PRESS RELEASE

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ENEL, NET ORDINARY INCOME UP BY 20.3% IN THE FIRST HALF OF 2019

- **Revenues**: 38,991 million euros (36,027 million euros in the first half of 2018, +8.2%)
  - *the increase is mainly attributable to distribution, especially in South America through the contribution of Enel Distribuição São Paulo and the agreement between Edesur and Argentina's government to settle pending regulatory issues, as well as to renewables in North and South America and conventional generation in Italy and Chile*

- **EBITDA**: 8,907 million euros (7,857 million euros in the first half of 2018, +13.4%)
  - *the increase was driven by the performance of distribution in South America, which benefited from the performance of Enel Distribuição São Paulo and regulatory changes in Brazil and Argentina, as well as by growth in renewables and efficiency gains in conventional generation*

- **Ordinary EBITDA:** 8,763 million euros (7,729 million euros in the first half of 2018, +13.4%) net of extraordinary items in the two periods

- **EBIT**: 5,213 million euros (4,875 million euros in the first half of 2018, +6.9%)
  - *the increase reflects EBITDA growth, which more than offset higher depreciation, amortisation and impairment losses, mainly connected with writedowns of two coal-fired plants in Chile and the Reftinskaya plant in Russia, as well as the depreciation of the rights of use for leased assets in application of IFRS 16*

- **Group net income**: 2,215 million euros (2,020 million euros in the first half of 2018, +9.7%)
  - *on the back of EBIT growth, which more than offset the increase in net financial expense and charges connected with equity investments measured using the equity method*

- **Group net ordinary income**: 2,277 million euros (1,892 million euros in the first half of 2018, +20.3%)

- **Net financial debt:** 45,391 million euros (41,089 million euros at the end of 2018, +10.5%)
  - *Growth mainly reflects the increase of capital expenditure for the period, the payment of dividends, the acquisition of a number of companies from Enel Green Power North America Renewable Energy Partners, LLC ("EGPNA REP") and initial application of IFRS 16. These factors were partly offset by positive cash flows from operations*

Enel SpA – Registered Office: 00198 Rome – Italy - Viale Regina Margherita 137 – Companies Register of Rome and Tax I.D. 00811720580 - R.E.A. 756032 – VAT Code 00934061003 – Stock Capital Euro 10,166,679,946 fully paid-in.

Francesco Starace, Enel CEO and General Manager, said: *"In the first half of 2019 Enel has delivered excellent results, with double-digit growth in both EBITDA and net ordinary income, confirming the solidity of our business model, which fully integrates sustainability as a key driver of financial value creation.*

Networks and renewables are once again confirmed as Enel's drivers of growth, fuelled by a 33% increase in development capex versus last year. As of today, we are building and developing over 7 GW of renewable capacity, which is expected to contribute around one billion euros in EBITDA per year, once operational. At the same time, networks boosted Group's EBITDA growth significantly, on the back of continued benefits from the consolidation of Enel Distribuição São Paulo in Brazil. In the period, we have also driven growth in the advanced energy solutions business, as shown by Enel X's installation of 63,000 electric vehicle charging points, a 70% increase year-on-year.

The acceleration on our Strategic Plan allowed us to post around 200 million euros of efficiencies, placing us well on track to reach our 2019-2021 target of 1.2 billion euros in cumulated opex savings. We are continuing to deliver on the Group's simplification target, with the completion of the first 5% share swap of Enel Américas and the launch of the second one for an additional 5%. With the sale of Reftinskaya GRES in Russia and the progress towards decommissioning the Group's conventional generation fleet, we are furthering our commitment to be fully decarbonised by 2050.

In the period, we continued to progress on all the Group's commitments on UN Sustainable Development Goals (SDGs); in particular, we reached 56% of emission-free production, bringing us closer to our 2021 target of 62% and advancing in the pursuit of SDG 13 on climate action.

Looking forward, sound cash flow generation, which fully covered the acceleration of our capex dynamics, will continue to sustain Enel's growth. The high level of visibility on our results, ensured by continued operational delivery, constant efficiency improvements and new projects secured, allows us to confirm full year targets while giving us confidence in achieving our Plan's medium-term goals."

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Rome, August 1st, 2019 – The Board of Directors of Enel S.p.A. ("Enel"), chaired by Patrizia Grieco, examined and approved the half-year financial report as of June 30th, 2019.

Consolidated financial highlights for the first half of 2019

REVENUES

The following table reports revenues by ***region/country***:

Revenues (millions of euros)	**1H 2019**	**1H 2018**	**Change**
Italy	19,457	18,375	5.9%
Iberia	9,634	9,694	-0.6%
South America	8,379	6,593	27.1%

Europe and Mediterranean Area	1,201	1,133	6.0%
North and Central America	717	556	29.0%
Africa, Asia and Oceania	72	48	50.0%
Other, eliminations and adjustments	(469)	(372)	26.1%
Total	**38,991**	**36,027**	**8.2%**

Revenues in the first half of 2019 were 38,991 million euros, **an increase of 2,964 million euros** (+8.2%) compared with the first half of 2018. The increase is mainly due to (i) **distribution** activities in South America, mainly relating to the change in the scope of consolidation connected with the acquisition in June 2018 of Enel Distribuição São Paulo (1,246 million euros) as well as to the effects of the agreement between Edesur and Argentina's government settling past regulatory issues (246 million euros); (ii) the increase in revenues from **renewables**, which includes the income from the acquisition by Enel Green Power North America ("EGPNA") of a number of companies previously owned by EGPNA REP; (iii) the indemnity recognised by Enel Generación Chile following the withdrawal of a major customer from an electricity supply contract; and (iv) in the **trading** segment in Italy, an increase in quantities handled and higher average prices.

Extraordinary items in revenues for **the first half of 2019** included the gain of 108 million euros on the disposal of Mercure Srl, a vehicle company to which Enel Produzione had previously transferred the Valle del Mercure biomass plant and 50 million euros in respect of the payment provided for in the agreement reached by e-distribuzione with F2i and 2i Rete Gas for the second indemnity connected with the sale in 2009 of the interest held by e-distribuzione in Enel Rete Gas. **Extraordinary items** in revenues for **the first half of 2018** included 128 million euros in respect of the first indemnity provided for in the above agreement that e-distribuzione reached with F2i and 2i Rete Gas for the sale of the stake in Enel Rete Gas.

EBITDA

The following table reports EBITDA by **region/country**:

EBITDA (millions of euros)	1H 2019	1H 2018	Change
Italy	3,863	3,701	4.4%
Iberia	1,857	1,754	5.9%
South America	2,657	2,014	31.9%
Europe and Mediterranean Area	226	254	-11.0%
North and Central America	415	290	43.1%
Africa, Asia and Oceania	25	27	-7.4%
Other, eliminations and adjustments	(136)	(183)	25.7%

Total	8,907	7,857	13.4%

EBITDA for the first half of 2019 amounted to 8,907 million euros, an increase of 1,050 million euros (+13.4%) compared with the first half of 2018. The growth was mainly attributable to:

- **distribution** in South America, especially in Brazil, due to the change in the scope of consolidation following the acquisition of Enel Distribuição São Paulo (170 million euros) and the improvement in the regulatory framework for the Rio, Goiás and São Paulo concessions; and, in Argentina, 118 million euros mainly resulting from the improvement in the regulatory framework as well as the aforementioned agreement between Edesur and the country's government;
- **renewables** in North and South America for, respectively (i) organic growth in installed capacity and the income (106 million euros) from the provisional allocation of the purchase price for the acquisition by EGPNA of certain companies previously held by EGPNA REP; and (ii) the recognition by Enel Generación Chile of the indemnity received for the withdrawal of a major customer from an electricity supply contract, relating to the portion attributable to renewable generation, as noted under revenues above (80 million euros);
- thermal **generation**, mainly in Spain (143 million euros), due to higher availability of nuclear plants and a reduction in taxes on generation following the suspension of taxes on hydrocarbons used to generate electricity and on nuclear generation under the provisions of Royal Decree no. 15/2018 of October 5th, 2018;
- **end-user markets,** due to the growth on the free market in Italy (31 million euros) and the change in the scope of consolidation in Brazil following the acquisition of Enel Distribuição São Paulo (40 million euros);

The change also reflected a decrease in costs for third-party assets, including leases and rentals, as following the application of IFRS 16 these payments are included under leased property, plant and equipment as rights of use and depreciated over the term of the associated leases.
These factors more than offset adverse exchange rate developments, mainly in Argentina and Brazil.

ORDINARY EBITDA

The following table reports ordinary EBITDA by **region/country**:

Ordinary EBITDA (millions of euros)	1H 2019	1H 2018	Change
Italy	3,719	3,573	4.1%
Iberia	1,857	1,754	5.9%
South America	2,657	2,014	31.9%
Europe and Mediterranean Area	226	254	-11.0%
North and Central America	415	290	43.1%
Africa, Asia and Oceania	25	27	-7.4%
Other, eliminations and adjustments	(136)	(183)	25.7%
Total	**8,763**	**7,729**	**13.4%**

Ordinary EBITDA amounted to 8,763 million euros, an increase of 1,034 million euros compared with the first half of 2018 (+13.4%), net of the extraordinary items mentioned under revenues, and excluding any charges associated with them.

The following table reports the same information by business line:

Ordinary EBITDA (millions of euros)	1H 2019	1H 2018	Change
Infrastructure and Networks	3,921	3,523	11.3%
End-user markets	1,634	1,572	3.9%
Enel Green Power	2,281	2,152	6.0%
Thermal Generation and Trading	831	468	77.6%
Enel X	72	35	-
Services	82	81	1.2%
Other, eliminations and adjustments	(58)	(102)	43.1%
Total	**8,763**	**7,729**	**13.4%**

EBIT

The following table reports EBIT by **region/country**:

EBIT (millions of euros)	1H 2019	1H 2018	Change
Italy	2,706	2,481	9.1%
Iberia	956	900	6.2%
South America	1,466	1,372	6.9%
Europe and Mediterranean Area	(7)	151	-
North and Central America	239	164	45.7%
Africa, Asia and Oceania	5	2	-
Other, eliminations and adjustments	(152)	(195)	22.1%
Total	**5,213**	**4,875**	**6.9%**

EBIT for the first half of 2019 was 5,213 million euros, an increase of 338 million euros (+6.9%) compared with the same period of 2018. More specifically, the improvement in EBITDA more than offset the rise in depreciation, amortisation and impairment losses, mainly related to the **thermal generation**

business line for writedowns of two coal-fired plants in Chile, which also followed an agreement with the Chilean government on the early closure of the plants, and the writedown of the Reftinskaya coal-fired plant in Russia, which, in view of the progress in negotiations for its sale, was classified under "assets held for sale" as of June 30th, 2019, and measured at the lower of the sale price, net of transaction costs, and its net carrying amount.
In addition, the increase in depreciation, amortisation and impairment losses includes the depreciation charges on rights of use over leased assets, which in application of IFRS 16 as of January 1st, 2019 are recognised as leased property, plant and equipment and depreciated over the term of the associated leases.

GROUP NET INCOME

In the first half of 2019, Group net income was **2,215 million euros**, compared with 2,020 million euros in the first half of 2018, an increase of 195 million euros (+9.7%).
The increase mainly reflects higher EBIT, which more than offset:

- **an increase in net financial expenses** (36 million euros), mainly reflecting an increase in net expenses on derivatives as well as an increase in charges from the discounting of liabilities for employee benefits and provisions for risks and charges;
- **an increase in charges connected with equity investments accounted for using the equity method** following the abovementioned purchase by EGPNA of a number of companies previously held by EGPNA REP.

GROUP NET ORDINARY INCOME

Excluding the items referred to in the section on revenues, Group net ordinary income was **2,277 million euros**, an increase of 385 million euros on the 1,892 million euros posted in the same period of 2018 (+20.3%). The following table provides a reconciliation of Group net income and Group net ordinary income in the first half of 2019, reporting the extraordinary items and their respective impacts on net income, excluding the associated tax effects and non-controlling interests.

	1H 2019	1H 2018	Change	
Group net income (millions of euros)	**2,215**	**2,020**	**195**	**9.7%**
Disposal of e-distribuzione interest in Enel Rete Gas	(49)	(128)	79	-
Impairment of coal-fired plants in Chile (Tarapacà and Bocamina I)	154	-	154	-
Impairment of Reftinskaya plant	54	-	54	-
Disposal of Enel Produzione interest in Mercure	(97)	-	(97)	-
Group net ordinary income	**2,277**	**1,892**	**385**	**20.3%**

FINANCIAL POSITION

The financial position shows **net capital employed**, including net assets and liabilities held for sale of 305 million euros, amounted to **94,216 million euros** as of June 30th, 2019 (88,941 million euros as of December 31st, 2018), funded by:

- **equity** pertaining to shareholders of the Parent Company and non-controlling interests of **48,825 million euros** (47,852 million euros as of December 31st, 2018);
- **net financial debt** of **45,391 million euros** (41,089 million euros as of December 31st, 2018), an increase of 4,302 million euros attributable (i) to funding requirements associated with capital expenditure for the period, (ii) initial application of IFRS 16, which led to the recognition of a financial liability of 1,370 million euros, (iii) the extraordinary transactions carried out during the period, and (iv) the payment of 2018 dividends in the amount of 2,174 million euros.
  This funding requirement was only partly offset by the positive cash flows generated by operations.

As of June 30th, 2019, the **debt/equity ratio** came to **0.93** (0.86 as of December 31st, 2018).

CAPITAL EXPENDITURE

The following table reports capital expenditure by **region/country**:

Capital expenditure (millions of euros)	**1H 2019**	**1H 2018**	**Change**
Italy	1,172	986	18.9%
Iberia	918	528	73.9%
South America	969	836	15.9%
Europe and Mediterranean Area	227	138	64.5%
North and Central America	682	583	17.0%
Africa, Asia and Oceania	155	7	-
Other	44	36	22.2%
Total	**4,167**	**3,114**	**33.8%**

Capital expenditure in the first half of 2019 amounted to 4,167 million euros, up 1,053 million euros on the same period of 2018. The change mainly reflected an increase in investments in **renewables**, specifically in Iberia (408 million euros), Mexico (168 million euros), Brazil (116 million euros) and South Africa (62 million euros), as well as greater investments in **distribution** grids in Italy (132 million euros) for activities connected with service quality and the replacement of digital meters.

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Operational highlights for the first half of 2019

	1H 2019	**1H 2018**	**Change**
Electricity sales (TWh)	**148.9**	140.3	+6.1%

Gas sales (billions of m³)	**6.0**	6.3	-4.7%
Electricity generated (TWh)	**112.9**	121.1	-6.8%
Electricity distributed (TWh)	**246.7**	230.7[1]	+6.9%
Employees (no.)	**68,842**	69,272[2]	-0.6%

Electricity and gas sales

- **Electricity sales** in the first half of 2019 amounted to **148.9 TWh**, an increase of 8.6 TWh (+6.1%) compared with the same period of 2018. More specifically, this growth reflected:
  - higher quantities sold in South America (+14.3 TWh), mainly in Brazil (+15.1 TWh);
  - lower sales in Italy (-3.9 TWh), Spain (-1.5 TWh) and Romania (-0.3 TWh).
- **Natural gas sales** amounted to **6 billion cubic metres**, a slight decline compared with the first half of 2018.

Electricity generated

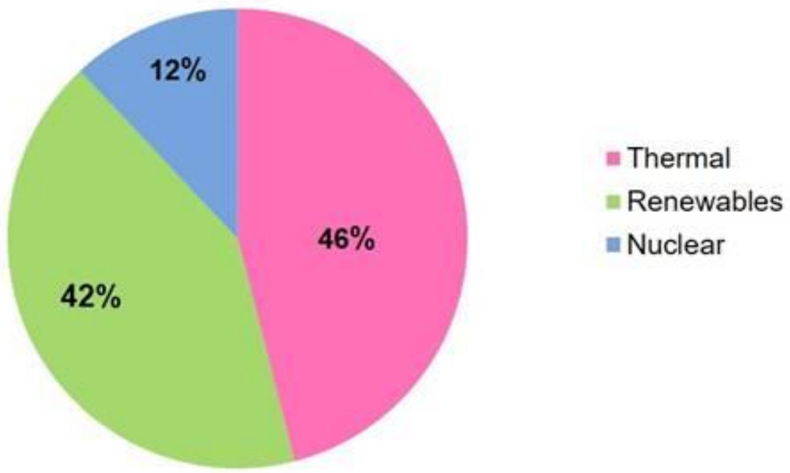
- Enel produced **112.9 TWh**[3] of net electricity in the first half of 2019, with an 8.2 TWh decrease on the same period of 2018 (-6.8%), mainly attributable to lower output in Italy and Spain.

More specifically, the period saw:

- a decrease in thermal generation (-6.6 TWh), mainly due to a reduction in coal-fired generation (-7.4 TWh) in Italy and Spain;
- an increase in nuclear generation (+1.4 TWh);
- a decline in generation from renewables (-3.1 TWh, of which -4.2 TWh from hydropower and +1.4 TWh from wind), mainly attributable to lower water availability, only partly offset by the growth in installed renewable capacity.

[1] The figure for 2018 was restated in 2019.
[2] As of December 31st, 2018.
[3] 118 TWh including approximately 4 GW of managed renewable capacity.

Generation mix of Enel Group plants



Zero-emission generation was 54% of the Enel Group's total generation, only considering output from consolidated capacity, whereas it came to 56% including managed generation capacity [4]. **Decarbonisation of the generation mix** by 2050 remains the long-term objective of the Enel Group.

Electricity distributed

- **Electricity transported** on the Enel Group distribution network in the first half of 2019 amounted to 246.7 TWh, of which 108.5 TWh in Italy and 138.2 TWh outside of Italy.
- The volume of **electricity distributed in Italy** declined by 2.9 TWh (-2.6%) on the same period of 2018:
  - with a slight deterioration compared with electricity demand on the national power grid (-0.6%). The percentage change in demand on the national market amounted to -1.3% in the North, -0.8% in the Centre, +1.8% in the South and +0.4% in the Islands. The South and the Islands are mainly served by e-distribuzione; in the Centre and North, other major operators account for a total of about 15% of volumes distributed.

Electricity distributed outside of Italy amounted to 138.2 TWh, an increase of 19 TWh (+16%) on the same period of 2018, mainly registered in Brazil (+19 TWh).

EMPLOYEES

As of June 30th, 2019, **Enel Group employees numbered 68,842** (69,272 as of December 31st, 2018), of whom 56.3% working with Group companies headquartered outside of Italy. The change (-430) mainly reflected the negative balance of new hires and terminations in the period (-484).

[4] Capacity not consolidated by the Enel Group but operated under the "Build, Sell and Operate" approach.

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OUTLOOK

The first half of 2019 stood out for the rapid growth in the Enel Group's results, supported by investments in renewables and networks, as well as an acceleration in efficiency gains, in line with the 2019-2021 Strategic Plan.

From an operational point of view, Enel's geographical and business diversification enabled the achievement of improved profits, despite the difficult environment mainly associated with low water availability in Spain and Italy.

For the remainder of 2019, in line with the Plan targets, the Group expects:

- an acceleration in industrial growth driven by investments in renewables and networks;
- a growing contribution from renewables, with the entry into service of approximately 3 GW of capacity currently under construction;
- additional gains in operational efficiency, supported by the digitisation process;
- growing benefits from greater customer focus and increased attention paid to the business of Enel X in electric mobility and demand response;
- further progress in Group simplification, including through the announced share swap transaction aimed at enabling a further increase of Enel's stake in Chilean subsidiary Enel Américas;
- the ongoing commitment to decarbonisation, with both consolidated and managed renewable capacity reaching 50% of Group installed capacity at the end of 2019, up from the current 48%.

The progress achieved for each of the Plan objectives and the continuing attention to attaining Group's operating efficiency targets, enable Enel to confirm its financial targets for 2019.

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BOND ISSUES AND MATURING BONDS

- The main bond issues carried out in the first half of 2019 by Enel Group companies include:
  - a green bond, guaranteed by Enel, with a total value of 1,000 million euros with full repayment at maturity in July 2025, and involving the payment of a 1.500% fixed rate coupon, issued in January 2019 by Enel Finance International;
  - a bond with a value of 350 million Brazilian real (equivalent to 81 million euros as of June 30th, 2019), maturing in March 2023 and involving the payment of a CDI +0.5% floating-rate coupon, issued in March 2019 by Enel Distribuição Ceará;
  - a bond with a value of 300 million Brazilian real (equivalent to 69 million euros as of June 30th, 2019), maturing in March 2024 and involving the payment of a IPCA +4.5% floating-rate coupon, issued in March 2019 by Enel Distribuição Ceará;

- a bond with a value of 280,000 million Colombian pesos (equivalent to 77 million euros as of June 30th, 2019), maturing in March 2023 and involving the payment of a 6.3% fixed rate coupon, issued in March 2019 by Enel Codensa;
- a bond with a value of 200,000 million Colombian pesos (equivalent to 55 million euros as of June 30th, 2019), maturing in March 2029 and involving the payment of a CPI +3.56% floating-rate coupon, issued in March 2019 by Enel Codensa;
- a bond with a value of 1,000 million Brazilian real (equivalent to 230 million euros as of June 30th, 2019), maturing in March 2024 and involving the payment of a 108% CDI floating-rate coupon, issued in April 2019 by Enel Distribuição Rio;
- a bond with a value of 800 million Brazilian real (equivalent to 184 million euros as of June 30th, 2019), maturing in May 2026 and involving the payment of a IPCA +4% floating-rate coupon, issued in June 2019 by Enel Distribuição São Paulo;
- a bond with a value of 700 million Brazilian real (equivalent to 161 million euros as of June 30th, 2019), maturing in May 2025 and involving the payment of a CDI +0.8% floating-rate coupon, issued in June 2019 by Enel Distribuição São Paulo.

- In May 2019, Enel S.p.A. completed the refinancing of part of its portfolio of non-convertible subordinated hybrid bonds through a non-binding voluntary exchange offer (the “Exchange Offer”) for the repurchase of hybrid bonds maturing on January 15th, 2075 and January 10th, 2074, with the concomitant issue of a hybrid bond maturing on May 24th, 2080 with a first call date of May 24th, 2025. The difference between the amount exchanged (556 million euros) and the amount reissued (900 million euros) produced a net cash inflow of 344 million euros.

- During the period between July 1st, 2019 and December 31st, 2020, bond issues by Enel Group companies with a total value of 2,182 million euros are scheduled to reach maturity, including:

  - 201,970 million Colombian pesos (equivalent to 56 million euros as of June 30th, 2019) in respect of a bond floating-rate issued by Enel Emgesa, maturing in September 2019;
  - 125 million euros in respect of a fixed-rate bond issued by Enel Finance International, maturing in November 2019;
  - 410 million euros in respect of a fixed-rate non-convertible subordinated hybrid bond issued by Enel, with a first call date in January 2020;
  - 100 million euros in respect of a fixed-rate bond issued by Enel Finance International, maturing in January 2020;
  - 481 million euros in respect of a fixed-rate bond issued by Enel Finance International, maturing in March 2020;
  - 100 million Swiss francs (equivalent to 90 million euros as of June 30th, 2019) in respect of a fixed-rate bond issued by Enel Finance International, maturing in June 2020;
  - 241,090 million Colombian pesos (equivalent to 66 million euros as of June 30th, 2019) in respect of a floating-rate bond issued by Enel Emgesa, maturing in May 2020;
  - 400 million pounds sterling (equivalent to 446 million euros as of June 30th, 2019) in respect of a fixed-rate bond issued by Enel, maturing in September 2020;
  - 600 million Brazilian real (equivalent to 138 million euros as of June 30th, 2019) in respect of a floating-rate bond issued by Enel Distribuição Rio, maturing in December 2020.

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RECENT EVENTS

May 15th, 2019: Enel announced that it had launched a non-convertible bond for institutional investors on the European market in the form of a subordinated hybrid security, amounting to 300 million euros, expected to mature on May 24th, 2080, and with first call date on May 24th, 2025.
The issue is in line with the Group finance strategy set out in the 2019-2021 Strategic Plan, which provides for the refinancing of 13.6 billion euros by 2021, including the issue of hybrid bonds.
On **May 22nd, 2019**, Enel also announced that it had completed the refinancing of part of its portfolio of non-convertible subordinated hybrid bonds, already launched with a hybrid bond launched on May 15th, 2019, through a non-binding voluntary exchange offer (the "Exchange Offer"). With the completion of the Exchange Offer, Enel acquired a total of:

- 340.2 million euros of the hybrid bond maturing on January 15th, 2075 with first call date on January 15th, 2020;
- 215.8 million euros of the hybrid bond maturing on January 10th, 2074 with next call date on January 10th, 2024.

The consideration for those purchases consisted in an increase, from 300 million euros to 900 million euros, in the value of the new hybrid bond issue launched on May 15th, 2019.
The transaction is aimed at the active management of the maturities and cost of the Enel Group's debt, within the scope of a programme to optimise finance operations in accordance with Enel's 2019-2021 Strategic Plan.

May 16th, 2019: The Enel Shareholders' Meeting in Rome approved Enel's statutory financial statements as of December 31st, 2018, while the consolidated financial statements for the same financial year were presented. The Shareholders' Meeting also approved an overall dividend of 0.28 euros per share (0.14 euros already paid as an interim dividend in January 2019 and 0.14 euros per share as the balance of the dividend paid in July 2019).
Enel Shareholders' Meeting then renewed the Company's Board of Directors authorisation for the acquisition and subsequent disposal of up to a maximum of 500 million Enel shares, representing around 4.92% of the Company's share capital, for a total outlay of up to 2 billion euros, subject to revocation of the previous similar authorisation granted by the Ordinary Shareholders' Meeting held on May 24th, 2018.
The Shareholders' Meeting also appointed the new Board of Statutory Auditors, which will remain in office until the approval of the 2021 financial statements. It will be composed of Barbara Tadolini as Chairman, as well as Claudio Sottoriva and Romina Guglielmetti as standing Statutory Auditors as well as Francesca Di Donato, Maurizio De Filippo and Piera Vitali as alternate Statutory Auditors.
The Shareholders' Meeting then appointed KPMG S.p.A. as External Auditor for the period 2020-2028 and determined the related fees.

May 17th, 2019: Enel announced that its listed Chilean subsidiary Enel Américas S.A. ("Enel Américas") had announced that its subsidiary in Argentina, Empresa Distribuidora Sur S.A. ("Edesur") signed two agreements with Argentina's government that enable the settlement of a number of pending regulatory issues. The first agreement provides for the transfer of the role of concession grantor for the public electricity distribution services carried out by Edesur from Argentina's national government to the Province of Buenos Aires and to the Autonomous City of Buenos Aires, providing that the service will continue to be operated by Edesur on the same terms and conditions envisaged by the current contract. The second agreement provides for the positive settlement of negotiations with Argentina's authorities concerning pending regulatory issues, allowing the Enel Group to operate within a stable and fully defined framework.

May 31st, 2019: Enel, acting through its renewables subsidiary Enel Green Power Brasil Participações Ltda (“EGP Brazil”), closed the sale of 100% of two solar plants (Nova Olinda with 292 MW and Lapa with 158 MW) and one wind farm (Cristalândia with 90 MW) totalling 540 MW to the Chinese company CGN Energy International Holdings Co. Limited. The overall consideration of the transaction upon closing is equal to the assets’ enterprise value and amounts to approximately 2.9 billion Brazilian reais, equivalent to around 660 million euros at the exchange rate of that date. The consideration is subject to adjustments in line with the standard market practice for this type of transaction. All three plants have long-term power purchase agreements in place.
The transaction, which is in line with the Group’s 2019-2021 Strategic Plan, seeks to maximise and accelerate value creation by rotating assets, freeing up resources that can be invested in new projects, while Enel will continue plant management activities on the assets sold.

June 6th, 2019: Enel announced that the Board of Directors of its Russian subsidiary Enel Russia PJSC (“Enel Russia”) had called an Extraordinary Shareholders’ Meeting for July 22nd, 2019, to approve the sale of the coal-fired Reftinskaya GRES power plant to JSC Kuzbassenergo, owned by Siberian Generating Company, at a price of no less than 21 billion roubles, net of VAT and subject to adjustments of up to 5%, being envisaged a contingent component of up to 3 billion roubles to be paid within five years from sale closing, subject to specific conditions. On **June 20th, 2019**, Enel announced the signing of an agreement for the sale of the coal-fired Reftinskaya plant between Enel Russia and Kuzbassenergo on the terms and conditions indicated in the press release of June 6th, 2019. On **July 23rd, 2019**, Enel announced that the Extraordinary Shareholders’ Meeting of Enel Russia had, in accordance with the proposal of the Board of Directors, approved the sale of the coal-fired Reftinskaya GRES power plant to Kuzbassenergo.
The sale agreement signed by Enel Russia and Kuzbassenergo on June 20th, 2019, will come into effect once Russia’s Federal Antimonopoly Service approves the transaction.
The transfer of Reftinskaya GRES ownership to Kuzbassenergo is expected to occur within 18 months of the entry into effect of the sale agreement.

June 20th, 2019: Responding to an announcement by Tim, Enel confirmed that it had signed a confidentiality agreement with Tim and CDP Equity covering the talks to assess possible approaches to integrating the optical fibre networks of Tim and Open Fiber, including through corporate transactions.

June 28th, 2019: Enel announced that it had entered into two new share swap transactions (the “Swap Transactions”) with a financial institution with the aim to increase its shareholding in its listed Chilean subsidiary Enel Américas by up to an additional 5% from the current 56.8% stake. Under the terms of the Swap Transactions, Enel may acquire, on dates that are expected to occur no later than the end of the third quarter of 2020, additional Enel Américas’ common shares and American Depositary Shares (“ADSs”).
The number of shares of Enel Américas’ common shares and ADSs actually acquired by Enel pursuant to the Swap Transactions will depend on the ability of the financial institution to establish its hedge positions with respect to the Swap Transactions, including by acquiring and exercising pre-emptive subscription rights issued in connection with the capital increase resolved by the Extraordinary Shareholders’ Meeting of Enel Américas held on April 30th, 2019.
The Swap Transactions are in line with the Enel Group’s 2019-2021 Strategic Plan announced to the markets, which remains focused on the increase of Group interest in companies operating in South America.

July 31st, 2019: Enel announced the completion of the first period of pre-emptive offer to the shareholders of its listed Chilean subsidiary Enel Américas of newly issued shares stemming from the capital increase of that company, for a total value of 3 billion US dollars. The capital increase was resolved by the Extraordinary Shareholders’ meeting of Enel Américas on April 30th, 2019. During the

offer period, which ran from June 27th to July 26th, 18,224,843,129 of the overall 18,729,788,686 newly issued shares involved in the capital increase were subscribed and paid in, equal to 97.3% of the total. In this period Enel, after exercising its own pre-emptive rights, subscribed and paid in 10,639,088,791 newly issued shares, for a total amount of approximately 1.72 billion US dollars.
Therefore, at the end of the first period of the offer, pre-emptive rights for the subscription of 504,945,557 newly issued shares, equal to 2.7% of the total, had not been exercised. In accordance with the resolution of the Extraordinary Shareholders' Meeting of Enel Américas referred to above, the unexercised pre-emptive rights will be offered for a period of 24 days, starting from August 6th, 2019, to those that subscribed newly issued shares during the first period of the offer.

More information on these events is available in the associated press releases published in the Enel website at the following address:
https://www.enel.com/media/allfinancialpress?type=press&dt=&sort=date_desc&topic=financial&topic=corporate&topic=economico

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NOTES

At 18:00 CET, today, August 1st, 2019, a conference call will be held to present the results for the first half of 2019 to financial analysts and institutional investors. Journalists are also invited to listen in on the call. Documentation relating to the conference call will be available on Enel's website (www.enel.com) in the Investor section from the beginning of the call.
Tables reporting the income statement, statement of comprehensive income, balance sheet and cash flow statement for the Enel Group are attached below. Those schedules and the explanatory notes have been submitted to the external auditor for its assessment. A descriptive summary of alternative performance indicators is also attached.

The officer responsible for the preparation of the corporate financial reports, Alberto De Paoli, certifies, pursuant to Article 154-bis, paragraph 2, of the Consolidated Law on Financial Intermediation, that the accounting information contained in this press release corresponds with that contained in the accounting documentation, books and records.

ACCOUNTING STANDARDS AND CHANGES IN SCOPE OF CONSOLIDATION

As from January 1st, 2019, the new IFRS 16 "Leases", endorsed by the European Union with Regulation (EU) 2017/1986 of October 31st, 2017, was applied for the first time.
At first-time adoption, the Enel Group elected to use the modified retrospective approach, as permitted by the standard, which involved the restatement of a number of balance sheet items at January 1st, 2019. The impact on the balance sheet was as follows:

- an increase of 1,370 million euros in *property, plant and equipment and intangible assets;*
- an increase of 1,311 million euros in *long-term borrowings;*

- an increase of 59 million euros in *short-term borrowings and current portion of long-term borrowings.*

The impact on the income statement, gross of tax effects, was as follows:

- a decrease of 122 million euros in *costs for services, leases and rentals*;
- an increase of 109 million euros in *depreciation*;
- an increase of 27 million euros in *financial expense*.

Unless otherwise specified, the balance sheet figures as of June 30th, 2019, exclude assets and liabilities held for sale of the Reftinskaya GRES plant following the agreement between Enel Russia and JSC "Kuzbassenergo", which on the basis of the state of progress of negotiations for its sale fall within the scope of IFRS 5.

The representation of performance by business area presented here is based on the approach used by management in monitoring Group performance for the two periods under review, taking account of the operational model adopted by the Group.

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KEY PERFORMANCE INDICATORS

This press release uses a number of "alternative performance indicators" not envisaged in the IFRS-EU accounting standards but which management feel can facilitate the assessment and monitoring of the Group's performance and financial position. In line with CONSOB Communication no. 0092543 of December 3rd, 2015 and the recommendations in the Guidelines issued on October 5th, 2015, by the European Securities and Markets Authority (ESMA) pursuant to Regulation (EU) no. 1095/2010, the content and basis of calculation of these indicators are as follows:

- **EBITDA**: an indicator of Enel's operating performance, calculated as "EBIT" plus "Depreciation, amortisation and impairment losses";
- **Ordinary EBITDA**: an indicator calculated by eliminating from EBITDA all items connected with extraordinary transactions such as acquisitions or disposals of entities (e.g. capital gains and losses), with the exception of those in the renewables development segment, in line with the new "Build, Sell and Operate" business model launched in the fourth quarter of 2016, in which the income from the disposal or possible reacquisition of projects in that sector is the result of an ordinary activity for the Group.
- **Net financial debt**: an indicator of the financial structure, determined by:
  - "Long-term borrowings" and "Short-term borrowings and the current portion of long-term borrowings", taking account of "Short-term financial payables" included in "Other current liabilities";
  - net of "Cash and cash equivalents";
  - net of the "Current portion of long-term financial receivables", "Factoring receivables", "Cash collateral" and "Other financial receivables" included in "Other current financial assets";
  - net of "Securities" and "Other financial receivables" included in "Other non-current financial assets".

  More generally, the net financial debt of the Enel Group is calculated in conformity with paragraph 127 of Recommendation CESR/05-054b implementing Regulation (EC) no. 809/2004 and in line with the CONSOB instructions of July 26th, 2007, for the definition of the net financial position, net of financial receivables and long-term securities.

- **Net capital employed**: calculated as the algebraic sum of "Net non-current assets",[5] "Net current assets"[6] and "Provisions for risks and charges", "Deferred tax liabilities", "Deferred tax assets" and "Net assets held for sale";[7]
- **Group net ordinary income**: defined as "Group net income" generated from ordinary business operations, which is represented by Group net income excluding all the extraordinary transactions discussed under "Ordinary EBITDA", significant impairment losses and writebacks of assets (including equity investments and financial assets) following impairment testing and the associated tax effects and non-controlling interests.

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[5] Determined as the difference between "Non-current assets" and "Non-current liabilities" with the exception of: 1) "Deferred tax assets"; 2) "Securities", "Financial investments in funds or portfolio management products measured at fair value through profit or loss" and "Other financial receivables" included in "Other non-current financial assets"; 3) "Long-term borrowings"; 4) "Employee benefits"; 5) "Provisions for risks and charges (non-current portion)"; and 6) "Deferred tax liabilities".

[6] Defined as the difference between "Current assets" and "Current liabilities" with the exception of: 1) "Current portion of long-term financial receivables", "Factoring receivables", "Securities", "Cash collateral" and "Other short-term financial receivables" included in "Other current financial assets"; 2) "Cash and cash equivalents"; 3) "Short-term borrowings" and the "Current portion of long-term borrowings"; 4) "Provisions for risks and charges (current portion)"; and 5) "Other financial payables" included in "Other current liabilities".

[7] Determined as the difference between "Assets held for sale" and "Liabilities held for sale".

Consolidated Income Statement

Millions of euro

		2019		2018	
			of which with related parties		*of which with related parties*
Revenues					
Revenues from sales and services		37,516	*2,454*	35,218	*2,559*
Other revenues and income		1,475	*5*	809	*6*
	[Subtotal]	**38,991**		**36,027**	
Costs					
Purchases of energy, gas and fuel		18,729	*4,070*	16,737	*3,482*
Services and other materials		8,824	*1,512*	8,771	*1,338*
Personnel		2,338		2,274	
Net Impairment losses /(Reversals) of trade receivables and other receivables		347		392	
Depreciation, amortization and other impairment losses		3,347		2,590	
Other operating expenses		1,315	*138*	1,380	*142*
Capitalized costs		(1,018)		(865)	
	[Subtotal]	**33,882**		**31,279**	
Net income/(losses) of commodity contracts measured at fair value		**104**	*12*	**127**	*(9)*
Operating income		**5,213**		**4,875**	
Financial income from derivatives		595		1,243	
Other financial income		847	*49*	729	*13*
Financial expense from derivatives		665		955	
Other financial expense		2,103	*15*	2,222	*11*
Net income/(expense) from hyperinflation		85		-	
Share of income/(expense) from equity investments accounted for using the equity method		(85)		46	
Income before taxes		**3,887**		**3,716**	
Income taxes		994		993	
Net income from continuing operations		**2,893**		**2,723**	
Net income from discontinued operations		**-**		**-**	
Net income for the year (shareholders of the Parent Company and non-controlling interests)		**2,893**		**2,723**	
Attributable to shareholders of the Parent Company		2,215		2,020	
Attributable to non-controlling interests		678		703	
Earnings per share (euro) attributable to ordinary shareholders of the Parent Company		*0.22*		*0.20*	
Diluted earnings per share (euro) attributable to ordinary shareholders of the Parent Company		*0.22*		*0.20*	
Earnings from continuing operations per share (euro) attributable to ordinary shareholders of the Parent Company		*0.22*		*0.20*	
Diluted earnings from continuing operations per share (euro) attributable to ordinary shareholders of the Parent Company		*0.22*		*0.20*	

Statement of Consolidated Comprehensive Income

Millions of euro

	2019	2018
Net income for the year	**2,893**	**2,723**
Other comprehensive income recyclable to profit or loss (net of taxes):		
Effective portion of change in the fair value of cash flow hedges	26	28
Change in fair value of hedging costs	10	(41)
Income recognized in equity by companies accounted for using the equity method	(34)	3
Change in the fair value of financial assets at FVOCI	6	-
Change in translation reserve	352	(543)
Other comprehensive income not recyclable to profit or loss (net of taxes):		
Remeasurements in net liabilities (assets) for defined benefits	(176)	-
Change in fair value of equity investments in other entities		(1)
Income/(Loss) recognized directly in equity	**184**	**(554)**
Comprehensive income for the year	**3,077**	**2,169**
Attributable to:		
- shareholders of the Parent Company	2,259	1,632
- non-controlling interests	818	537

Consolidated Balance Sheet

Millions of euro

ASSETS		at Jun. 30, 2019		at Dec. 31, 2018	
			of which with related parties		*of which with related parties*
Non-current assets					
Property, plant and equipment		80,192		76,631	
Investment property		132		135	
Intangible assets		19,191		19,014	
Goodwill		14,300		14,273	
Deferred tax assets		8,314		8,305	
Equity investments accounted for using the equity method		2,018		2,099	
Derivatives		1,292		1,005	
Non current contract assets		378		346	
Other non-current financial assets (1)		5,832		5,769	
Other non-current assets		2,845		1,272	
	[Total]	**134,494**		**128,849**	
Current assets					
Inventories		3,057		2,818	
Trade receivables		13,460	*994*	13,587	*1,085*
Current contract assets		231		135	
Income Tax receivables		776		660	
Derivatives		3,566	*25*	3,914	*52*
Other current financial assets (2)		5,178	*43*	5,160	*21*
Other current assets		3,690	*295*	2,983	*165*
Cash and cash equivalents		5,747		6,630	
	[Total]	**35,705**		**35,887**	
Assets classified as held for sale		**309**		**688**	
TOTAL ASSETS		**170,508**		**165,424**	

(1) Of which long-term financial receivables and other securities at June 30, 2019 for €2,718 million (€2,912 million at December 31, 2018) and €426 million (€350 million at December 31, 2018).
(2) Of which current portion of long-term financial receivables, short-term financial receivables and other securities at June 30, 2019 for €1,932 million (€1,522 million at December 31, 2018), €3,028 million (€3,409 million at December 31, 2018) and €66 million (€72 million at December 31, 2018).

Millions of euro

LIABILITIES AND SHAREHOLDERS' EQUITY		**al 30.06.2019**		al 31.12.2018	
			of which with related parties		*of which with related parties*
Equity attributable to the shareholders of the Parent Company					
Share capital		10,167		10,167	
Other reserves		1,728		1,700	
Retained earnings (losses carried forward)		20,694		19,853	
	[Total]	**32,589**		**31,720**	
Non-controlling interests		**16,236**		**16,132**	
Total shareholders' equity		**48,825**		**47,852**	
Non-current liabilities					
Long-term loans		51,572	*759*	48,983	804
Post-employment and other employee benefits		3,404		3,187	
Provisions for risks and charges – non current		4,875		5,181	
Deferred tax liabilities		8,681		8,650	
Derivatives		3,228	*1*	2,609	
Non current contract liabilities		6,265	*127*	6,306	
Other non-current liabilities		3,623	*5*	1,901	86
	[Total]	**81,648**		**76,817**	
Current liabilities					
Short-term loans		4,328		3,616	
Current portion of long-term loans		3,366	*89*	3,367	89
Provisions for risks and charges - current		1,212		1,312	
Trade payables		10,941	*3,069*	13,387	2,924
Income tax payable		910		333	
Derivatives		3,327	*16*	4,343	35
Current contract liabilities		1,131	*39*	1,095	25
Other current financial liabilities		946		788	
Other current liabilities		13,870	*73*	12,107	69
	[Total]	40,031		40,348	
Liabilities included in disposal groups classified as held for sale		**4**		**407**	
Total liabilities		**121,683**		**117,572**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**170,508**		**165,424**	

Consolidated Statement of Cash Flows

Millions of euro	1st Half			
	2019		2018	
		of which with related parties		*of which with related parties*
Income before taxes for the year	**3,887**		**3,716**	
Adjustments for:				
Net impairment/(reversals) trade receivables and other receivables	347		392	
Depreciation, amortization and other impairment losses	3,347		2,590	
Financial (income)/expense	1,241		1,204	
Net income of equity investments accounted for using the equity method	85		(46)	
Changes in net working capital:	(2,229)		(1,391)	
- Inventories	(242)		(293)	
- Trade receivables	(251)	*91*	1,248	*(116)*
- Trade payables	(2,605)	*145*	(2,354)	*(163)*
- Contract assets and contract liabilities	(96)		-	
- Other assets/liabilities	965	*(94)*	8	*(50)*
Accruals to provisions	398		305	
Utilization of provisions	(625)		(574)	
Interest income and other financial income collected	684	*49*	993	*13*
Interest expense and other financial expense paid	(1,767)	*(15)*	(2,370)	*(11)*
Net (income)/expense from measurement of commodity contracts	55		(12)	
Income taxes paid	(589)		(461)	
(Gains)/Losses on disposals	(215)		15	
Cash flows from operating activities (a)	**4,619**		**4,361**	
Investments in property, plant and equipment	(3,503)		(2,836)	
Investments in intangible assets	(461)		(559)	
Additions in contract assets due to investments	(207)		-	
Investments in entities (or business units) less cash and cash equivalents acquired	(249)		(1,093)	
Disposals of entities (or business units) less cash and cash equivalents sold	454		125	
(Increase)/Decrease in other investing activities	(46)		(58)	
Cash flows from investing/disinvesting activities (b)	**(4,012)**		**(4,421)**	
Financial debt (new long-term borrowing)	3,824		7,229	
Financial debt (repayments and other net changes)	(2,752)	*(45)*	(4,486)	*(44)*
Collection of proceeds from sale of equity holdings without loss of control	(449)		(1,412)	
Dividends and interim dividends paid	(2,174)		(1,768)	
Cash flows from financing activities (c)	**(1,551)**		**(437)**	
Impact of exchange rate fluctuations on cash and cash equivalents (d)	**31**		**(160)**	
Increase/(Decrease) in cash and cash equivalents (a+b+c+d)	**(913)**		**(657)**	

Cash and cash equivalents at beginning of the year (1)	6,714	7,121
Cash and cash equivalents at the end of the year (2)	5,801	6,464

(1) Of which cash and cash equivalents equal to €6,630 million at January 1, 2019 (€7,021 million at January 1, 2018), short-term securities equal to €63 million at January 1, 2019 (€69 million at January 1, 2018) and cash and cash equivalents pertaining to assets held for sale in the amount of €21 million at January 1, 2019 (€31 million at January 1, 2018).

(2) Of which cash and cash equivalents equal to €5,747 million at June 30, 2019 (€6,393 million at June 30, 2018), short-term securities equal to €54 million at June 30, 2019 (€52 million at June 30, 2018) and cash and cash equivalents pertaining to assets held for sale in the amount of €19 million at June 30, 2018.