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PRESS RELEASE

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ENEL GROUP'S NET INCOME UP AND NET FINANCIAL DEBT DOWN IN FIRST QUARTER OF 2016

- **Revenues:** 17,872 million euros (19,970 million euros in the first quarter of 2015, -10.5%)
  - *decrease attributable to a reduction in revenues from sales of electricity in the mature markets, a decline in trading activities and negative exchange rate effects*
- **EBITDA:** 4,017 million euros (4,023 million euros in the first quarter of 2015, -0.1%)
  - *Substantially unchanged versus the overall adverse developments in exchange rates, the decline in the margin of generation and trading posted in Italy and in the Iberian Peninsula as well as the Renewable Energy Division, mainly due to price decline. These effects were mainly offset by operational efficiency, the contribution of additional renewable capacity, the improvement in performance in mature end-user markets and the generation margin in Chile*
- **Ordinary EBITDA:** 3,871 million euros (4,023 million euros in the first quarter of 2015, -3.8%)
  - *net of non-recurring items, ordinary EBITDA would increase by 2% on a like-for-like basis, in spite of the negative exchange rate effect*
- **EBIT:** 2,670 million euros (2,625 million euros in the first quarter of 2015, +1.7%)
  - *a slight increase due to a reduction in depreciation, amortisation and impairment losses*
- **Group net income:** 939 million euros (810 million euros in the first quarter of 2015, +15.9%)
  - *Ups due to improvement in operating performance and a reduction in the tax liability, which offset the increase in net financial charges*
- **Group net ordinary income:** 795 million euros (810 million euros in the first quarter of 2015, -1.9%)
- **Net financial debt:** 36,644 million euros (37,545 million euros as of December 31st, 2015, -2.4%)
  - *the decline is attributable to an improvement in operating cash flow and the positive impact of exchange rate developments, with part of the debt being denominated in foreign currency*

Francesco Starace, Chief Executive Officer and General Manager of Enel, commented: "*Results in the first quarter of 2016 reflect very good progress against our strategic plan. Our flexibility and increased operational efficiency enabled us to further improve our competitiveness, in spite of a persistently challenging macroeconomic environment. We added further renewables capacity during the quarter, and*

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 as of April 1st, 2016

achieved the full integration of Enel Green Power into the group. We continue to make progress with the simplification process in LatAm, which we expect to complete during the second half of the year. Having split the Chilean operations from those in the rest of Latin America, the new companies started trading on the Santiago and New York stock exchanges in April."

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Rome, May 9th, 2016 – The Board of Directors of Enel S.p.A. ("Enel"), chaired by Patrizia Grieco, examined and approved the interim financial report at March 31st, 2016.

Consolidated financial highlights for the first quarter of 2016

REVENUES

- Revenues in the first quarter of 2016 amounted to **17,872 million euros**, a decrease of 2,098 million euros (-10.5%) compared with the same period of 2015, essentially reflecting:
  - a decrease in revenues from electricity sales in the mature markets in spite of volumes increase;
  - a decrease in electricity trading activities;
  - exchange rate effects, which had a significant impact particularly in the Latin American countries;
  - a decrease in revenues from trading in environmental certificates and to the recognition in the first quarter of 2015 of tariff adjustments in Argentina under Resoluciòn no. 32/2015.
- Revenues in the first quarter of 2016 include an extraordinary gain from the disposal of Hydro Dolomiti Enel for 146 million euros.
- Revenues **in the first quarter of 2015** did not include any items qualified as extraordinary.

The following table provides a breakdown of revenue by **business area**:

Revenues *(millions of euros)*	**2016**	**2015**	**Change**
Italy	9,170	10,324	-11.2%
Iberian Peninsula	4,697	5,358	-12.3%
Latin America	2,452	2,670	-8.2%
Eastern Europe	1,169	1,239	-5.6%
Renewable Energy	705	812	-13.2%
Other, eliminations and adjustments	(321)	(433)	-25.9%
TOTAL	**17,872**	**19,970**	**-10.5%**

EBITDA

- EBITDA in the first quarter of 2016 amounted to **4,017 million euros**, a slight decrease of 6 million euros (-0.1%) compared with the same period of 2015. The change reflected:

- **exchange rate losses** of about 194 million euros as a result of the depreciation of a number of currencies, notably in Latin America and in Russia, against the euro;
- **reduction in EBITDA** from generation and trading in the Iberian Peninsula and by the Renewable Energy Division.

Both of these factors were mainly offset by an **improvement in EBITDA** in the mature end-user markets (**Italy** and **Spain**) and in the generation margin in **Chile**.

The following table provides a breakdown of EBITDA by **business area**:

EBITDA (*millions of euros*)	**2016**	**2015**	**Change**
Italy	1,775	1,554	14.2%
Iberian Peninsula	794	977	-18.7%
Latin America	800	736	8.7%
Eastern Europe	197	233	-15.5%
Renewable Energy	462	536	-13.8%
Other, eliminations and adjustments	(11)	(13)	15.4%
TOTAL	**4,017**	**4,023**	**-0.1%**

ORDINARY EBITDA

Given that EBITDA for the first quarter of 2016 includes the only extraordinary gain in the sale of Hydro Dolomiti Enel cited under the comments on revenues, ordinary EBITDA amounts to **3,871 million euros**, a decline of 3.8% compared with the same period of 2015, breaking down as follows:

Ordinary EBITDA (*millions of euros*)	**2016**	**2015**	**Change**
Italy	1,629	1,554	4.8%
Iberian Peninsula	794	977	-18.7%
Latin America	800	736	8.7%
Eastern Europe	197	233	-15.5%
Renewable Energy	462	536	-13.8%
Other, eliminations and adjustments	(11)	(13)	15.4%
TOTAL	**3,871**	**4,023**	**-3.9%**

Excluding non-recurring items, nearly all occurring in the first quarter of 2015 (mainly relating to some transactions on environmental certificates in Spain, the consolidation of 3Sun and to the recognition of tariff adjustments in Argentina through Resoluciòn no.32/2015), ordinary EBITDA increased by 2% in spite of the negative exchange rate effect equal to 195 million euros.

EBIT

EBIT in the first quarter of 2016 amounted to **2,670 million euros**, an increase of 45 million euros (+1.7%) compared with the same period of 2015, attributable to a decrease of 51 million euros in depreciation, amortisation and impairment losses. This drop is mainly attributable to the effect on amortisation from impairment losses on property, plants and equipment carried out in previous years, as well as to lower net value adjustments of trade receivables.

The following table provides a breakdown of EBIT by **business area**:

EBIT (*millions of euros*)	**2016**	**2015**	**Change**
Italy	1,290	1,064	21.2%
Iberian Peninsula	395	582	-32.1%
Latin America	585	491	19.1%
Eastern Europe	139	139	-
Renewable Energy	284	370	-23.2%
Other, eliminations and adjustments	(23)	(21)	-9.5%
TOTAL	**2,670**	**2,625**	**1.7%**

GROUP NET INCOME

In the first quarter of 2016, Group net income amounted to **939 million euros**, an increase of 129 million euros compared with the same period of the previous year (+15.9%).
The aforementioned increase in EBIT, coupled with a decline in the tax liability compared with the first quarter of 2015, were only partly offset by an increase in financial charges, mainly attributable to non-recurring items in Argentina and the charges associated with the repurchase of a number of Enel bonds. More specifically, the reduction in the tax rate mainly reflects:

- the **exemption of most of the gain** on the sale of Hydro Dolomiti Enel;
- a **decrease in current taxes in Spain** following the reduction of the tax rate to 25% from 28%;
- the positive impact of the application of the **monetary correction**, for tax purposes only, **in Chile**.

GROUP NET ORDINARY INCOME in the first quarter of 2016 amounted to **795 million euros**, down 15 million euros (-1.9%) compared with the same period of 2015.

FINANCIAL POSITION

The financial position shows **net capital employed** as of March 31st, 2016, of **88,836 million euros** (89,296 million euros as of December 31st, 2015).
This amount is funded by:

- **equity** pertaining to shareholders of the parent company and non-controlling interests of **52,192 million euros** (51,751 million euros as of December 31st, 2015);
- **net financial debt** of **36,644 million euros** (37,545 million euros as of December 31st, 2015), the decrease in which is attributable not only to the improvement in operating cash

flow but also to the positive impact of developments in the exchange rate of a number of the currencies (mainly the US dollar) in which part of the above debt is denominated.

As of March 31st, 2016, the **debt/equity ratio** came to **0.70** (0.73 as of December 31st, 2015).

CAPITAL EXPENDITURE

- **Capital expenditure amounted to 1,547 million euros** in the first quarter of 2016, up 294 million euros compared with the same period of the previous year, mainly attributable to the Renewable Energy Division (+68.4%).
- The figure does not include investments regarding units classified as “held for sale”, equal in the first quarter of 2016 to 103 million euros.

The following table provides a breakdown of capital expenditure by **business area**:

Capital expenditure (*millions of euros*)	**2016**	**2015**	**Change**
Italy	298	257	16.0%
Iberian Peninsula	170	154	10.4%
Latin America	227	320	-29.1%
Eastern Europe	47	36	30.6%
Renewable Energy	800	475	68.4%
Other	5	11	-54.5%
TOTAL	**1,547**	**1,253**	**23.5%**

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OPERATIONAL HIGHLIGHTS IN THE FIRST QUARTER OF 2016

	2016	2015	Change
Electricity sales (TWh)	**68.0**	66.5	2.3%
Gas sales (billions of m^3)	**3.8**	3.3	15.2%
Electricity generated (TWh)	**66.0**	71.9	-8.2%
Electricity distributed (TWh)	**105.6**	106.1	-0.5%
Employees (no.)	**67,958**	67,914	+0.1%

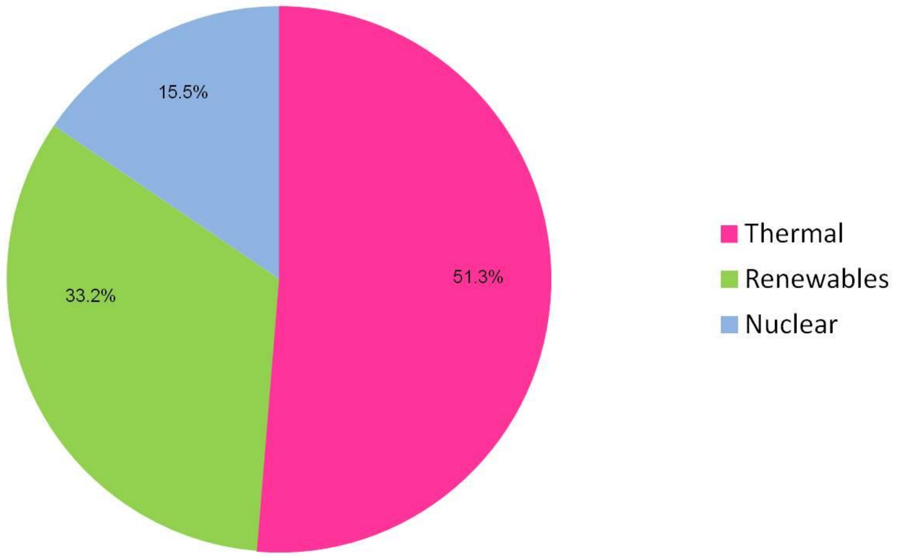
Electricity and gas sales

- Electricity sold in the first quarter of 2016 amounted to 68.0 TWh, an increase of 1.5 TWh (+2.3%) on the same period of 2015, reflecting:
  - a decline in sales in the countries of Eastern Europe (-0.6 TWh);
  - an increase in quantities sold in Italy, Latin America and Iberia (+2.1 TWh).
- Natural gas sold amounted to 3.8 billion cubic metres, an increase of 0.5 billion on the same period of 2015, mainly in Spain.

Electricity generated

- Net electricity generated by Enel in the first quarter of 2016 amounted to **66.0 TWh**, a decrease of 5.9 TWh on the first quarter of 2015 (-8.2%), attributable to lower generation in Italy (-2.6 TWh) and abroad (-3.3 TWh). More specifically, the change reflected:
  - a decrease in conventional thermal output;
  - an overall decline in renewable generation, mainly reflecting a decrease in conventional hydro output, which has been affected in 2016 by lower resource availability in a number of countries (-1.7 TWh). These effects were partly offset by an increase in generation from other renewable resources, mainly due to the expansion of installed capacity.
- The decrease in net generation abroad was attributable to lower output from the plants in the Iberian and in Eastern Europe:
  - Iberia: -2.7 TWh, mainly attributable to Endesa;
  - Eastern Europe: -1.2 TWh.

Generation mix of Enel Group plants



The Enel Group confirms its long-term objective of achieving **carbon neutrality** by 2050. It is expected that renewables generation will contribute nearly half of the Group estimated total capacity of 83 GW by 2019.

Electricity distributed

- **Electricity transported** on the Enel distribution network in the first quarter of 2016 amounted to 105.6 TWh:
  - of which 56.3 TWh in Italy and 49.3 TWh abroad.
- The volume of **electricity distributed in Italy** decreased by 0.1 TWh (-0.2%) on the first quarter of 2015:
  - with a slight improvement compared with electricity demand on Italy's entire power grid.
- **Electricity distributed abroad** amounted to 49.3 TWh, a decrease of 0.4 TWh (-0.8%) on the same period of 2015:
  - mainly due to a decrease in quantities transported in the Iberian Peninsula (-0.3 TWh) and in Latin America (-0.1 TWh), largely in Brazil, which experienced a reversal of the trend as a result of the contraction in the country's economy.

EMPLOYEES

As of March 31st, 2016, **Enel Group employees numbered 67,958** (67,914 as of December 31st, 2015). The change in the quarter (+44) is entirely attributable to the net balance of new hires and terminations.

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OUTLOOK

The strategic plan, an updated version of which was presented in November 2015, is focused on:

- **An ambitious programme to enhance operational efficiency** through the reduction of maintenance and operating costs in all global business lines.
- **Long-term industrial growth**, especially in renewables and networks.
- **Simplification of the Enel Group structure**.
- **Active portfolio management**, seeking to create value through the strategic repositioning of the Group.
- **Increasing attention to shareholder remuneration**, through the gradual increase in dividends distributed over the plan period.

In the first quarter of 2016, significant progress was achieved in the pursuit of each of the above targets of the strategic plan.

In the remainder of 2016, in line with plan targets, the Enel Group is expected to:

- Make further progress with the **efficiency enhancement programme** for all global business lines;
- Contribute to EBITDA through growth investment commitments already made and to be carried out during the year;
- **Launch** the new generation **smart meter** installation campaign in Italy as well as implementing the strategic plan of **Enel Open Fiber** announced in March;
- **Complete,** by the end of the third quarter, **the corporate reorganisation in** Latin America, which is intended to separate generation and distribution operations in Chile from those in the other Latin American countries;
- Close the first phase of the disposal of Slovenské elektrárne announced last December.

Based on the key targets outlined above, the following table sets out the performance and financial targets on which the 2016-2019 strategic plan is founded.

		2016	2017	CAGR 15-19
Recurring EBITDA	*Billions of euros*	~14.7	~15.5	~4%
Net ordinary income	*Billions of euros*	~3.1	~3.4	~10%
Minimum dividend	*euro/share*	0.18		~17%
Pay-out	*%*	*55*	*60*	~7%
FFO / Net financial debt	*%*	23	26	~6%

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RECENT KEY EVENTS

March 25th, 2016: Enel and its subsidiary Enel Green Power ("EGP") executed the deed of demerger concerning the partial non-proportional demerger of EGP in favour of Enel. The demerger took effect at the last moment of March 31st, 2016. Accordingly, as from April 1st, 2016, the shares of EGP were delisted from the Italian and Spanish markets.

The demerger was supported with the issue of 763,322,151 new ordinary Enel shares with a par value of 1 euro each to be allotted to EGP shareholders other than Enel, with a consequent increase in the share capital of Enel to 10,166,679,946 euros from 9,403,357,795 euros. Trading in those shares began on April 1st, 2016.

With the completion of the demerger, EGP's share capital became fully owned by Enel and was reduced to 272,000,000 euros from 1,000,000,000 euros, represented by 1,360,000,000 ordinary shares with a par value of 0.20 euros each.

March 30th, 2016: Enel's subsidiary EGP announced has been awarded the right to sign contracts for 15-year energy supply and 20-year green certificate supply with three photovoltaic projects for a total capacity of around 1 GW in Mexico. The plants, whose entry into service is expected in 2018 and whose completion will require an investment of about 1 billion US dollars, will generate more than 2 TWh of renewable electricity per year.

April 4th, 2016: Enel announced that it had begun work, through its subsidiary Enel Green Power Brasil Participações, on the construction of Lapa, a solar facility composed of two plants with a combined installed capacity of 158 MW, located in the state of Bahia, in North-eastern Brazil. The plant will be able to generate nearly 340 GWh per year. The completion of the plant, expected by the end of 2017, will require an investment of about 175 million US dollars.

April 8th, 2016: Enel announced that it had begun work, through its subsidiary Enel Green Power North America, on the construction of Cimarron Bend, a 400 MW wind farm located in Clark County, Kansas. Once fully operational, the plant will be able to generate about 1.8 TWh per year. The completion of the plant, expected by the end of 2017, will require an investment of about 610 million US dollars.

April 18th, 2016: Enel announced that it had begun work, through its subsidiary Enel Green Power Brasil Participações, on the construction of the Cristalândia wind farm, located in the state of Bahia. Once completed, the facility will have an installed capacity of 90 MW and will be able to generate more than 350 GWh per year. The completion of the plant, expected by the end of 2017, will require Enel to invest about 190 million US dollars.

May 5th, 2016: Enel announced that it had begun work, through its subsidiary Enel Green Power North America, on the construction in the United States of the Aurora photovoltaic facility, in Minnesota, made up of 16 photovoltaic plants with a total installed capacity of 150 MW. The Aurora plant, in which Enel will invest about 290 million US dollars, is expected to be completed by the end of 2016 and will be able to generate more than 120 million kWh per year.

May 5th, 2016: Enel's subsidiary Empresa Nacional de Electricidad (Endesa Chile) announced that it had signed three electricity supply contracts with Anglo American Sur involving estimated annual consumption of about 2 TWh. The supply of power will begin in January 2021 and the contracts have a term of ten years. The price provided for in the agreement is in line with market conditions for similar long-term contracts.

More details on these events are available in the associated press releases, which are published on the Enel website at the following address: https://www.enel.com/en-gb/Pages/hub-media.aspx

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NOTES

At 9:30 CET of May 10th, 2016, a conference call will be held to present the results for the first quarter of 2016 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.
The condensed income statement, statement of comprehensive income, condensed balance sheet and condensed cash flow statement for the Enel Group are attached below. A descriptive summary of the alternative performance indicators used in this press release 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.

Article 154-ter, paragraph 5, of the Consolidated Financial Intermediation Act, as recently amended by Legislative Decree 25/2016, no longer requires issuers to publish an interim financial report at the close of the first and third quarters of the year. The new rules give Italian stock market regulator Consob the power to issue a regulation requiring issuers, following an impact analysis, to publish periodic financial information in addition to the annual and semi-annual financial reports. In view of the foregoing, pending a possible modification of the regulatory framework by Consob, Enel intends to continue voluntarily publishing an interim financial report at the close of the first and third quarters of each year in order to satisfy investor expectations and conform to consolidated best practice in the main financial markets, while also taking due account of the quarterly reporting requirements of a number of major listed subsidiaries.

ACCOUNTING STANDARDS AND CHANGES IN SCOPE OF CONSOLIDATION

There were no changes in accounting standards that had an impact on the accounts that would need to be reported here. Unless otherwise specified, the balance sheet figures as of March 31st, 2016, exclude assets and liabilities held for sale, which regard Slovenské elektrárne and other residual assets that on the basis of the status of negotiations for their sale to third parties meet the requirements of IFRS 5 for such classification. In the first three months of 2016, the disposal of Hydro Dolomiti Enel and Compostilla, which had been classified as held for sale as of December 31st, 2015, were completed.

The operating segment figures have been constructed on the basis of the organisational structure of the Enel Group in place in the first quarter of 2016, which is entirely analogous to that used for reporting purposes in 2015. The organisational structure was modified on April 8th, 2016, partly in relation to the full integration of Enel Green Power. More specifically, the main organisational changes include:

- the reorganisation of the Group's geographical presence, with a focus on the countries that represent new business opportunities around the world and in which the Group's presence was up until now established through Enel Green Power. The Group has therefore shifted form a matrix of four geographical areas to one with six such areas. The structure retains the Country "Italy" and the Areas "Iberia" and "Latin America", while the Eastern Europe Area has been expanded into the "Europe and North Africa" Area. Two new geographical areas have also been created: "North and Central America" and "Sub-Saharan Africa and Asia". These six geographies will continue to maintain a presence and integrate businesses at the local level, seeking to foster the development of all segments of the value chain. At the geographical level, in countries in which the Group operates in both the conventional and renewable generation businesses, the position of Country Manager will be unified;
- the convergence of the entire hydropower business within the Renewable Energy business line;
- the integrated management of dispatching of all renewable and thermal generation plants by Energy Management at the Country level in accordance with the guidelines established by the Global Trading division.

In the coming months, the new organisation will be implemented progressively in the Group's Countries, beginning with Italy, with the consequent adjustment of operating segment.

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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 in order to facilitate the assessment of the Group’s performance and financial position. In accordance with recommendation CESR/05-178b published on November 3rd, 2005, the criteria used to calculate these indicators are described below.

- **EBITDA**: an indicator of Enel’s operating performance, calculated as “EBIT” plus “depreciation, amortisation and impairment losses”;
- **Ordinary EBITDA**: an indicator defined as EBITDA generated from ordinary business operations.
- **Net financial debt**: an indicator of Enel’s financial structure, determined by “long-term borrowings” and "short-term borrowings and the current portion of long-term borrowings" less “cash and cash equivalents”, and current and non-current financial assets (financial receivables and securities other than equity investments) included in “other current assets” and in "Other non-current assets”;
- **Net capital employed**: calculated as the sum of "current assets", "non-current assets" and "net assets held for sale", less "current liabilities" and "non-current liabilities", excluding items previously considered in the definition of "net financial debt";
- **Net assets held for sale**: calculated as the algebraic sum of “assets held for sale” and “liabilities held for sale”;
- **Group net ordinary income**: defined as that part of “Group net income” generated from ordinary business operations.

All Enel press releases are also available in smartphone and tablet versions. You can download the Enel Corporate App at Apple Store and Google Play**.**

Condensed Consolidated Income Statement

Millions of euro	1st Quarter	
	2016	2015
Total revenues	17,872	19,970
Total costs (1)	15,122	17,427
Net income/(expense) from commodity contracts measured at fair value	(80)	82
Operating income	**2,670**	**2,625**
Financial income	1,592	1,946
Financial expense	2,444	2,713
Total financial income/(expense)	**(852)**	**(767)**
Share of gains/(losses) on investments accounted for using the equity method	**35**	**24**
Income before taxes	**1,853**	**1,882**
Income taxes	548	703
Income from continuing operations	**1,305**	**1,179**
Net income from discontinued operations	**-**	**-**
Net income for the period (shareholders of the Parent Company and non-controlling interests)	**1,305**	**1,179**
Attributable to shareholders of the Parent Company	939	810
Attributable to non-controlling interests	366	369
Net earnings attributable to shareholders of the Parent Company per share (euro) (2)	*0.10*	*0.09*

(1) Of which depreciation, amortization and impairment losses at March 31, 2016 for €1,347 million (€1,398 million at March 31, 2015)
(2) Diluted earnings per share are equal to basic earnings per share.

Statement of Consolidated Comprehensive Income

Millions of euro	1st Quarter	
	2016	2015
Net income for the period	**1,305**	**1,179**
Other comprehensive income recyclable to profit or loss:		
Effective portion of change in the fair value of cash flow hedges	(649)	(179)
Income recognized in equity by companies accounted for using the equity method	(26)	(6)
Change in the fair value of financial investments available for sale	3	39
Change in translation reserve	83	1,095
Income/(Loss) recognized directly in equity	**(589)**	**949**
Comprehensive income for the period	**716**	**2,128**
Attributable to:		
- shareholders of the Parent Company	309	1,204
- non-controlling interests	407	924

Condensed Consolidated Balance Sheet

Millions of euro

	at Mar, 31, 2016	at Dec, 31, 2015
ASSETS		
Non-current assets		
- Property, plant and equipment and intangible assets	89,077	88,686
- Goodwill	13,807	13,824
- Equity investments accounted for using the equity method	613	607
- Other non-current assets [1]	13,446	13,880
Total non-current assets	**116,943**	**116,997**
Current assets		
- Inventories	2,678	2,904
- Trade receivables	14,034	12,797
- Cash and cash equivalents	6,279	10,639
- Other current assets [2]	11,295	10,988
Total current assets	**34,286**	**37,328**
Assets held for sale	**6,824**	**6,854**
TOTAL ASSETS	**158,053**	**161,179**
LIABILITIES AND SHAREHOLDERS' EQUITY		
- Equity attributable to the shareholders of the Parent Company	34,750	32,376
- Equity attributable to non-controlling interests	17,442	19,375
Total shareholders'equity	**52,192**	**51,751**
Non-current liabilities		
- Long-term loans	43,689	44,872
- Provisions and deferred tax liabilities	16,267	16,453
- Other non-current liabilities	3,915	3,067
Total non-current liabilities	**63,871**	**64,392**
Current liabilities		
- Short-term loans and current portion of long-term loans	4,458	7,888
- Trade payables	11,883	11,775
- Other current liabilities [3]	20,008	20,009
Total current liabilities	**36,349**	**39,672**
Liabilities held for sale	**5,641**	**5,364**

TOTAL LIABILITIES	**105,861**	**109,428**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**158,053**	**161,179**

(1) Of which long-term financial receivables and other securities at March 31, 2016 for €2,103 million (€2,173 million at December 31, 2015) and €451 million (€162 million at December 31, 2015), respectively.
(2) Of which current portion of long-term financial receivables, short-term financial receivables and other securities at March 31, 2016 for €672 million (€769 million at December 31, 2015), €2,005 million (€1,471 million at December 31, 2015) and €29 million (€1 million at December 31, 2015), respectively.
(3) Of which short-term financial payables at March 31, 2016 for €36 million (none at December 31, 2015).

Condensed Consolidated Statement of Cash Flows

Millions of euro	1st Quarter	
	2016	2015
Income before taxes for the period	**1,853**	**1,882**
Adjustments for:		
Amortization and impairment losses of tangible and intangible assets	1,200	1,225
Financial (income)/expense	632	634
Interest income or expense and other financial income or expense collected or paid	(768)	(1,066)
Exchange rate adjustments of foreign currency assets and liabilities (including cash and cash equivalents)	255	1,074
Changes in net current assets:		
- Inventories	183	93
- Trade receivables	(1,307)	(1,596)
- Trade payables	163	(950)
Other changes	(644)	(820)
Cash flows from operating activities (a)	**1,567**	**476**
Investments in property, plant and equipment and in intangible assets	(1,650)	(1,340)
Investments in entities (or business units) less cash and cash equivalents acquired	-	(17)
Disposals of entities (or business unit) less cash and cash equivalents sold	326	-
(Increase)/Decrease in other investing activities	23	99
Cash flows from investing/disinvesting activities (b)	**(1,301)**	**(1,258)**
Financial debt (new long-term borrowing)	827	2,090
Financial debt (repayments and other net changes)	(5,163)	(4,383)
Operation on non-controlling interest	(196)	301
Dividends and interim dividends paid	(236)	(278)
Cash flows from financing activities (c)	**(4,768)**	**(2,270)**
Impact of exchange rate fluctuations on cash and cash equivalents (d)	**36**	**185**
Increase/(Decrease) in cash and cash equivalents (a+b+c+d)	**(4,466)**	**(2,867)**
Cash and cash equivalents at beginning of the period [1]	10,790	13,255
Cash and cash equivalents at the end of the period [2]	6,324	10,388

(1) O

f which cash and cash equivalents equal to €10,639 million at January 1, 2016 (€13,088 million at January 1, 2015), short-term securities equal to €1 million at January 1, 2016 (€140 million at January 1, 2015) and cash and cash equivalents pertaining to “Assets held for sale” in the amount of €150 million at January 1, 2016 (€27 million at January 1, 2015).

(2) O

f which cash and cash equivalents equal to €6,279 million at March 31, 2016 (€10,349 million at March 31, 2015), short-term securities equal to €29 million at March 31, 2016 (€25 million at March 31, 2015) and cash and cash equivalents pertaining to “Assets held for sale” in the amount of €16 million at March 31, 2016 (€14 million at March 31, 2015).

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