iv) to examine the work plan prepared by the head of internal auditing, as well as the latter's periodical reports; (v) to assess the results indicated in the report of the external auditors and in the letter of suggestions, if any; (vi) to perform the additional tasks assigned to the committee by the board of directors, with particular regard to the assessment of the adequacy of the commitment dedicated to the issues related to social responsibility of companies, and the completeness and transparency of the information provided in this regard through the sustainability report (the latter task having been assigned to the committee starting from February 2010); and (vii) to report to the board of directors at least once every six months on the work performed and on the adequacy of the internal control system.

At the date hereof, the internal control committee is composed of members Gianfranco Tosi (as chairman), Lorenzo Codogno (to whom the board of directors acknowledged the requisite of appropriate experience in accounting and finance), Mauro Miccio and Angelo Tadorelli.

Compensation Committee

The compensation of the directors and of the executives with strategic responsibilities is established in an amount that is sufficient to attract, retain, and motivate people gifted with the professional qualities required for successfully managing the Company.

A significant portion of the compensation of the executive directors and executives with strategic responsibilities is linked to achieving specific performance objectives, also including non-economic objectives, identified in advance and determined in line with the guidelines set forth in the remuneration policy.

The compensation of non-executive directors is commensurate with the commitment required to each of them, taking into account their participation to the committees. In line with the recommendations of the Self-regulation Code, this compensation is in no way linked to the economic results achieved by the Company and the Group and the non-executive directors are not beneficiaries of stock-based incentive plans.

No directors may attend those meetings of the committee that are called to resolve upon the proposals regarding their remuneration, to be submitted to the board of directors, except in case of proposals concerning all the members of the committees established within the board of directors.

Specifically, the compensation committee is entrusted with the following consultative and propositional tasks (as last amended and integrated by the board of directors in June 2011 upon implementation of the amendments of Article 7 of the Self-regulation Code): (i) to present proposals to the board of directors for the compensation of the directors and the executives with strategic responsibilities, evaluating periodically the adequacy, the overall consistency and the concrete application of the adopted policy and on the basis of the information provided by the chief executive officer concerning the implementation of such policy with respect to the executives with strategic responsibilities; (ii) to submit to the board of directors proposals for the remuneration of the executive directors and the other directors who hold particular offices, as well as for the identification of performance objectives related to the variable component of such remuneration, monitoring the implementation of the resolutions adopted by the board and verifying, particularly, the actual achievement of performance objectives; (iii) to examine in advance the annual report on remuneration to be made available to the public in view of the annual shareholders' meeting called for the approval of the financial statements.

As part of its duties, the compensation committee also plays a central role in elaborating and monitoring the performance of the incentive systems (including stock-based plans, if any), addressed to the management and conceived as instruments aimed at attracting and motivating resources with appropriate ability and experience and developing their sense of belonging and ensuring their constant, enduring effort to create value.

During 2011, the compensation committee started to elaborate the guidelines of the remuneration policy of the directors and of the executives with strategic responsibilities, such policy has been approved by the board of directors on 5 April 2012.

At the date hereof, the compensation committee is composed of members Fernando Napolitano (acting as chairman), Alessandro Banchi and Pedro Solbes Mira.

Related Parties Committee

The Related Parties Committee is entrusted with the tasks provided for by the relevant Consob regulation and by the ENEL procedure for transactions with related parties, with particular regard to the issue of a justified opinion about each related parties transaction relevant for the purpose of such procedure.

At the date of this Offering Circular, the Related Parties Committee is composed of directors Alessandro Banchi, (acting as chairman), Pedro Solbes Mira, Angelo Taborelli and Gianfranco Tosi all of whom are independent directors.

The related parties committee consists entirely of independent directors. Members are appointed by the board of directors, which names one of them as chairman.

The related parties committee is entitled to request the information necessary for the performance of its duties and may also avail itself, at the expense of the Company, of the assistance of one or more experts of its choice, whose independence and lack of conflicts of interest shall be verified by the committee itself.

The chairman of the board of statutory auditors (or another statutory auditor designated by the latter) shall participate in the meetings of the related parties committee. The chairman may on each occasion invite to the meetings of the committee other members of the board of directors or persons whose presence may help the committee to better perform its duties.

Corporate Governance Committee

The corporate governance committee is composed of at least 3 directors, most of them non executive, of which at least one satisfies the independence requirements;. The members of the committee are appointed by the board of directors, which also appoints one of the members of the committee as the chairman, and establishes the duties of the same committee. According to the provisions contained in its organisational regulation, the corporate governance committee, which has preliminary, consultative and policy initiating functions, shall assist the board of directors with respect to the assessments and decisions relating to the corporate governance of the Company and of the Group. As part of these duties, the committee has the following specific tasks:

- a. to monitor the evolution of laws, as well as national and international best practices, in relation to corporate governance, updating the board of directors in case of significant changes;
- b. to verify that the corporate governance system adopted by the Company and the Group is compliant with applicable laws, recommendations set forth under the Self-regulation Code and national and international best practices;
- c. to submit to the board of directors proposals for the adjustment of the aforementioned corporate governance system, if it is deemed necessary or appropriate;
- d. to prepare the board review process, submitting to the board of directors proposals regarding the engagement of a consultancy firm specialising in this sector, identifying the issues that shall be the subject-matter of the assessment and determining the timing and conditions of the same process;
- e. examine the annual report on corporate governance to be included in the documentation of the annual financial statements;
- f. to perform additional tasks assigned it by the board of directors.

At the date of this Offering Circular, the corporate governance committee is composed of directors Andrea Colombo (acting as chairman), Lorenzo Codogno, Mauro Miccio and Fernando Napolitano.

Implementation of Corporate Governance Rules

The corporate governance structure in place at ENEL and in the group of companies that it controls reflect the principles set forth in the Self-Regulation Code of listed companies promoted by Borsa Italiana as well as the recommendations made in this regard by CONSOB and more generally international best practice. In particular, and in addition to forming the above-described committees,

ENEL has, among other things, identified an officer responsible for relationships with institutional investors and other shareholders and adopted internal rules for the discipline of transactions with related parties (as of 19 December 2006), the latter substituted in November 2010 and effective starting from January 2011.

Adoption of a Compliance Programme

In July 2002, the board of directors approved a Compliance Programme pursuant to the requirements of Legislative Decree No. 231 of 8 June 2001 which introduced into the Italian legal system a regime of administrative (but in fact criminal) liability with respect to companies for several kinds of crimes committed by the directors, executives, or employees in the interest of or for the benefit of the companies themselves. Such Compliance Programme, which was regularly updated, is consistent with the guidelines on the subject established by industry associations and represents another step towards strictness, transparency, and a sense of responsibility in both internal relations and those with the external world. At the same time, The Compliance Programme offers shareholders adequate assurance of efficient and fair management.

Independence of Directors and Board Review

In accordance with the information provided by the individual persons concerned or, in any event, on the information available to the Company, immediately after their appointment (in May 2011) and, subsequently, during January 2012, the board of directors attested that directors Alessandro Banchi, Mauro Miccio, Pedro Solbes Mira, Angelo Taraborrelli, and Gianfranco Tosi are independent pursuant to the Self-Regulation Code. In particular, the members that do not have, and have not recently had, even indirectly, relationships with the Company or with parties connected to the Company, such as to concretely affect their independence of judgment, have been considered independent.

The procedure followed by the board of directors in this regard, began with an examination of a document with information showing the offices held and the relations maintained by the non-executive directors that could be significant for the purpose of assessing their respective independence. Such phase was followed by a self-assessment conducted by each one of the non-executive directors with regards to his own personal positions, after which came the final assessment made collectively by the board of directors, with the abstention, in turn, of the individual members whose position was under examination. In the evaluation of the independence of the non-executive members, the board of directors has taken into consideration the principle of the “prevalence of substance over form,” as indicated by the Self-Regulation Code.

In this regard, it is pointed out that, during the aforesaid evaluations of May 2011 and January 2012 on the independence of the non-executive directors and the board of directors, in compliance with the above mentioned principle of the prevalence of substance over form, that they have qualified the director Gianfranco Tosi as independent, pursuant to the Self-Regulation Code, having decided to evaluate his independence on the basis of the independent judgment shown by Mr. Tosi towards the Company, its executive directors and its main shareholder, the Ministry of Economy and Finance, that presented his candidature, rather than on the basis of the fact that Mr. Tosi has been one of the directors of Enel for more than nine years during the last twelve years.

Furthermore, the board of directors has confirmed the validity of the specific quantitative parameters – adopted for the first time during the independence evaluation carried out in February 2010 – applicable to the commercial, financial, or professional relations that may take place, directly or indirectly, between directors and the Company. Unless there are specific circumstances, to be evaluated on a case by case basis, the exceeding of such parameters should, in principle, preclude the possession by the non-executive director in question of the requisites of independence provided for by the aforesaid Code. In this regard, please note that, during the aforesaid evaluations of May 2011 and January 2012 on the independence of the non-executive directors, the board of directors acknowledged that no business, financial or professional relationships, direct or indirect, exist nor have existed during the previous financial year, between the above mentioned independent directors and the Company or persons connected to the Company.

During the reviews carried out in May 2011 and January 2012, the board of directors ascertained that the foregoing five non-executive directors – *i.e.* Alessandro Banchi, Mauro Miccio, Pedro Solbes Mira, Angelo Taraborrelli and Gianfranco Tosi – also possessed the requisite of independence provided by law (namely by the Unified Financial Act) for the statutory auditors of listed companies.

During May 2011 and, February 2012, the board of statutory auditors verified that the board of directors, in the performing of the above-mentioned evaluations of the non-executive members' independence, correctly applied the criteria indicated by the Self-Regulation Code, following for such purposes a transparent assessment procedure, which allowed the board of directors to gain knowledge of potential relevant relationships adequate for the evaluation of independence.

The independent directors met in December 2011, separately from the other directors. On that occasion, they shared their evaluations on the functioning of the board of directors and appointed the director Mauro Miccio as their coordinator for the next meetings.

Since December 2006, the board of directors also verified the absence of conditions which, pursuant to the Self-Regulation Code, would require the designation of a lead independent director, taking into consideration that, at ENEL, the chairman of the board of directors does not hold the position of chief executive officer or own a control stake in the Company.

At the end of 2011, the board of directors, with the assistance of an industry-specialised consulting company began (and completed in February 2012) an evaluation of the size, of the composition and of the functioning of the board and of its committees (i.e., a board review), in line with international governance best practices that have been adopted by the Self-Regulation Code. This board review followed similar initiatives yearly undertaken by the board of directors starting from 2004.

Conducted by means of a questionnaire filled out by each director during individual interviews carried out by a consultancy firm, the analysis focused on the most significant issues regarding the board of directors, such as: (i) the structure, composition, role, and responsibilities of such body; (ii) the conduct of board meetings, the related flows of information and the decision-making processes adopted; (iii) the composition and functioning of the committees instituted within the board; (iv) the evaluation of the adequacy of the corporate organisational structures that support the activities of the board of directors and of its committees.

Transactions with Related Parties

In December 2006, the board of directors adopted, pursuant to the Italian Civil Code and the Self-Regulation Code, an internal regulation that set forth the procedures for approving and carrying out transactions with related parties entered into by the Company or by its subsidiaries, in order to guarantee the transparency and the correctness, both substantive and procedural, of such transactions.

In November 2010, the board of directors approved a new procedure that regulates the approval and the execution of the transactions with related parties entered into by ENEL, directly or through subsidiaries, which was adopted in accordance with the provisions of Article 2391-*bis* of the Italian Civil Code and the implementing regulation enacted by CONSOB (issued in March 2010). Such procedure replaces, with effect from 1 January 2011, the regulation for transactions with related parties approved by the board of directors in December 2006.

ENEL's current procedure provides for the distinction of the related parties transactions between transactions of "major importance" and transactions of "minor importance", depending whether or not the quantitative threshold of 5 per cent. applied to specific ratios of significance is exceeded.

A related party committee, composed of at least three independent directors of Enel, has the task of issuing a reasoned opinion regarding both the related parties transactions of "major importance" (in which case the opinion is binding) and the related parties transactions of "minor importance" (in which case the opinion is non binding).

Specifically, ENEL's procedure sets forth a more complex approval process for the transactions of "major importance", both those attributed to the board of directors and those attributed to the shareholders' meeting.

Such transactions are approved once a favorable opinion has been provided by the related parties committee, which indicates the committee's assessments on the interest of Enel in the completion of the transaction, as well as the convenience and the substantial fairness of the relative conditions.

Transactions of "minor importance" are subject to a more simplified approval process, being approved by the board of directors or by the competent delegated body following the non binding reasoned opinion of the related parties committee on the interest of ENEL in the completion of the transaction, as well as on the convenience and substantial correctness of its relevant terms. If the relationship exists with the competent delegated body, or with a related party through him, the latter shall refrain from the completion of the transaction and vest the delegating body with the matter.

Moreover, ENEL's procedure provides for information flows aimed at ensuring to the related parties committee and to the deliberative body prompt, complete and adequate information regarding each related parties transaction subject to the rules of the procedure. In case of transactions of major importance, the related parties committee, or one or more of its delegated members, may require information and make comments to the chief executive officer of Enel and to those persons in charge of the negotiations or the inquiry regarding aspects which are subject to the information flows provided before as well as require any other information deemed to be useful for the assessment of the transaction. In any case the information required shall be provided to the committee.

In the exercise of its duties, the related parties committee may avail itself, at the expense of ENEL, of the assistance of one or more experts of its choice, identified from among persons of proven professionalism and expertise on the subject matters of the transaction, whose independence and lack of conflicts of interest shall be verified by the committee.

A system of equivalent measures is established in order to ensure the procedural correctness of the approval of the relevant transactions in the event that one or more members of the related parties committee are related parties with regard to a specific transaction, both of major and minor importance.

If the related parties committee issues a negative opinion on a specific transaction, Enel's procedure provides the following:

- (a) in case of transactions of "major importance" attributed to the board of directors, the latter, if set forth in the bylaws of the Company, may submit the transaction to the ordinary shareholders meeting for its authorisation. The shareholders' meeting, without prejudice to the majorities required by law, bylaws and provisions applicable in cases of conflicts of interest, may approve the transaction with the favourable vote of at least half of the shareholders who qualify as "unrelated shareholders" (i.e. those persons having the right to vote, other than the counterparty in a particular transaction and the related parties both to the counterparty in a particular transaction or to the company itself). In any case, the completion of a transaction of major importance is prevented only if the unrelated shareholders present at the shareholders' meeting represent at least 10 per cent. of the share capital with voting rights;
- (b) in case of transactions of "major importance" attributed to the shareholders' meeting, the shareholders' meeting, the proposal of resolution to be submitted to the shareholders' meeting may be approved by the board of directors even if the related parties committee issued a negative opinion. In this case, if provided by the Company's bylaws and without prejudice to the majorities required by law, bylaws and provisions applicable in cases of conflicts of interest, may approve the transaction according to the same process described under a) above;
- (c) in case of transactions of "minor importance", within 15 days after the close of each quarter of the financial year, ENEL shall make available to the public a document containing the name of the counterparty, the object and the consideration of the transactions approved in the reference quarter and the reasons why it was deemed suitable not to share the related parties committee's negative opinion. Within the same terms, the opinion shall be made available to the public.

Specific rules applicable to related parties transactions executed through companies directly and/or indirectly controlled by ENEL provide for the application to such transactions of rules similar to those applicable to the related parties transactions of "minor importance".

Moreover, particular exemptions from the scope of application of the procedure apply to certain categories of transactions, such as:

- (i) resolutions adopted by the shareholders' meeting pursuant to Articles 2389, paragraph one and 2402 of the Italian Civil Code, regarding both the compensation for the members of the board of directors and the members of the board of statutory auditors of ENEL;
- (ii) compensation plans based on financial instruments approved by the shareholders' meeting of ENEL pursuant to Article 114-bis of the Consolidated Financial Act and its executive operations;
- (iii) resolutions other than those indicated under i), in relation to the remuneration of ENEL's directors holding a special office, together with the remuneration of executives with strategic responsibilities of companies of the ENEL Group, if certain conditions are met (i.e. adoption of a remuneration policy, involvement of the remuneration committee in this regard, submission to the shareholders' meeting of a remuneration statement, consistency of remuneration awarded with the policy);

- (iv) transactions for “small” amounts, characterised by an equivalent-value below specific amounts – differentiated according to the category of the related party with which the transaction is entered into – and identified in ENEL’s procedure;
- (v) “regular” transactions, completed at “market-equivalent or standard terms”;
- (vi) transactions with or between companies directly and/or indirectly controlled, even jointly, by ENEL, as well as transactions with companies affiliated with ENEL, provided that in the controlled or affiliated companies that are counterparties to the transaction there are no significant interests (as defined in the procedure) of other ENEL related parties.

Executive in Charge of preparing the Corporate Accounting Documents

Pursuant to the provisions of Article 154-*bis*, paragraph 1, of the Italian Unified Financial Act, and the articles of association, in June 2006, the board of directors, after receiving the opinion of the board of statutory auditors, provided for the appointment of an “executive in charge of preparing the corporate accounting documents.” Such person, Luigi Ferraris, the head of the Company’s Accounting, Finance and Control department, fulfils (as ascertained by the board of directors in June 2007) the relevant professional requirements introduced into the articles of association in May 2007, in compliance with the Italian Unified Financial Act.

The duty of such executive is to establish appropriate administrative and accounting procedures for the preparation of the financial statements of ENEL and the Group’s consolidated financial statements, and all other financial documents.

Principal Officers

The table set forth below contains information regarding the Group’s principal officers (that is, officers with strategic responsibilities) at the date of 6 February 2012, with an indication of the position of each officer.

Name	Position
Marco Arcelli	Head, Up-Stream Gas Department
Andrea Brentan	Head, Iberia and Latin America Division
Antonio Cardani	Head, Global Business Services Department
Francesco Buresti	Head, Global Procurement Department
F. De Borja Acha Besga	Head, Legal and Corporate Affairs Department
Massimo Cioffi	Head, Human Resources and Organisation Department
Gianluca Comin	Head, External Relations Department
Francesca Di Carlo	Head, Audit Department
Luigi Ferraris.....	Head, Administration, Finance and Control Department
Livio Gallo	Head, Infrastructure and Networks Division
Claudio Machetti.....	Head, Group Risk Management Department
Giovanni Mancini	Head, Generation and Energy Management and Head of Market Divisions
Simone Mori.....	Head, Regulatory, Environment and Innovation Department and Head of Carbon Strategy Department
R. López Aueda	Head, Information and Communication Technology Department
Francesco Starace.....	Head, Renewable Energy Division
Carlo Tamburi.....	Head, International Division
Livio Vido	Head, Engineering and Research Division

Conflicts of Interest

At the date hereof, neither any member of the board of directors or the board of statutory auditors nor any of the Group’s principal officers has any private interests in conflict with his duties arising from his or her office or position within the Group.

Independent Auditors

The Auditors of ENEL are Reconta Ernst & Young S.p.A., whose registered office is at Via Po, 32, 00198, Rome, Italy (“E&Y”). E&Y is an accounting firm registered with CONSOB (the Italian Stockmarket regulator). E&Y has audited ENEL’s accounts, prepared in accordance with International Financial Reporting Standards adopted in the European Union and the Italian

regulations implementing Article 9 of Legislative Decree No. 38/05, without qualification, in accordance with auditing standards recommended by CONSOB, for the financial year ended 31 December 2011.

E&Y's current appointment will expire with the approval of ENEL's annual financial statements as at 31 December 2019 by the general meeting of shareholders.

The previous auditors of ENEL were KPMG S.p.A., a member of KPMG International, a Swiss cooperative, whose registered office is Via Ettore Petrolini 2, 00197 Roma, Italy. KPMG S.p.A. is an accounting firm registered with CONSOB (the Italian Stockmarket regulator). KPMG S.p.A. have audited ENEL's accounts, prepared in accordance with International Financial Reporting Standards adopted in the European Union and the Italian regulations implementing Article 9 of Legislative Decree No. 38/05, without qualification, in accordance with the auditing standards recommended by CONSOB, for the financial year ended 31 December 2010.

The auditors of ENEL are independent accountants in respect to ENEL.

DESCRIPTION OF ENEL FINANCE INTERNATIONAL N.V.

General

ENEL Finance International N.V. (“ENEL N.V.”) was incorporated (as ENEL Trading Rus B.V.) as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid* or B.V.) under the laws of The Netherlands on 26 September 2008. It was converted into a limited liability company (*naamloze vennootschap* or N.V.) under the laws of The Netherlands on 7 September 2010. It was renamed on 4 October 2010.

ENEL N.V. is registered with the trade register of the Dutch chamber of commerce under number 34313428 and its telephone number is +31 20 5218 777. The business address of ENEL N.V. is at Herengracht 471, 1017 BS Amsterdam, The Netherlands. Its corporate seat is at Amsterdam, The Netherlands.

ENEL N.V. is 100 per cent. directly owned by ENEL.

Merger

On 1 December 2010, in the context of an internal reorganisation of the ENEL Group, ENEL N.V. merged with ENEL Finance International S.A. (“ENEL S.A.”), a company incorporated as a public limited liability company (*soci t  anonyme*) established under the laws of Luxembourg on 3 July 1997, having its registered office in Luxembourg. The cross-border merger was carried out in accordance with Directive 2005/56/EC of the European Parliament and of the Council of 26 October 2005 on cross-border mergers of limited liability companies and the provisions of Title 7, Book 2 of the Netherlands Civil Code (*Burgerlijk Wetboek*), as a result of which ENEL N.V. (as acquiring and surviving entity) acquired all the rights, assets, obligations and liabilities of ENEL S.A. (as disappearing entity) under universal succession of title, including – without limitation – any and all payment obligations in connection with the Notes issued by ENEL S.A. under the Programme prior to the merger.

Prior to the merger with ENEL S.A., ENEL N.V. was a dormant vehicle with no assets and no commercial activities.

Corporate Purpose

Pursuant to Article 2 of the articles of association of ENEL N.V. dated 30 November 2010 and having effect from 1 December 2010, the objects of ENEL N.V. include, among other things: (i) issuing, purchasing and selling notes and other securities, (ii) acquiring, holding and selling participations in other companies and businesses, (iii) financing such other companies and businesses, borrowing and lending funds, guaranteeing and providing security for third parties (including its group companies), (iv) acquiring, holding and disposing of real property, (v) providing management and administrative services to other companies and businesses, (vi) acquiring, disposing of, holding, licensing and administering patents, trade names, licences, know-how and other intellectual property rights, and (vii) doing anything that is connected with or conducive to the foregoing.

Principal Activities

ENEL N.V. operates as a financing company for the Group, raising funds through bond issuances, loans and other facilities and on-lending the funds so raised to the companies belonging to the ENEL Group.

ENEL N.V. is also part of the centralising financial flows process and acts as the primary reference for the management of financial needs or liquidity generated by the entities that operate outside of Italy and are part of the ENEL Group.

ENEL N.V. acts solely as a financing company for the Group and therefore is not engaged in market competition in the energy sector with third parties.

Lending to companies belonging to the ENEL Group

As the acquiring company in the merger with ENEL S.A., ENEL N.V. succeeded, as lender, in the outstanding short and long terms financial operations with companies belonging to the ENEL Group.

The main financial agreements in place at the date of this Offering Circular are the following:

Long term operations

- €18,000 million long-term facility granted to ENEL Energy Europe S.L. bearing interest at a fixed rate, maturing on 30 November 2019;
- €2,500 million long-term facility granted to ENEL bearing interest at a fixed rate, maturing on 31 December 2025;
- €2,500 million multicurrency long-term facility, granted to ENEL Green Power International B.V., maturing on 31 March 2018; and
- €3,500 million long-term facility granted to ENEL Distribuzione S.p.A. bearing interest at a fixed rate, maturing on 20 April 2022.

Short term operations

- €4,000 million revolving credit facility made available to ENEL, maturing on 27 June 2012. As at 31 December 2011, such revolving facility was fully unutilised;
- €1,200 million multicurrency revolving credit facility granted to ENEL Green Power International B.V., maturing on 31 December 2010, then extended to 31 December 2012;
- €600 million revolving credit facility granted to ENEL France S.A.S., maturing on 31 December 2011, then extended to 31 December 2012;
- €220 million revolving credit facility granted to Marcinelle Energie S.A., maturing on 31 December 2011, then extended to 31 December 2012.

Indebtedness of ENEL N.V.

In order to provide the companies belonging to the ENEL Group with the funds they require, ENEL N.V. raises funds through bond issuances, loans and other facilities.

In particular, ENEL N.V. is currently the primary obligor of the following series of notes guaranteed by ENEL issued under the Programme:

Notes	Maturity	Interest Rate
USD 1,000 million fixed rate Notes ⁽¹⁾	2013	5.7000%
USD 1,250 million fixed rate Notes ⁽¹⁾	2014	3.8750%
EUR 1,250 million fixed rate Notes	2015	4.6250%
CHF 1,500 million fixed rate Notes	2015	2.0000%
EUR 1,500 million fixed rate Notes ⁽¹⁾	2016	4.0000%
USD 1,500 million fixed rate Notes ⁽¹⁾	2017	6.2500%
EUR 1,000 million fixed rate Notes	2017	4.1250%
JPY 11,500 million fixed rate Notes	2018	1.000%
EUR 1,000 million fixed rate Notes	2018	5.750%
USD 1,750 million fixed rate Notes ⁽¹⁾	2019	5.1250%
EUR 125 million fixed rate Notes ⁽¹⁾	2019	4.5320%
EUR 100 million fixed rate Notes ⁽¹⁾	2020	4.4573%
CHF 100 million fixed rate Notes	2020	3.0000%
EUR 750 million fixed rate Notes	2021	5%
EUR 2,500 million fixed rate Notes ⁽¹⁾	2022	5.0000%
EUR 50 million fixed rate Notes	2022	5.8000%
EUR 50 million floating rate Notes	2022	Floating Interest
EUR 50 million floating rate Notes	2022	Floating Interest
GBP 850 million fixed rate Notes ⁽¹⁾	2024	5.6250%
EUR 100 million inflation linked Notes	2024	Index Linked Interest
EUR 50 million fixed rate Notes	2027	6.15%
USD 1,000 million fixed rate Notes ⁽¹⁾	2037	6.8000%
EUR 50 million fixed rate Notes	2030	5.65%
EUR 150 million fixed rate Notes	2031	5.60%
EUR 50,279,081 fixed rate Notes	2032	5.80%
EUR 50,888,143 fixed rate Notes	2032	6.47%
JPY 20,000 million fixed rate Notes ⁽¹⁾	2037	3.2500%
USD 1,500 million fixed rate Notes ⁽¹⁾	2039	6.000%
GBP 1,400 million fixed rate Notes ⁽¹⁾	2040	5.7500%

Note:

(1) Originally issued under the Programme by ENEL S.A.

ENEL N.V. is also currently the issuer under a commercial paper programme guaranteed by ENEL. In the context of the last update of the commercial paper programme which occurred prior to the merger on 3 June 2010, the maximum aggregate principal amount of all commercial paper outstanding from time to time under the commercial paper programme has been increased from €4,000 million to €6,000 million. As at 31 December 2011 ENEL N.V. has outstanding – as primary obligor as a result of and following the merger with ENEL S.A. – €2,021 million in aggregate principal amount of commercial paper.

In addition to the above, on 19 April 2010 ENEL S.A. (now, following the merger, ENEL N.V.), and ENEL entered into a 5-year multi-borrower revolving credit facility for an amount of €10,000 million with a pool of banks. This multi-borrower revolving credit facility is aimed at assuring a reasonable long-term credit facility at favourable market conditions and may be considered as a backstop credit line to face any possible liquidity problem affecting the commercial paper market. As at 31 December 2011 €1,000 million have been drawn.

Furthermore, ENEL N.V. is currently the primary obligor under the following facilities agreements:

- €3,200 million term loan facility agreement, dated 20 February 2012, maturing on 10 April 2017;
- €250 million term loan facility agreement, dated 20 February 2012, maturing on 10 April 2017;
- €100 million term loan facility agreement, dated 20 February 2012, maturing the date falling 5 years after the date of first utilisation, which had not yet occurred by 30 April 2012.

Share Capital

The issued share capital of ENEL N.V. amounts to €1,478,810,370 and is represented by 1,478,810,370 shares with a nominal value of €1 each, which are all held by ENEL.

Members of the Management Board

ENEL N.V. is managed by a management board, currently composed of six members. Members of the management board are appointed by the general meeting of shareholders of ENEL N.V., which may dismiss them at any time. The management board has the power to perform all acts of administration and disposition in compliance with the corporate objects of ENEL N.V.

Pursuant to its articles of association, ENEL N.V. can be validly represented by the management board in its entirety and by the joint signatures of any two members of the management board. Alternatively ENEL N.V. can be validly represented by the single signature of any person who shall have been appointed as representative of ENEL N.V. by the management board by means of a power of attorney.

As at the date hereof, the members of the management board are:

- A.J.M. Nieuwenhuizen
- F. Mauritz
- H. Marseille
- E. Di Giacomo
- F.J. Galán Allué
- A. Canta

The business address of each of ENEL N.V.'s current management board members is that of ENEL N.V.'s registered office at Herengracht 471, 1017 BS Amsterdam, The Netherlands.

ENEL N.V. considers itself to comply with all Dutch laws relating to corporate governance that are applicable to it.

ENEL N.V. does not have a separate audit committee.

Conflicts of Interest

As at the date hereof, the abovementioned members of the management board and the principal officers of ENEL N.V. do not have conflicts of interests between any duties to ENEL N.V. and their private interests or duties.

Employees

As at the date hereof, ENEL N.V. has five employees.

Auditors

The independent auditor of ENEL N.V. is Ernst & Young Accountants LLP, whose registered office is Prof. Dr. Dorgelolaan 12, 5613 AM Eindhoven, the Netherlands. Ernst & Young Accountants LLP is an audit firm registered with the Royal Dutch Institute of Chartered Accountants (“NIVRA”).

Ernst & Young Accountants LLP was appointed on 29 July 2011 as independent auditors of ENEL N.V. Ernst & Young Accountants LLP has audited the reporting package 2011 of ENEL N.V. for the purpose of consolidating ENEL N.V. into ENEL as well as 2011 statutory financial statements. The audit has been performed in accordance with generally accepted auditing standards in the Netherlands and the accounting standards applied were in accordance with International Financial Reporting Standards as adopted by the European Union for the year ended 31 December 2011.

The current appointment of Ernst & Young Accountants LLP will expire on the date of the shareholders’ meeting convened to approve ENEL N.V.’s annual statutory financial statements as at 31 December 2019.

The previous auditors of ENEL N.V. were KPMG Accountants N.V., a member of KPMG International, a Swiss cooperative, whose registered office is Laan van Langerhuize 1, 1186 DS, Amstelveen, the Netherlands (“KPMG”). KPMG is an audit firm registered with the Royal Dutch Institute of Chartered Accountants (“NIVRA”).

KPMG have audited the reporting package 2010 of ENEL N.V. for the purpose of consolidating ENEL N.V. into ENEL and the 2010 statutory financial statements. The audit has been performed in accordance with generally accepted auditing standards in the Netherlands and the accounting standards applied were in accordance with International Financial Reporting Standards as adopted in the European Union for the year ended 31 December 2010.

The auditors of ENEL N.V. are independent accountants in respect to ENEL.

BOOK-ENTRY CLEARANCE SYSTEMS

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the “Clearing Systems”) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuers and the Guarantor believe to be reliable, but none of the Issuers, the Guarantor, nor any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuers, the Guarantor, nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Book-entry Systems

DTC

DTC has advised the Issuers and the Guarantor that it is a limited purpose trust company organised under the New York Banking Law, a “banking organisation” within the meaning of the New York Banking Law, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants (“Participants”) deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”).

Under the rules, regulations and procedures creating and affecting DTC and its operations (the “Rules”), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC’s book-entry settlement system (“DTC Notes”) as described below and receives and transmits distributions of principal and interest on DTC Notes. The Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes (“Owners”) have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest with respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC’s records. The ownership interest of each actual purchaser of each DTC Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participant’s records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be

the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Notes. Under its usual procedures, DTC mails an Omnibus Proxy to the relevant Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the relevant Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the relevant Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Note, will be legended as set forth under "Subscription and Sale and Selling and Transfer Restrictions".

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Book-entry Ownership of and Payments in respect of DTC Notes

The relevant Issuer may apply to DTC in order to have any Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Note will be limited to Direct Participants or Indirect Participants, including the

respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Note will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note registered in the name of DTC's nominee will be made to the order of such nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC's nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Note in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participant's account.

The relevant Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The relevant Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar or the relevant Issuer. Payments of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the relevant Issuer.

Transfers of Notes Represented by Registered Global Notes

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note to pledge such Notes to persons or entities that do not participate in the DTC system or to otherwise take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a direct or indirect participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "Subscription and Sale and Selling and Transfer Restrictions", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Fiscal Agent and any custodian ("Custodian") with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Principal Paying Agent and the Custodian receiving instructions (and where appropriate certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants

and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuers, the Guarantor, the Agents and any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

TAXATION

The statements herein regarding taxation are based on the laws in force as at the date of this Offering Circular and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. Neither the Issuers nor the Guarantor will update this summary to reflect changes in laws and if such a change occurs the information in this summary could become invalid.

This summary assumes that ENEL and ENEL N.V. are resident for tax purposes in the Republic of Italy and in The Netherlands, respectively, are structured and conduct their business in the manner outlined in this Offering Circular. Changes in the Issuers' and/or the Guarantor's organisational structure, tax residence or the manner in which each of them conducts its business may invalidate this summary. This summary also assumes that each transaction with respect to the Notes is at arm's length.

Where in this summary English terms and expressions are used to refer to Italian concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Italian concepts under Italian tax law.

The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules.

Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.

EU Directive on the Taxation of Savings Income

Under EU Council Directive 2003/48/EC on the taxation of savings income (the "EU Savings Directive"), Member States are required to provide to the tax authorities of another Member State details of payments of interest (and other similar income) paid by a person within its jurisdiction to an individual resident or to certain other persons in another Member State, except that Luxembourg and Austria instead operate a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period they elect otherwise. The European Commission has proposed certain amendments to the EU Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above. A number of third countries and territories including Switzerland have adopted similar measures to the EU Savings Directive.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the relevant Issuer nor any paying agent nor any other person would be obliged to pay additional amounts to the holder of the Notes or to otherwise compensate the holder of Notes for the reduction in the amounts that they will receive as a result of the imposition of such withholding tax. However, the relevant Issuer is required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the EU Savings Directive (if such a state exists).

The Republic of Italy

General

Where in this summary English terms and expressions are used to refer to Italian concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Italian concepts under Italian tax law.

Article 2, paragraphs 6-34 of Law Decree 13 August 2011, No. 138, converted into law with amendments by Law 14 September 2011, No. 148 (the "Decree 138") introduced a general reform of financial income and capital gains pursuant to which, *inter alia*, starting from 1 January 2012, save for certain exceptions, such kind of income is subject to withholding (or substitutive) tax at 20 per cent. rate (instead of the 12.5 per cent. and 27 per cent. rates previously applicable, the "Previous Regime"). Provisional rules are set forth by the Decree 138, which are not described herein.

Other amendments to the tax regime of financial instruments have been introduced by Law Decree 6 December 2011, No. 201, converted into law, with amendments, by Law 22 December 2011, No. 214 (the “Decree 201”), providing for the general application of stamp duties (*imposta di bollo*) to financial instruments. Provisional rules are also set forth by the Decree 201, which are not described herein.

Tax Treatment of Notes Issued by ENEL

Legislative Decree 1 April 1996, No. 239 (“Decree 239”) provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) within the meaning of Article 44 of Italian Presidential Decree 22 December 1986, No. 917 (“Decree 917”) issued, *inter alia*, by companies listed on an Italian regulated market. Under the Previous Regime, the Decree 239 applied provided that the notes were issued with an original maturity of not less than 18 months.

For this purpose, pursuant to Article 44 of Decree 917, debentures similar to bonds are securities that (i) incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value and (ii) do not grant to the relevant holders any right to directly or indirectly participate to the management of the issuer or of the business in relation to which they are issued or to control the same management.

Italian Resident Noteholders

In case of Notes qualifying as bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) held by an Italian resident Noteholder who is beneficial owner of the Notes and is (i) an individual not engaged in an entrepreneurial activity to which the Notes are connected, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation (in each case, unless the relevant Noteholder has entrusted the management of its financial assets, including the Notes, to an Italian authorised intermediary and has opted for the application of the *risparmio gestito* regime provided for by Article 7 of Italian Legislative Decree 21 November 1997, No. 461 – the “Risparmio Gestito” regime – see under “Capital gains tax” below), interest, premium and other income relating to the Notes, accrued during the relevant holding period, are subject to a final tax, referred to as “*imposta sostitutiva*”, levied at the rate of 20 per cent. In the event that the Noteholders described under (i) or (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Pursuant to the Decree 138, the above regime applies to interest relating to the Notes accrued as from 1 January 2012, whereas under the Previous Regime *imposta sostitutiva* applied at 12.5 per cent rate.

Pursuant to Decree 239, *imposta sostitutiva* is generally applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by decrees of the Ministry of Finance who are (i) resident in Italy or permanent establishments in Italy of non-Italian resident financial intermediaries and (ii) intervene, in any way, in the collection of interest, premium and other income relating to the Notes or in the transfer of the Notes (each an “Intermediary”). For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes.

Where an Italian resident Noteholder who is beneficial owner of the Notes is a company or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected, and the Notes are timely deposited together with the relevant Coupons with an Intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder’s income tax return and are therefore subject to general Italian corporate income tax (“IRES”), currently applying at 27.5 per cent. rate and, in certain circumstances, depending on the “status” of the Noteholder, also to *imposta regionale sulle attività produttive*, the regional tax on productive activities (“IRAP”), generally applying at the rate of 3.9 per cent. (IRAP applies at different rates for certain categories of investors, e.g. banks, financial institutions and insurance companies and, in any case, can be increased by regional laws up to 0.92 per cent.).

Payments of interest, premium and other income in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998 and Article 14-bis of Law No. 86 of 25 January 1994 (the “Real Estate Funds”), are subject

neither to *imposta sostitutiva* nor to any other income tax in the hands of the Real Estate Fund, provided that the Notes, together with the relevant Coupons, are timely deposited with an Intermediary. Unitholders are generally subject to a 20 per cent. withholding tax on distributions from the Real Estate Funds. Furthermore, a direct imputation system (“tax transparency”) is provided for certain non-qualifying unitholders (e.g. Italian resident individuals) holding more than 5 per cent. of the units of the fund.

As from 1 July 2011, if the Noteholder is resident in Italy and is an open-ended or closed-ended investment fund (the “Fund”) or a SICAV, and the Notes, together with the relevant Coupons, are timely deposited with an authorised Intermediary, interest accrued during the holding period on the Notes are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Funds. Proceeds paid by the Funds to their quotaholders are generally subject to a 20 per cent. withholding tax. Pursuant to Decree 138, such withholding tax rate applies to proceeds payable as from 1 January 2012 (instead of the 12.5 per cent. rate applicable under the Previous Regime).

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of Legislative Decree 5 December 2005, No. 252) (the “Pension Funds”) and the Notes, together with the relevant Coupons, are timely deposited with an Intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to an ad hoc 11 per cent. substitutive tax.

Where an Italian resident Noteholder has opted for the Risparmio Gestito regime with respect to its investment in the Notes, such Noteholder will be subject to a 20 per cent. annual substitutive tax on the increase in value of the managed assets accrued at the end of each tax year (pursuant to Decree 138, such rate applies on the results accrued as from 1 January 2012, the rate applicable under the Previous Regime being 12.5 per cent.). In such case, interest, premium and other income on the Notes will be included in the calculation of said annual increase in value of managed assets.

Where the Notes and the relevant Coupons are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any Italian intermediary (or permanent establishment in Italy of foreign intermediary) that intervenes in the payment of interest to any Noteholder or by the Issuer and Noteholders who are Italian resident companies or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected are entitled to deduct *imposta sostitutiva* suffered from income taxes due.

Non-Italian Resident Noteholders

Where a Noteholder who is the beneficial owner of the Notes is a non-Italian resident, an exemption from the *imposta sostitutiva* applies provided that the non-Italian resident beneficial owner is either (i) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy; or (ii) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or (iii) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (iv) an institutional investor which is resident or established in a country which allows for a satisfactory exchange of information with Italy, even if it does not possess the status of taxpayer in its own country of residence.

Please note that the currently applicable “white list” providing for countries allowing for a satisfactory exchange of information with Italy is provided for by Ministerial Decree 4 September 1996, as subsequently amended and supplemented. According to the Law 24 December 2007, No. 244 (the “Budget Law 2008”), a decree still to be issued is proposed to introduce a new “white list” replacing the current one.

The *imposta sostitutiva* will be applicable at the rate of 20 per cent. (or at the reduced or nil rate provided for by the applicable double tax treaty, if any, and in any case subject to compliance with relevant subjective and procedural requirements) to interest, premium and other income paid to Noteholders who are resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy. Pursuant to Decree 138, such 20 per cent. rate applies on interest accrued on the Notes as from 1 January 2012 (the rate applicable under the Previous Regime being 12.5 per cent.).

In order to ensure gross payment, qualifying non-Italian resident Noteholders must be the beneficial owners of the payments of interest, premium or other income and (i) deposit, directly or indirectly, the Notes, together with the relevant Coupons, with an Italian resident bank or SIM or other qualified intermediary or a permanent establishment in Italy of a non-Italian resident bank or SIM or

other qualified intermediary or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economics and Finance and (ii) timely file with the relevant depository a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to meet the requirements to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in the case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001. Additional statements may be required for non-Italian resident Noteholders who are institutional investors.

Previous Regime – Other Provisions

In addition to the above, under the Previous Regime:

- (i) in the event that Notes issued by an Italian resident Issuer with an original maturity of not less than 18 months were redeemed, in full or in part, prior to 18 months from the Issue Date, the Issuer was required to pay an additional tax equal to 20 per cent. of the interest and other proceeds accrued up to the time of the early redemption. Pursuant to Decree 138, the above 20 per cent. additional tax is no longer due for interest accrued as from 1 January 2012; and
- (ii) Interest payments relating to Notes qualifying as bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) within the meaning of Article 44 of Decree 917 issued with an original maturity of less than 18 months were subject to a withholding tax, levied by the Issuer at the rate of 27 per cent. pursuant to Article 26, first paragraph, of Presidential Decree 29 September 1973, No. 600 as subsequently amended. Pursuant to Decree 138, the maturity of the Notes is no longer relevant for interest relating to the Notes accrued as from 1 January 2012, which is subject to tax at 20 per cent. rate, irrespective of the original maturity of the Notes.

Tax Treatment of Notes Issued by ENEL N.V.

Decree 239 also provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) within the meaning of Article 44 of Decree 917, issued by non-Italian resident issuers.

Italian Resident Noteholders

Pursuant to Decree 239, a final *imposta sostitutiva* equal to 20 per cent. is applied on interest, premium and other income relating to the Notes qualifying as bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) within the meaning of Article 44 of Decree 917 issued by a non-Italian resident Issuer accrued during the relevant holding period, if received by (i) an Italian individual not engaged in an entrepreneurial activity to which the Notes are connected, (ii) an Italian non-commercial partnership, (iii) an Italian non-commercial private or public institution, or (iv) an Italian investor exempt from IRES. If the Noteholders described under (i) and (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Pursuant to the Decree 138 the aforesaid regime applies to interest relating to the Notes accrued as from 1 January 2012.

Under the Previous Regime *imposta sostitutiva* applied at 12.5 per cent. rate in relation to Notes issued for an original maturity of not less than 18 months and at 27 per cent. rate in relation to Notes issued for a lower maturity.

Imposta sostitutiva is generally applied by an Intermediary.

Where the Notes and the relevant Coupons are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any Italian intermediary (or permanent establishment in Italy of foreign intermediary) that intervenes in the payment of interest to any Noteholder.

Where an Italian resident Noteholder who is beneficial owner of the Notes is a company or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected and the Notes and the relevant Coupons are timely deposited with an Intermediary, interest, premium and other income from the Notes will not be subject to *imposta*

sostitutiva, but must be included in the relevant Noteholder's annual income tax return and are therefore subject to IRES (and, in certain circumstances, depending on the "status" of the Noteholder, also to IRAP).

Where an Italian resident Noteholder has opted for the Risparmio Gestito regime with respect to its investment in Notes, such Noteholder will be subject to a 20 per cent. annual substitutive tax on the increase in value of the managed assets accrued at the end of each tax year. Pursuant to Decree 138, such rate applies to the increase in value of the managed assets accrued as from 1 January 2012 (whereas under the Previous Regime the rate was equal to 12.5 per cent and applied, provided that the Notes were issued for an original maturity of at least 18 months).

For those categories of Noteholders not specifically mentioned in this paragraph and for Noteholders who are Pension Funds, Funds, SICAVs and Real Estate Funds holding Notes, please refer to paragraph "Tax treatment of Notes issued by ENEL — Italian resident Noteholders" above.

In addition to the above, under the Previous Regime if Notes issued with an original maturity of not less than 18 months were redeemed, in full or in part, prior to 18 months from the Issue Date, certain Italian resident Noteholders were required to pay, by way of a withholding to be applied by any Italian withholding agent that intervened in the collection of interest and other income or the redemption of the Notes, an additional amount equal to 20 per cent. of the interest and other income accrued on the Notes up to the date of the early redemption.

Non-Italian Resident Noteholders

No Italian *imposta sostitutiva* is applied on payments to a non-Italian resident Noteholder of interest, premium and other income relating to Notes issued by a non-Italian resident Issuer.

If Notes issued by a non-Italian resident Issuer and beneficially owned by non-Italian residents are deposited with an Italian bank or other resident intermediary (or permanent establishment in Italy of foreign intermediary) or are sold through an Italian bank or other resident intermediary (or permanent establishment in Italy of foreign intermediary) or in any case an Italian resident intermediary (or permanent establishment in Italy of foreign intermediary) intervenes in the payment of interest and other income on such Notes, to ensure payment of interest and other income without application of Italian taxation a non-Italian resident Noteholder may be required to produce to the Italian bank or the relevant intermediary a self declaration stating that he, she or it is not resident in Italy for tax purposes.

Atypical Securities

Interest payments relating to Notes that are not deemed to fall within the category of (a) bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) or of (b) shares or securities similar to shares (*azioni or titoli similari alle azioni*), but qualify as atypical securities (*titoli atipici*) for Italian tax purposes, are subject to a withholding tax, levied at the rate of 20 per cent. Pursuant to the Decree 138, such rate applies to interest payable as from 1 January 2012 (the rate applicable under the Previous Regime being 27 per cent.).

Where the Notes are issued by an Italian resident Issuer and the Noteholder is (i) an Italian individual engaged in an entrepreneurial activity to which the Notes are connected, (ii) an Italian company or a similar Italian commercial entity, (iii) a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected, (iv) an Italian commercial partnership or (v) an Italian commercial public or private institution, such withholding tax is a provisional withholding tax. In all other cases, including when the Noteholder is a non-Italian resident, the withholding tax is a final withholding tax. Double taxation treaties entered into by Italy may apply allowing for a lower (or, in certain cases, nil) rate of withholding tax in case of payments to non-Italian resident Noteholders, subject to compliance with relevant subjective and procedural requirements.

If the Notes are issued by a non-Italian resident Issuer, a 20 per cent. withholding tax may apply in Italy if the Notes are placed ("collocate") in Italy and interest payments on the Notes are collected through an Italian bank or other qualified financial intermediary. However, such 20 per cent. withholding tax does not apply to interest payments made:

- (a) to a non-Italian resident Noteholder. If Notes issued by a non-Italian resident Issuer and beneficially owned by non-Italian residents are deposited with an Italian bank or other resident intermediary (or permanent establishment in Italy of foreign intermediary) or are sold through an Italian bank or other resident intermediary (or permanent establishment in Italy of foreign intermediary) or in any case an Italian resident intermediary (or permanent establishment in

Italy of foreign intermediary) intervenes in the payment of interest and other income on such Notes, to ensure payment of interest and other income without application of Italian taxation a non-Italian resident Noteholder may be required to produce to the Italian bank or the relevant intermediary a self-declaration stating that he, she or it is not resident in Italy for tax purposes; and

- (b) to an Italian resident Noteholder which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are effectively connected), (ii) a commercial partnership, or (iii) a commercial private or public institution.

In case Notes issued by a non-Italian resident issuer are held by an Italian resident individual engaged in a business activity and are effectively connected with same business activity, the interest and other income will be subject to the 20 per cent. “entrance” withholding tax on a provisional basis and will be included in the relevant income tax return. As a consequence, the interest and other income will be subject to the ordinary income tax and the withholding tax may be recovered as a deduction from the income tax due.

Payments made by an Italian Resident Guarantor

There is no authority directly regarding the Italian tax regime of payments on notes made by an Italian resident guarantor. Accordingly, there can be no assurance that the Italian tax authorities will not assert an alternative treatment of such payments than that set forth herein or that the Italian courts would not support such an alternative treatment.

With respect to payments on the Notes made to Italian resident Noteholders by an Italian resident guarantor, in accordance with one interpretation of Italian tax law, any such payments may be subject to Italian withholding tax at the rate of 20 per cent. levied as a final tax or a provisional tax (“a titolo d’imposta o a titolo di acconto”) depending on the “status” of the Noteholder, pursuant to Presidential Decree 29 September 1973, No. 600, as subsequently amended. In the case of payments to non-Italian resident Noteholders, the withholding tax should be final. Double taxation treaties entered into by Italy may apply allowing for a lower (or, in certain cases, nil) rate of withholding tax in case of payments to non-Italian residents, subject to compliance with relevant subjective and procedural requirements. Pursuant to Decree 138 the above regime applies to payments made starting from 1 January 2012, whereas under the Previous Regime the withholding tax rate applied at 12.5 per cent for Italian resident Noteholders and at 12.5 per cent or 27 per cent for non-Italian resident Noteholders, depending on certain circumstances.

In accordance with another interpretation, any such payment made by the Italian resident guarantor should be treated, in certain circumstances, as a payment by the relevant Issuer and should thus be subject to the tax regime described in the previous paragraphs of this section.

Capital Gains Tax

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable business income subject to ordinary taxation (and, in certain circumstances, depending on the “status” of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is an individual not engaged in an entrepreneurial activity to which the Notes are connected and certain other persons, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 20 per cent. as from 1 January 2012 (12.5 per cent. under the Previous Regime). Noteholders may set-off capital losses with gains of the same nature.

For the purposes of determining the taxable capital gain, any interest, premium and other income on the Notes accrued and unpaid up to the time of the purchase and the sale of the Notes must be deducted from the purchase price and the sale price, respectively.

In respect of the application of *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net

of any incurred capital loss of the same nature, realised by the Italian resident individual Noteholder holding the Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss of the same nature, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains of the same nature realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the “risparmio amministrato” regime). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries (or permanent establishments in Italy of foreign intermediaries) and (ii) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes, net of any incurred capital loss of the same nature, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains of the same nature subsequently realised, within the same securities management relationship, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in the annual tax return.

Any capital gains on Notes held by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called “Risparmio Gestito” regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 20 per cent. substitutive tax, to be paid by the managing authorised intermediary. Under the *Risparmio Gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Pursuant to Decree 138, such 20 per cent. rate applies on the results accrued as from 1 January 2012 (the rate applicable under the Previous Regime being 12.5 per cent). Under the *Risparmio Gestito* regime, the Noteholder is not required to declare the capital gains realised in the annual tax return.

As from July 1, 2011, any capital gains on Notes held by a Noteholder who is a Fund or a SICAV is subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Funds. Please refer to paragraph *Tax treatment of Notes issued by ENEL — Italian resident Noteholder* above.

Any capital gains on Notes held by a Noteholder who is a Pension Fund will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to an 11 per cent. substitutive tax.

Any capital gains realised by Real Estate Funds on the Notes are not taxable at the level of Real Estate Funds. Please refer to paragraph *Tax treatment of Notes issued by ENEL — Italian resident Noteholder* above.

Capital gains realised by non-Italian-resident Noteholders (without a permanent establishment in Italy to which the Notes are effectively connected) from the sale or redemption of Notes traded on regulated markets in Italy or abroad are not subject to the *imposta sostitutiva*, regardless of whether the Notes are held in Italy. In such a case, in order to benefit from this exemption from Italian taxation on capital gains, non-Italian resident Noteholders who hold the Notes with an Italian authorised financial intermediary and elect to be subject to the *Risparmio Gestito* regime or are subject to the so-called *risparmio amministrato* regime according to Article 6 of Italian Legislative Decree 21 November 1997, No. 461, may be required to produce in due time to the Italian authorised financial intermediary an appropriate self-declaration that they are not resident in Italy for tax purposes.

Capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes issued by an Italian or non-Italian resident Issuer not traded on regulated markets may in certain circumstances be taxable in Italy if the Notes are held in Italy. However, a non-Italian resident

beneficial owner of Notes without a permanent establishment in Italy to which the Notes are effectively connected is not subject to the *imposta sostitutiva* on capital gains realised upon sale or redemption of the Notes, provided that he/she/it: (i) is resident in a country which allows for a satisfactory exchange of information with Italy; or (ii) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (iii) is a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (iv) is an institutional investor which is resident or established in a country which allows for a satisfactory exchange of information with Italy, even if it does not possess the status of taxpayer in its own country of residence. In such cases, in order to benefit from this exemption from Italian taxation on capital gains, non-Italian resident Noteholders who hold the Notes with an Italian authorised financial intermediary and elect to be subject to the *Risparmio Gestito* regime or are subject to the so-called *risparmio amministrato* regime according to Article 6 of Italian Legislative Decree 21 November 1997, No. 461 may be required to produce in due time to the Italian authorised financial intermediary an appropriate self-declaration stating that they meet the subjective requirements indicated above. Additional statements may be required for non-Italian resident Noteholders who are institutional investors.

Please note that the currently applicable “white list” providing for countries allowing for a satisfactory exchange of information with Italy is provided for by Ministerial Decree 4 September 1996, as subsequently amended and supplemented. According to the Budget Law 2008, a decree still to be issued is proposed to introduce a new “white list” replacing the current one. Moreover, in any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are connected that may benefit from a double taxation treaty with Italy providing that capital gains realised upon the sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon the sale or redemption of Notes. In such a case, in order to benefit from this exemption from Italian taxation on capital gains, non-Italian resident Noteholders who hold the Notes with an Italian authorised financial intermediary and elect to be subject to the *Risparmio Gestito* regime or are subject to the so-called *risparmio amministrato* regime according to Article 6 of Italian Legislative Decree 21 November 1997, No. 461 may be required to produce in due time to the Italian authorised financial intermediary appropriate documents which include, *inter alia*, a statement from the competent tax authorities of the country of residence.

In the case of Notes that qualify as atypical securities, based on a very restrictive interpretation, capital gains realised thereon could be treated as proceeds derived under the Notes, to be subject to the 20 per cent. withholding tax mentioned under paragraph “Atypical Securities”, above.

Tax Monitoring

Pursuant to Italian Law Decree 28 June 1990, No. 167, converted by Law 4 August 1990, No. 227, as amended (“Decree No. 167”), individuals, non-commercial institutions and non-commercial partnerships resident in Italy who, at the end of the fiscal year, hold investments abroad or have foreign financial assets (including Notes held abroad and/or Notes issued by a non-Italian resident Issuer) must, in certain circumstances, disclose the aforesaid and related transfers to, from and occurred abroad, to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time prescribed for the income tax return). This obligation does not exist (i) in cases where each of the overall value of the foreign investments or financial assets at the end of the fiscal year, and the overall value of the related transfers to, from and occurred abroad carried out during the relevant fiscal year, does not exceed €10,000, as well as (ii) in case the financial assets are given in administration or management to Italian banks, SIMs, fiduciary companies or other professional intermediaries, indicated in Article 1 of Decree No. 167, or if one of such intermediaries intervenes, also as a counterpart, in their transfer, provided that income deriving from such financial assets is collected through the intervention of such an intermediary.

Inheritance and Gift Taxes

Transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation of Italian residents and of non-Italian residents, but in such latter case limited to assets held within the Italian territory (which, for presumption of law, includes bonds issued by Italian resident issuers), are generally taxed in Italy as follows:

- (i) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding €1,000,000 for each beneficiary;

- (ii) transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding €100,000 for each beneficiary;
- (iii) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift.; and
- (iv) any other transfer is subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the beneficiary has a serious disability recognised by law, inheritance and gift taxes apply on its portion of the net asset value exceeding €1,500,000.

Transfer Tax

Article 37 of Law Decree No 248 of 31 December 2007, converted into Law 28 February 2008, No. 31 abolished the Italian transfer tax previously applicable on certain transfers of securities, provided for by Royal Decree 30 December 1923, No. 3278 as amended and supplemented by the Legislative Decree 21 November 1997, No. 435.

Following the repeal of the Italian transfer tax, as from 31 December 2007 contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds executed in Italy are subject to fixed registration tax at rate of €168; (ii) private deeds are subject to registration tax at rate of €168 only in case of use or voluntary registration.

Stamp Tax

Article 19 of Decree 201 has introduced a stamp tax at proportional rates on periodical bank statements (*estratti conto*) sent by banks and financial intermediaries regarding, with certain exceptions (e.g. investments in pension funds), all financial instruments deposited in Italy. The stamp tax is collected by banks and other financial intermediaries. By operation of law, the bank statement is deemed as sent to the investor at least once a year.

Such stamp tax is applied, on a yearly basis, on the market value of the financial instruments, or, lacking such value, on the nominal or reimbursement value of such instruments, at the following rates:

- (i) 0.1 per cent. for 2012; and
- (ii) 0.15 per cent. per cent. 2013 onward.

At any rate, a minimum stamp tax of €34.20 is due on a yearly basis. Only for 2012 the maximum amount of stamp tax cannot exceed €1,200.

Implementation in Italy of the EU Savings Directive

Italy has implemented the EU Savings Directive through Legislative Decree 18 April 2005, No. 84 (“Decree 84”). Under Decree 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and which are resident for tax purposes in another Member State, Italian qualified paying agents shall report to the Italian tax authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

With reference to the definition of interest subject to the above described regime, Article 2, paragraph 1, lett. a, of Decree 84 provides that it includes, *inter alia*: “interest paid or credited, on accounts arisen from receivables of whatever nature, secured or not by mortgage (..), in particular interest and any other proceed, arising from public bonds and other bonds”.

Prospective investors resident in a Member State of the European Union should consult their own legal or tax advisers regarding the consequences of the EU Savings Directive in their particular circumstances.

Taxation in the Netherlands

General

The following is a general summary of certain Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes. This summary does not purport to describe all possible tax considerations or consequences that may be relevant to a holder or

prospective holder of Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as holders that are subject to taxation in Bonaire, St. Eustatius and Saba or trusts or similar arrangements) may be subject to special rules. In view of its general nature, it should be treated with corresponding caution. Holders or prospective holders of Notes should consult with their tax advisors with regard to the tax consequences of investing in the Notes in their particular circumstances. The discussion below is included for general information purposes only.

Except as otherwise indicated, this summary only addresses Netherlands national tax legislation and published regulations, as in effect on the date hereof and as interpreted in published case law until this date, without prejudice to any amendment introduced at a later date and implemented with or without retroactive effect.

Please note that with the exception of the section on withholding tax below, the summary does not describe the Netherlands tax consequences for:

- (i) holders of Notes if such holders, and in the case of individuals, his/her partner or certain of their relatives by blood or marriage in the direct line (including foster children), have a substantial interest or deemed substantial interest in the Issuer within the meaning of The Netherlands Income Tax Act 2001 (in Dutch: “*Wet inkomstenbelasting 2001*”). Generally speaking, a holder of securities in a company is considered to hold a substantial interest in such company, if such holder alone or, in the case of individuals, together with his/her partner (as defined in The Netherlands Income Tax Act 2001), directly or indirectly, holds (i) an interest of 5% or more of the total issued and outstanding capital of that company or of 5% or more of the issued and outstanding capital of a certain class of shares of that company; or (ii) holds rights to acquire, directly or indirectly, such interest; or (iii) holds certain profit sharing rights in that company that relate to 5% or more of the company’s annual profits and/or to 5% or more of the company’s liquidation proceeds. A deemed substantial interest arises if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis;
- (ii) pension funds, investment institutions (in Dutch: “*fiscale beleggingsinstellingen*”), exempt investment institutions (in Dutch: “*vrijgestelde beleggingsinstellingen*”) (as defined in The Netherlands Corporate Income Tax Act 1969 (in Dutch: “*Wet op de vennootschapsbelasting 1969*”) and other entities that are exempt from Netherlands corporate income tax; and
- (iii) holders of Notes who receive or have received the Notes as employment income, deemed employment income or receive benefits from the Notes as a remuneration or deemed remuneration for activities performed by such holders or certain individuals related to such holders (as defined in the Netherlands Income Tax Act 2001);

Withholding tax

All payments of principal or interest made by the Issuer under the Notes may be made free of withholding or deduction of, for, or on account of, any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, provided the Notes do not in fact function as equity of the Issuer for Netherlands corporate income tax purposes.

Taxes on income and capital gains

Residents of the Netherlands

Generally speaking, if the holder of the Notes is an entity that is a resident or deemed to be resident of the Netherlands for Netherlands corporate income tax purposes, any payment under the Notes or any gain or loss realised on the disposal or deemed disposal of the Notes is subject to Netherlands corporate income tax at a rate of 25% (a corporate income tax rate of 20% applies with respect to taxable profits up to €200,000, the bracket for 2012).

If a holder of the Notes is an individual, resident or deemed to be resident of the Netherlands for Netherlands income tax purposes (including the non-resident individual holder who has made an election for the application of the rules of The Netherlands Income Tax Act 2001 as they apply to residents of the Netherlands), any payment under the Notes or any gain or loss realised on the disposal or deemed disposal of the Notes is taxable at the progressive income tax rates (with a maximum of 52%), if:

- (i) the Notes are attributable to an enterprise (in Dutch: “*onderneming*”) from which the holder of the Notes derives a share of the profit, whether as an entrepreneur (in Dutch: “*ondernemer*”) or as a person who has a co-entitlement (in Dutch: “*mede-gerechtigde*”) to the net worth of such enterprise without being a shareholder (as defined in The Netherlands Income Tax Act 2001); or
- (ii) the holder of the Notes is considered to perform activities with respect to the Notes that go beyond ordinary asset management (in Dutch: “*normaal, actief vermogensbeheer*”) or derives benefits from the Notes that are (otherwise) taxable as benefits from other activities (in Dutch: “*resultaat uit overige werkzaamheden*”).

If the above mentioned conditions (i) and (ii) do not apply to the individual holder of the Notes, such holder will be taxed annually on a deemed income of 4% of his/her net investment assets for the year at an income tax rate of 30%. The net investment assets for the year (in Dutch: “*rendementsgrondslag*”) are the fair market value of the investment assets less the allowable liabilities on January 1 of the relevant calendar year, to the extent that a certain threshold (in Dutch: “*heffingsvrij vermogen*”) is exceeded. The Notes are included as investment assets. An actual gain or loss in respect of the Notes is as such not subject to Netherlands income tax.

Non-residents of the Netherlands

A holder of Notes that is neither resident nor deemed to be resident of the Netherlands nor has made an election for the application of the rules of The Netherlands Income Tax Act 2001 as they apply to residents of the Netherlands will not be subject to Netherlands taxes on income or capital gains in respect of any payment under the Notes or in respect of any gain or loss realised on the disposal or deemed disposal of the Notes, provided that:

- (i) such holder does not have an interest in an enterprise or deemed enterprise (as defined in The Netherlands Income Tax Act 2001 and The Netherlands Corporate Income Tax Act 1969) which, in whole or in part, is either effectively managed in the Netherlands or carried on through a permanent establishment, a deemed permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise the Notes are attributable; and
- (ii) in the event the holder is an individual, such holder does not carry out any activities in the Netherlands with respect to the Notes that go beyond ordinary asset management and does not derive benefits from the Notes that are (otherwise) taxable as benefits from other activities in the Netherlands.

Gift and inheritance taxes

Residents of the Netherlands

Gift or inheritance taxes (in Dutch: “*schenk- en erfbelasting*”) will arise in the Netherlands with respect to a transfer (or deemed transfer) of the Notes by way of a gift by, or on the death of, a holder of such Notes who is resident or deemed resident of the Netherlands at the time of the gift or his/her death.

Non-residents of the Netherlands

No Netherlands gift or inheritance taxes will arise with respect to the transfer of Notes by way of gift by, or on the death of, a holder of Notes who is neither resident nor deemed to be resident in the Netherlands, unless:

- (i) in the case of a gift of Notes by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in the Netherlands; or
- (ii) the transfer is otherwise construed as a gift or inheritance made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands.

For purposes of Netherlands gift and inheritance taxes, among others, a person that holds the Netherlands nationality will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the ten years preceding the date of the gift or his/her death. Additionally, for purposes of Netherlands gift tax, among others, a person not holding the Netherlands nationality will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the twelve months preceding the date of the gift. Applicable tax treaties may override deemed residency.

Value added tax (VAT)

No Netherlands VAT will be payable by the holders of the Notes on any payment in consideration for the issue of the Notes or with respect to a cash payment by the Issuer under the Notes.

Other taxes and duties

No Netherlands registration tax, customs duty, stamp duty or any other similar documentary tax or duty, other than court fees, will be payable by the holders of the Notes in respect or in connection with the issue of the Notes or with respect to the payment of interest or principal by the Issuer under the Notes.

U.S. Taxation

The applicable Final Terms relating to any Tranche of Notes, all or a portion of which are to be offered or sold to, or for the account or benefit of, a U.S. person will set forth information regarding the United States Federal income tax treatment of any such Notes. U.S. persons considering the purchase of Notes should consult their own tax advisers concerning the application of United States Federal income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of Notes arising under the laws of any other taxing jurisdictions.

SUBSCRIPTION AND SALE AND SELLING AND TRANSFER RESTRICTIONS

The Dealers have in an amended and restated programme agreement (as amended or supplemented from time to time, the “Programme Agreement”) dated 30 May 2012 agreed with the Issuers and the Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “Form of the Notes” and “Terms and Conditions of the Notes”. In the Programme Agreement, the Issuers and the Guarantor have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act, as amended and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

In connection with any Notes which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S (“Regulation S Notes”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver such Regulation S Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Regulation S Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Regulation S Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the later of the commencement of the offering and the completion of the distribution of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

If so specified in the applicable Final Terms, Dealers may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is U.S.\$100,000 (or the approximate equivalent thereof in any other currency). To the extent that the relevant Issuer or the Guarantor (where ENEL is not the relevant Issuer) is not subject to or does not comply with the reporting requirements of Section 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, the relevant Issuer or the Guarantor (where ENEL is not the relevant Issuer) has agreed to furnish to holders of Notes and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4).

Each Dealer has agreed that it will have in effect, in connection with the offer and sale of the Notes in bearer form during any restricted period under the United States Internal Revenue Code of 1986, as amended relating thereto, procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling the Notes are aware that the Notes cannot be offered or sold during such restricted periods to a U.S. person or a person within the United States.

Each issuance of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the relevant Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms.

European Economic Area — Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the applicable Final Terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the applicable Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “Non-exempt Offer”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the applicable Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable and the Issuers and the Guarantor, as the case may be, have consented in writing to its use for the purposes of that Non-Exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuers, the Guarantor or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

United Kingdom

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (i) in relation to any Notes having a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or

dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “FSMA”) by the Issuer;

- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantor; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

France

Each of the Dealers, the Issuers and the Guarantor has represented and agreed that:

- (i) Offer to the public in France:

it has only made and will only make an offer of Notes to the public in France in the period beginning on the date of notification to the *Autorité des Marchés Financiers* (“AMF”) of the approval of the prospectus relating to those Notes by the competent authority of a Member State of the European Economic Area, other than the AMF, which has implemented the EU Prospectus Directive 2003/71/EC, all in accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF and ending at the latest on the date which is 12 months after the date of the approval of this Offering Circular; or

- (ii) Private placement in France:

it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Offering Circular, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

The Netherlands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that unless the relevant Final Terms specify that this provision does not apply because the standard exemption wording required by Article 5:20(5) of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) is not applicable, it will not make an offer of Notes to the public in the Netherlands in reliance on Article 3(2) of the Prospectus Directive unless (i) such offer is made exclusively to persons or entities which are qualified investors as defined in the Prospectus Directive (as defined under “European Economic Area — Public Offer Selling Restriction under the Prospectus Directive”) or (ii) standard exemption wording is disclosed as required by Article 5:20(5) of the Dutch Financial Supervision Act, provided that no such offer of Notes shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Zero Coupon Notes (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the relevant Issuer or a member of Euronext Amsterdam N.V. in accordance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations (which include registration requirements). Such restrictions do not apply (a) to the initial issue of Zero Coupon Notes to the first holders thereof, (b) to a transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (c) to a transfer and acceptance of Zero Coupon Notes in definitive form within, from or into The Netherlands if all Zero Coupon Notes of any particular series are issued outside The Netherlands and are not distributed within The Netherlands in the course of their initial distribution or immediately thereafter. For the purposes of this paragraph, “Zero Coupon Notes” are Notes that

are in bearer form and that constitute a claim for a fixed sum against the relevant Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Offering Circular or of any other document relating to any Notes be distributed in the Republic of Italy, except, in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Each of the Dealers has represented and agreed that it will not offer, sell or deliver any Note or distribute any copies of this Offering Circular and/or any other document relating to the Notes in the Republic of Italy except:

- (i) to qualified investors (*investitori qualificati*), as defined in Article 26, first paragraph, letter d) of CONSOB Regulation No. 16190 of 29 October 2007, as amended (the “**Regulation No. 16190**”) pursuant to Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the “**Regulation No. 11971**”), implementing Article 100 of the Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”); or
- (ii) in other circumstances which are exempted from the rules on public offerings, as provided under the Financial Services Act and Regulation No. 11971; or
- (iii) if the Final Terms in relation to the Notes specify that a Non-exempt Offer may be made in Italy, including without limitation, by means of an offer of Notes to the public following the date of publication of a prospectus in relation to such Notes, provided that such prospectus has been (i) approved in another Relevant Member State and notified to CONSOB in accordance with the Prospectus Directive as implemented and (ii) completed by final terms expressly contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, as implemented, the Financial Services Act and Regulation No. 11971, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable.

Any offer, sale or delivery of the Notes or distribution of copies of this Offering Circular or any other document relating to the Notes in the Republic of Italy must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, Regulation No. 16190, Legislative Decree No. 385 of 1 September 1993 (the “**Banking Act**”) (in each case, as amended) and any other applicable laws or regulation; and
- (b) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or the Bank of Italy or other competent Authority.

Provisions relating to the secondary market

Please note that in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors. Furthermore, where the Notes are placed solely with professional investors in Italy or abroad and are then systematically resold on the secondary market in Italy at any time in the 12 months following such placing, purchasers of Notes who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and to claim damages from any authorised person at whose premises the Notes were purchased (soggetti abilitati presso cui è avvenuta la vendita), unless an exemption provided for under the Financial Services Act applies.

Limits on issuance of notes by Italian corporate issuers

Article 2412 of the Italian Civil Code imposes limits on the total principal amount of Notes that an Italian joint stock company (*società per azioni*) such as ENEL may have outstanding or guarantee from time to time. Under current legislation, an Italian joint stock company (*società per azioni*) may issue Notes up to an aggregate amount representing double the sum of its paid up share capital, its legal reserves and its distributable reserves (the “**Issuing Limit**”). Notes which are issued by a third party but guaranteed by the company are taken into account for the purpose of calculating the

aggregate amount of Notes issued by that company. However, the Issuing Limit does not apply, *inter alia*, to: (i) Notes issued by a company whose shares are listed on a regulated market of the European Union where such Notes have been or will be admitted to listing, either on the same or another regulated market of the European Union; or (ii) Notes issued above the Issuing Limit (the “Exceeding Notes”) which are entirely subscribed at the time of issue by professional investors that are subject to regulatory supervision (e.g. banks, investment firms or SGRs) (each a “Primary Professional Investor”). In the latter case, if the Exceeding Notes are sold on the secondary market to a person who is not a professional investor, the relevant seller (whether a Primary Professional Investor or a professional investor) is liable to the purchasers of such Notes for the solvency of the Issuer.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law no. 25 of 1948, as amended; the “FIEA”) and each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to agree that it has not, directly or indirectly, offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuers, the Guarantor nor any of the other Dealers shall have any responsibility therefor.

None of the Issuers, the Guarantor nor the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the relevant Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

These selling restrictions may be modified by the agreement of the relevant Issuer, the Guarantor and the Dealers following a change in a relevant law or regulation. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

Transfer Restrictions

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each purchaser of an interest in Registered Notes or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or vice versa, will be required to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

- (i) that (a) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A or (b) it is outside the United States and is not a U.S. person;

- (ii) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;
- (iii) that, if it holds an interest in a Rule 144A Global Note, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so only (a) to the relevant Issuer or any affiliate thereof, (b) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (c) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act, (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. state securities laws;
- (iv) it will, and will require each subsequent holder to, notify each person to whom it transfers the Notes of the resale restrictions referred to in paragraph (iii) above, if then applicable;
- (v) that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;
- (vi) that the Rule 144A Global Note, will bear a legend to the following effect unless otherwise agreed to by the relevant Issuer:

“THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT

(EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).”;

- (vii) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes prior to the expiration of the distribution compliance period defined as 40 days after the later of the commencement of the offering and the completion of the distribution of each Tranche of Notes as certified by the relevant Dealer, in the case of a non-syndicated issue, or the relevant lead manager, in the case of a syndicated issue, it will do so only (a)(i) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (ii) to a QIB in compliance with Rule 144A and (b) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the relevant Issuer:

“THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING AND THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART.”; and

- (viii) that the relevant Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the relevant Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

No sale of Legended Notes in the United States to any one purchaser will be for less than U.S.\$100,000 (or its foreign currency equivalent) principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$100,000 (or its foreign currency equivalent) of Registered Notes.

GENERAL INFORMATION

Authorisation

The establishment, increase in size and update of the GMTN Programme and the related documents by ENEL have been duly authorised by resolutions of the Board of Directors of ENEL dated 23 June 2000, 26 January 2001, 1 October 2003, 29 September 2005, 9 April 2007, 18 July 2008, 30 July 2009, 3 February 2011 and 20 October 2011. The giving of the Guarantee has been duly authorised by resolution of the Board of Directors of ENEL dated 26 January 2001, 23 June 2003, 29 September 2005, 9 April 2007, 30 July 2009, 3 February 2011 and 20 October 2011. Each issue of Notes by ENEL under the Programme will be authorised by the competent bodies in accordance with applicable laws and the relevant provisions of its by-laws.

The entry into of the GMTN Programme and the related documents by ENEL N.V. has been duly authorised by a resolution of the managing board of ENEL N.V. dated 4 February 2011 and a resolution of the sole shareholder of ENEL N.V. dated 4 February 2011 and the increase of the size of the Programme has been duly authorised by a resolution of the managing board of ENEL N.V. dated 20 October 2011 and a resolution of the shareholder of ENEL N.V. dated 20 October 2011. The update of the Programme documents by ENEL N.V. has been duly authorised by a resolution of the managing board of ENEL N.V. dated 24 May 2012 and a resolution of the sole shareholder of ENEL N.V. dated 24 May 2012. Each issue of Notes by ENEL N.V. under the Programme will be authorised by the competent bodies in accordance with applicable laws and the relevant provisions of its articles of association.

Listing of Notes on the Irish Stock Exchange

This Offering Circular has been approved by the Central Bank. Application has been made to the Irish Stock Exchange for Notes issued under the Programme to be admitted to the Official List and to trading on its regulated market. The Irish Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

Documents Available

For so long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available for inspection in hard copy, without charge, from the registered office of the relevant Issuer or the Guarantor and from the specified office of the Paying Agent for the time being in Ireland:

- (i) the articles of association and by-laws (with an English translation thereof) of ENEL N.V. and the Guarantor respectively;
- (ii) the Programme Agreement, the Agency Agreement, the Guarantee, the Deed of Covenant, the Deed Poll and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (iii) the most recently published audited annual financial statements and annual reports of each of ENEL and ENEL N.V. and the most recently published interim financial statements (if any) of each of ENEL and ENEL N.V. (in each case with an English translation thereof as soon as such translation is available). ENEL currently prepares the six-month interim and full year financial statements on both a consolidated and unconsolidated basis, whilst the first and third quarter financial statements are prepared only on a consolidated basis; ENEL N.V. will prepare full year company financial statements.
- (iv) a copy of this Offering Circular, together with any supplement to this Offering Circular, and the documents incorporated by reference herein, free of charge;
- (v) any future offering circulars, prospectuses, information memoranda and supplements including Final Terms (save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the relevant Issuer or the Guarantor and the Paying Agent as to its holding of Notes and identity) to this Offering Circular and any other documents incorporated herein or therein by reference; and

- (vi) in the case of each issue of Notes admitted to trading on the Irish Stock Exchange's regulated market subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

Clearing Systems

The Notes in bearer form have been, and the Notes in registered form will be (if they are to be listed on the Irish Stock Exchange), accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Bearer Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. In addition, the relevant Issuer may make an application for any Notes in registered form to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of Registered Notes, together with the relevant ISIN and common code, will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels, the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg and the address of DTC is 55 Water Street, New York, New York 10041.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Material and Significant Change

Except as set out in this Offering Circular and in the documents incorporated by reference herein, there has been no material adverse change in the financial position or prospects of ENEL N.V., ENEL or ENEL and its subsidiaries taken as a whole since 31 December 2011. There has been no significant change in the financial or trading position of ENEL N.V. since 31 December 2011 or of ENEL or ENEL and its subsidiaries taken as a whole since 31 March 2012.

Litigation

Except as set out in this Offering Circular and in the documents incorporated by reference herein, none of the Issuers, the Guarantor nor any subsidiary of ENEL is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuers, the Guarantor or any subsidiary of ENEL is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of any of the Issuers or the Guarantor.

Auditors

The Auditors of ENEL are Reconta Ernst & Young S.p.A. ("E&Y"), whose registered office is at Via Po, 32, 00198, Rome, Italy. E&Y is an accounting firm registered with CONSOB (the "Italian Stockmarket regulator"). E&Y has audited ENEL's accounts, prepared in accordance with International Financial Reporting Standards adopted in the European Union and the Italian regulations implementing Article 9 of Legislation Decree No. 38/05, without qualification, in accordance with auditing standards recommended by CONSOB for the financial year ended 31 December 2011. The auditors of ENEL are independent accountants in respect of ENEL.

The independent auditor of ENEL N.V. is Ernst & Young Accountants LLP. Ernst & Young Accountants LLP is an audit firm registered with the Royal Dutch Institute of Chartered Accountants ("NIVRA").

Ernst & Young Accountants LLP was appointed as independent auditor of ENEL N.V. on 29 July 2011. Ernst & Young Accountants LLP has no interest in ENEL N.V.

Post-issuance information

Neither of the Issuers, nor the Guarantor, intends to provide any post-issuance information in relation to any issues of Notes.

Dealers transacting with the Issuers or the Guarantor

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuers, the Guarantor and their affiliates in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuers or the Guarantor, or the Issuers' or the Guarantor's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuers or the Guarantor routinely hedge their credit exposure to the Issuers or the Guarantor consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Foreign languages used in the Offering Circular

The language of this Offering Circular is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

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