



PRESS RELEASE

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ENEL CLOSES DISPOSAL TO EPH OF 50% OF STAKE IN SLOVENSKÉ ELEKTRÁRNE

Rome, July 28th, 2016 – Enel S.p.A. announces that the subsidiary Enel Produzione S.p.A. (“Enel Produzione”) today closed the disposal to EP Slovakia BV (“EP Slovakia”), a subsidiary of Energetický a průmyslový holding a.s. (“EPH”), of 50% of Slovak Power Holding BV (“HoldCo”), which in turn holds 66% of Slovenské elektrárne, a.s. (“Slovenské elektrárne”).

The disposal was carried out in execution of the contract signed on December 18th, 2015, between Enel Produzione and EP Slovakia. It represents the first phase of the sale of the Group’s entire stake held by Enel Produzione in Slovenské elektrárne, as provided for in that contract.

More specifically, the disposal was carried out following the transfer to HoldCo of the entire 66% interest previously held directly by Enel Produzione in Slovenské elektrárne and the receipt of clearance for the transaction from the antitrust authorities of the European Union.

The price was confirmed at 375 million euros, of which 150 million euros paid in conjunction with today’s sale and 225 million euros to be paid following the closing of the second phase of the operation. The consideration could vary subject to the application of the adjustment mechanism described below.

The second phase of the transaction will close following the exercise of a put or call option by Enel Produzione or by EP Slovakia, respectively, 12 months after receiving the Trial Operation Permit for units 3 and 4 of the Mochovce nuclear power plant, which are currently under construction. On the basis of the current work plan, these options are expected to become exercisable by the end of the first half of 2019. Upon exercise of either option, Enel Produzione would transfer the remaining 50% of HoldCo to EP Slovakia for 375 million euros. Payment will be due at the time of the closing of the sale and the consideration could also vary subject to the application of the adjustment mechanism described below. The closing of the second phase is subject to obtaining the Final Operation Permit for Mochovce’s units 3 and 4.

The total consideration payable over the two phases, equal to 750 million euros, is subject to an adjustment mechanism. Any adjustment will be calculated by independent experts and applied upon completion of the second phase on the basis of a set of parameters, including the evolution of the net financial position of Slovenské elektrárne, developments in energy prices in the Slovakian market, operating efficiency levels at Slovenské elektrárne as measured against benchmarks specified in the agreement, and the enterprise value of units 3 and 4 of Mochovce.

The agreement also establishes that, should the options not become exercisable within the time limits noted above, they would be in any case exercisable as from June 30th, 2022 (the “long stop date”). In that



case, the adjustment of the consideration will also take account of the effective enterprise value of the Mochovce units.

Following the closing of the disposal today, the Group will lose control of Slovenské elektrárne, retaining a stake of 33%, while consolidated net financial debt will decrease by about 375 million euros. In this regard, the net financial position of Slovenské elektrárne already no longer forms part of the net financial debt of the Enel Group, as the investment is classified as “held for sale”.

The sale of Slovenské elektrárne falls within the active portfolio management programme of the Enel Group, covering assets worth approximately 6 billion euros. The programme is aimed at refining the strategic focus of the Group’s asset portfolio, reducing business risk, recycling capital for redeployment to drive higher returns, and freeing up resources to fund further growth. With this transaction, the Enel Group has finalised the disposal of assets worth about 4.1 billion euros, of which 3.7 billion euros from transactions that have already closed.

As at the end of 2015, Slovenské elektrárne, a leader in the Slovakian electricity generation market, had installed capacity of about 4,301 MW, of which about 1,940 MW from nuclear power generation. The two new units (3 & 4) under construction at the Mochovce nuclear power plant have a total capacity of 942 MW. In 2015, Slovenské elektrárne posted revenues of 2.3 billion euros, EBIT of 202 million euros and net income of 24 million euros.

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